FACTOR THAT AFFECTING CONSUMER SOFT DRINK BRAND PREFERENCE IN ETHIOPIA:
(THE CASE OF PEPSI AND COCA-COLA ADDIS ABABA)

ST. MARY'S UNIVERSITY
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BY - Sebelewonegel Woldesemayate

Advisor: Giete A. (PhD)

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MASTER OF ARTS DEGREE IN MARKETING

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DECLARATION

I, Seblewengel Weldesemayate, the undersigned person declare that the thesis entitled "Factor that Affecting Consumer Soft Drink Brand Preference in Ethiopia: (The Case of Pepsi And Coca-Cola Addis Ababa)" is my original and submitted for the award of Master Degree in Marketing, St. Mary University at Addis Ababa and it hasn't been presented for the award of any other degree. Under this study, fellowship of other similar titles of any other university or institution of all sources of material used for the study has been appropriately acknowledged and notice.

Seblewngel W.   _____   _____

 Candidate   Signature   Date

CERTIFICATION

This is to certify that Mrs. Seblewengel Wldesemayat has properly completed her research work entitled "Factor that Affecting Consumer Soft Drink Brand Preference in Ethiopia: (The Case of Pepsi And Coca-Cola Addis Ababa)" with our guidance through the time. In my suggestion, his task is appropriate to be submitted as a partial fulfillment requirement for the award of Degree in Master of Marketing.

Research Advisor

Giete A (PhD)

_____

Signature and Date

LIST OF ACRONYMS/ ABRIVATION

ANOVA   Analysis of variance

SD (sd)   Standard deviation

SPSS   Statistical Package for the Social Sciences

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TABLE OF CONTENTS

Contents   **page**

LIST OF TABLES

LIST OF FIGURES

LIST OF TABLES AND FIGURES IN APPENDIXES

ABSTRACT

Customer' preference refers to how customers select goods and services in relation to factors like taste, preference and individual choices. This study generally aimed to examine the factor that affecting consumer Soft drink brand preference to consume Pepsi Cola or Coca-Cola in Addis Ababa, Ethiopia. This study employed both primary and secondary data source and attended 62 % of response rate (239 completely returned questionnaires). Using descriptive and explanatory research design, this study found that brand comprehension has lowest mean showing that Pepsi and Coke could not able to create positioning happens and the customer is nearly unable to create a coherent view about the brand vis-à-vis competition. However, Pepsi and Coke tried to create sensations, feelings, cognitions and behavioral responses evoked by brand-related stimuli that are they have a good brand design and identity, packaging, communications and environments. Further, there is a positive and significant relationship and effect between brand awareness, brand comprehension, brand advertisement, brand experience and consumer brand preference at Sig. (2-tailed) .000 with correlation and regression analysis. The study concluded that customers prefer to purchase a well-known brand product, need to choose among various brands and demanded suitable market place. As a result, seeing as Coca-Cola and Pepsi seem to target different consumers through their advertisements and sponsorships, this study found that that the choice of soft drink product similar based on a person's age, income, gender, as well as their taste preference. Thus, it can be concluded that marketers may use entire marketing processes that everyone experiences in his or her day-to-day activities. Firms may also effectively use brand awareness, brand comprehension, and brand Experience together to advertisement and the study suggests that companies may use of a local market's language in an international campaign even if English campaign has a greater influence on consumer preferences.

Key Words: Brand Preference, Customers, Pepsi or Coke

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Brand is a distinguishing name and/or symbol (such as a logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors (Reham, 2011). According to Kotler and Armstrong (2008), brand is defined as a "name, term, sign symbol (or a combination of these) that identifies the maker or seller of the product. Similarly, consumer brand preference is to be able to choose a name, logo, symbol, package design or other attributes that identify a product and distinguish it from others. Consumers may evaluate the identical product differently depending on how it is branded (Adrian, 2013). They learn about brands through past experiences with the product and its marketing program, finding out which brands satisfy their needs and which do not.

Hence companies may employ different marketing strategies for their brand to be successful and preferred by consumers other than competitor's brands (Katrandjieve, 2000). In marketing literature, the word preference means the desirability or choice of an alternative. Preferences are above all behavioral tendencies (Kevin & Keller, 2009). Obviously, brand preference represents the attitudinal brand loyalty excluding the action of repeat purchasing; the brand-oriented attitudinal loyalty. Brand preference is closely related to brand choice that can facilitate consumer decision making and activate brand purchase (George, 2012). Knowing the pattern of consumer preferences across the population is a critical input for designing and developing innovative marketing strategies. Examples of such companies that spend billions of dollars on advertising in order to stay key players in their industry are the Coca-Cola Company and Pepsi (Eva-Lena *et al*, 2016). Not only are Coca-Cola and Pepsi dominant market leaders on the worldwide beverage market, but they are also two of the most notable and widely sold commercial brands in the world and annually spend billions of dollars on advertising campaigns. In 2016, Coca-Cola's worldwide advertising budget exceeded $1.5 billion, while Pepsi's advertising expenditure totaled $1.3 billion (Taylor & Okazaki, 2018). However, the beverage market in Ethiopia is worth the combined value of mineral water and soft drinks sales appears to be in the order of USD 70-80

million per year. The soft drinks business is largely dominated by two heavyweights, namely East Africa Bottling, the Coca Cola franchiser and MOHA Soft Drinks, the Pepsi franchiser, part of the MIDROC Group (Wassihun, 2017).

Though the major portion of the market is still dominated by the soft drinks in Ethiopia there is major shift towards Non-carbonated segment product. As a result of this phenomenal growth, a lot of competition has entered the market. Numbers of new brands Non-carbonated soft drink have flooded the market (Tesfay, 2016). Due to these changes in the beverage market there is a need to explore customer brand preference and its factor that affecting to determining toward non-alcoholic carbonated soft drink and identify and evaluate the reasons for the shift in the consumer purchasing pattern.

1.2 Statements of the Problem

World Bank report 2019, Ethiopia is a country of 107 million and out of which only 23% is urban population. And the per capital income is $761million per year, which is quite different figure unlike that of other consumers of Coca-Cola in developed nation (NBE, 2020). This means there is still those soft drink is really need by consumer need to know how brand preference is suited to the consumer and indenting its factor that affecting to prefer over in Addis Ababa. Soft Drinks in Ethiopia industry is basically depended on market size, key financial metrics and analysis of competitive pressures within the market (Amdemichael, 2014). He also stated that company's lack of understanding customer's preferences pertaining to the various brands of soft drink. Basically they intended to offer the most popular flavor, what factor compels to consume have been ignored that included (like brand, advertisement, quality, variants), product rating (like excellent, good, average, poor), what size prefer most in the terms of packing (like 2ltr., 1ltr., 500ml 250ml), how often consume it, what is the source of information regarding the purchase of it, do soft drink come up with more flavor in the market from our sample. However, Adrian (2013) stated that Soft drink as such is a very minor part of the food processing industry and he advised look into customer's preference that related to how customers select goods and services in relation to factors like taste, preference and individual choices. Factors such as the consumer's income and price of the goods do not influence the customer's preferred products or services (Taylor & Okazaki, 2018).

We find the advertisement of almost all brands of soft drinks. Customers should be more cautious about their drinks, in order to find out their quality and their display (George, 2012). They can also come to know the soft drinks by visiting the shops. Among all the soft drinks brands customer have to judge the other factors such as price, variety and taste before making their buying decision.

The majority of the advertisement and publicity research that exist merely suggest which advertisement is the best amid those that are evaluated, and despite the fact that one advertisement might be more memorable or cause more attention than others, this does not imply that there is a definite relationship to consumer preferences and sales success (Hartley, 2001). The majority of the sponsorship research has focused on consumer awareness of sponsors and perceptions of the sponsor's image (Carrillat, *et al*. 2005), and accordingly there is little evidence concerning the effect a company's sponsorship activities have on consumers' attitudes and buying behavior intended to brand preference. Merely little research can be found within the other demographic variables and thus age segmentation theory is relatively limited (Wasihun, 2017 and Abdurahamn, 2018). Their study majorly focusing on consumer behavior and attitude found assimilating due to high health matter of carbonated soft drink. As a result, more knowledge about factors affecting consumer buying behavior is needed and that majorly is not studied in Ethiopia context of Coccola and Pepsi. This is due to the fat that today's market is open market, consumer taste & preference is always changeable in condition, Company's strategy should be high.

1.3 Research Questions

Attempts were made in this study to find answers for the following key questions.

- To what extent brand awareness influence consumers soft drink brand preference for Coca-Cola or Pepsi Cola in Addis Ababa, Ethiopia?
- How does brand comprehension influence consumers soft drink brand preference for Coca-Cola or Pepsi Cola in Addis Ababa, Ethiopia?
- To what extent does advertisement influence consumers soft drink brand preference for Coca-Cola or Pepsi Cola in Addis Ababa, Ethiopia?
- To what extent brand experience influence consumers soft drink brand preference for Coca-Cola or Pepsi Cola in Addis Ababa, Ethiopia?

- Are there significant difference among consumer brand preference and its factors with different gender, age, and income group?

1.4 Objectives of the Study

1.4.1 General objective

- To examine the factors that affecting consumer soft drink brand preference to consume Pepsi Cola or Coca-Cola in Addis Ababa, Ethiopia.

1.4.2 Specific objective

Specific objectives included:

- To examine the effect of brand awareness on consumers soft drink brand preference for Coca-Cola or Pepsi Cola in Addis Ababa, Ethiopia
- To test the effect of brand comprehension on consumers soft drink brand preference for Coca-Cola or Pepsi Cola in Addis Ababa, Ethiopia
- To investigate the effect of advertisement on consumers soft drink brand preference for Coca-Cola or Pepsi Cola in Addis Ababa, Ethiopia
- To examine the effect of brand experience on consumers soft drink brand preference for Coca-Cola or Pepsi Cola in Addis Ababa, Ethiopia
- To test if there significant difference among consumer brand preference and its factors with different gender, age, and income group

1.5 Significance of the Study

The study will be on the factor that Affecting consumer brand preference in Coca-Cola and Pepsi product is important for different reasons. The soft drink industry is fast growing in Ethiopia, with the special interest in Coca-Cola and Pepsi consumer Brand preference.

Hence, this study will contribute to the body of knowledge with current information on factor affecting brand preference, for both marketing students and Marketers in Coca-Cola and Pepsi Ethiopian soft drink industry. The study will also be essential in ensuring consumers to make smart choices when purchasing soft drinks based on elements in relation to the brand attributes. This will give value for money to the Coca-Cola and Pepsi consumers.

Moreover, the study will be essential to the local beverage industry by highlighting key data in the soft drink market in ensuring the products available in the market meet the expected standards. This will promote a healthy competitive environment among soft drink players.

Lastly, it will be a source of information for policy maker in the sector and it can motivate other researchers to give time and study in this area and other companies other than Coca-Cola and Pepsi. When companies have more understanding about their consumers, the consumer also benefited from this research when the company delivered the needed product by the consumers. Finally, the researcher may be benefited from the research, as the research study may enhance his skill on how the research will conduct.

1.6 The Scope of the Study

This research study attempted to explore the consumer on their attitude toward carbonated soft drinks and their behavior regarding this product category by considering Coca-Cola's and Pepsi cola's products only in Addis Ababa.

Likewise, the study was conducted only in Addis Ababa markets; it may decrease the degree of applicability in other areas of the country. The research addressed only customers using gold E and D outlets, so information gained from the view point of other customers who uses other channel like sook, supermarket and min market were not incorporated in the research. In addition, the study reviewed factors are more influential to Create brand preference for Coca-Cola's and Pepsi cola's products among those elements of preference factor indicator.

The study was delimited only in Addis Ababa, due to majority of community of Addis Ababa back grounded from rural urban experienced society believed to be morality societal verities and representing the locals and regional customers.

1.7 Terms and Operational Definitions

1.7.1 Key Terms
- **Brand** is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group and to differentiate them from those of competition (Keller, 2008).

- **Consumer**-the final user of the product. It can be an individual or an organization that finally used the product to satisfy a particular need or want.

1.7.2 Operational Definitions

- **Brand awareness** entails that recognition is communicated onto a brand, which allows consumers to identify with the brand product, and thus providing companies with constant competitive advantage (Aaker, 2005).

- **Advertising** informs consumers about the existence and benefits of products and services, and tries to persuade consumers to buy them (MacKenzie, 2004).

- **Brand Comprehension** refers to various aspects viz. It includes ability to recognize which products are being sold under the brand, ability to ascertain to which company the brand belongs, perception on the absolute quality and value for money of the brand and perception on the quality of the product and its price relative to its competition (Keller 2003).

- **Brand experience** as sensations, feelings, cognitions and behavioral responses evoked by brand-related stimuli that are part of brand design and identity, packaging, communications and environments (Hampf and Lindberg, 2011).

1.8 Organization of the Study

The research work divided into five chapters. Chapter one concerns itself with the general introduction grouped under the following headings; Background of the study, Statement of the problem, Research Question, Objectives of the study, Significance of the study, Scope and limitation of the study. Chapter two involves the review of various related literatures on the relevant subject under the study. Chapter three includes method of collecting the data for the research work. Chapter four presents discussions and representation of results and provides analysis of the data gathered for the study. Finally, the fifth chapter provides summary, conclusions and recommendations.

CHAPTER TWO
RELATED LITERATURE REVIEW

2.1 Theoretical Literature Reviews

2.1.1 Concepts and Definitions

Customer preference refers to how customers select goods and services in relation to factors like taste, preference and individual choices. Factors such as the consumer's income and price of the goods do not influence the customer's preferred products or services (Kotler et al., 2005). Consumer brand preference is an essential step towards understanding consumer choice behaviour, and has therefore always received great attention from marketers. A broad variety of theories that attempt to describe the factors which influence consumers and their behavior when making purchasing decisions have been done. The goal of the investigation of consumer behavior is to discover patterns of consumers' attitudes in their decision to buy or to ignore a product (Royo-Vela, 2005). Consumers' preferences for products or brands arise from the combination of many different factors. Some factors come from features of the product itself (e.g., price, durability), while others are attributes of consumers themselves (Ruane, 2005).

Consumers often make choices in settings where some alternatives are known and additional alternatives can be unveiled through search. When making a choice from a set of alternatives, the manner in which each of these was discovered should be irrelevant from a normative standpoint. Consumers must often decide between choosing among a set of previously discovered alternatives and searching to discover additional alternatives before making a choice. A substantial body of prior work examines consumer choice from pre-determined sets of alternatives (Hampf and Lindberg, 2011). As a result, we know much about the influence of choice set composition and decision context on choic. Additionally, consumer characteristics such as patriotism, protectionism and social economic conservatism are affecting their choices (Ruane, 2005).

Regarding brand and consumer preference, their term may be consuming. Often, consumers will tend to choose a brand that they consider congruent with their self-image. In this particular way each consumer at an individual basis will try to reflect his or her own identity through choice. When part of a larger social group, consumer choices tend to converge to a certain pattern thus forming the basics of an individual social identity (Hampf and Lindberg, 2011).

Brand preference is regarded as a key step in consumer decision making, involving elements of choice. In establishing brand preference, consumers compare and rank different brands by focusing on their uniqueness defined brand preference as "the extent to which the customer favors the designed service provided by his or her present company, in comparison to the designated service provided by other companies in his or her consideration set," with a consideration set referring to brands that a consumer would consider buying in the near future (Jin & Weber, 2013). Also, customer's advisory has a positive effect on establishing a positive effect on brand and consumer preferences (Royo-Vela, 2005).

2.1.2 Theories of Brand Preference

Differences exist between economic theories based on the normative assumption and consumer rationality, and the information processing theories based on bounded rationality and regards consumer as a logical thinker in consumer behaviour research. The rational assumption of the economists was then violated by early psychological theories, such as the Engel-Kollat-and Blackwell-EKB model or theory of buyer behaviour then adopted the bounded rationality assumption. Nevertheless, Dhar and Novemsky, (2008) argue that the behavioural decision theory focuses on the origin of rationality rather than the origin of preferences. Thus, the flowing models or theories are used in this study.

2.1.2.1 Economic Theory

Economists have always been concerned with consumer behaviour and the motivation of choice. The basic assumptions for standard economic theories are the rationality of consumers and the normative definition of behaviour. Rational consumers in the economic theory are those seeking utility maximisation, have clear and complete knowledge about almost all relevant aspects, and high computational skills. And, the stability, coherence and consistency of preferences wich assumed consumers have a complete and unchanging preference ordering for alternatives based on a perfect processing of information (Dhar and Novemsky, 2008). The under such assumptions, consumer preference is a utility function formed by the trade-off between attributes of the concerned product/brand. The utility in the economic theory refers to the attribute value offered by the brand, and consumers learn about this before forming their preferences (Louviere, 2000). Thus, this theory is vital as it focused on consumer choices that uncover pre-existing preferences, revealing preferences for the alternative with greatest utility.

2.1.2.2   Expectancy-Value Model

The expectancy-value model or multi-attribute models are widely accepted. The domination of these models was evident in the 1970s; however, they are still applied today. The multi-attribute and expectancy-value models aim to understand consumer attitudes based on the cognitive factors; consumer's beliefs about the object. According to the expectancy-value model, consumer attitude towards the object is explained by the strength and value of the expected consequences of the object or the act in question. The multi-attribute models focus on consumer beliefs about salient attributes (MacKenzie, 2004). Among various attitude models, Rosenberg's (1956) and Fishbein's models (1965) are the most popular and widely used by marketers in investigating consumer brand preferences.

2.1.12.1   The Rosenberg Attitude Model

It is based on the cognitive consistency theory aimed at studying the process of attitude learning and attitude change by formulating the relationship between consumers' personal beliefs and attitude towards objects. The model postulates attitude as a function of the ability of the object to provide a satisfactory outcome and the satisfaction with the offered outcome. According to this model, consumer preference for brands is derived from the brand benefits followed by the degree of satisfaction with the brand value. These values stem from the brand attributes. Brand preferences were measured quantitatively and the following equation represents the model mathematically. Thus, this theory helps to measures the degree of satisfaction with the value provided (Dhar and Novemsky, 2008).

2.1.12.2   The Fishbein model

This model attracts the most interest in consumer behaviour explanation and sound conceptual antecedents. It is used widely in understanding consumer brand preference), and defines it as the learned predisposition of human beings in shaping their responses towards an act or object. This model stems from behaviour theory; it uncovers the relationship between attitude and behaviour by studying the impact of attitudes on behaviour. Based on this theory, consumer predispositions towards the object/brand are illustrated by employing behaviouristic learning theory. The evaluative responses towards the brand are determined by the strength of belief on the salient brand attributes; postulating a causal relationship between beliefs and attitudes (MacKenzie,

2004). Thus, the Fishbein model is used in this study as it explains consumers brand preferences based on their beliefs about the cognitive value of the brand derived from the brand attributes. Dhar and Novemsky (2008) presnted the differences between Rosneberg and Fishbein models - The two models are largely similar; however, there are some differences. They suggest that these differences are insignifcant with regard to the application of the two models' formulae in attitude measurements.

2.1.2.3 Information Processing Models

The prosperity of consumer behaviour research began at the end of 1960s by the development of comprehensive models of buyer behaviour. These models play an influential role in understanding consumer behaviour, but their role did not exceed being descriptive due to their complexity. They evolved from the rationality assumption of economic theory and classical decision theory to the bounded rationality assumption. These models deviate from the normative assumption by limiting the computational capabilities of the consumers and study the impact of perceptual learning and cognitive factors on consumer decision-making (Wasihun, 2017). The theory of buyer behaviour was developed mainly to provide deeper insights of consumer brand choices. Initially, the theory of buyer behaviour was one of the first models to focus on brand choice. Unlike economists, this theory is based on the following assumptions of bounded rationality: the rationality of consumers is limited, unlike economists' assumption (Abdurahamn, 2018).. It is limited by their cognitive capacities and availability of information and a positive theory assumes that consumer buying behaviour is systematic. The brand factors are the stimulus or inputs to the system, while purchasing behaviour is the output (Wasihun, 2017). Thus, this theory is used in this study as the basic idea behind this theory is that consumer buying behaviour comprises three main elements: motives, decision mediators and alternatives. Decision mediators match between the consumers' needs and the alternative of having potential to satisfy these needs. Brand preference refers to consumers' predisposition towards certain brand, which summarises their cognitive information processing towards brand stimuli.

2.1.3 Overview Consumer Preferences

The relationships between different consumers, as well as their contact with other elements of the world surroundings, affect their choice of products, services, and companies (Kotler et al. 2005). The reason why consumers buy what they do is often deeply rooted in their minds, consequently

consumers do not truly know what affects their purchases as "ninety-five percent of the thought, emotion, and learning that drive our purchases occur in the unconscious mind- that is without our awareness" (Armstrong et al. 2005).

Consumers' purchase process is affected by a number of different factors, some of which marketers cannot control, such as cultural, social, personal, and psychological factors. However, these factors must be taken into consideration in order to reach target consumers effectively (Kotler et al. 2005). For example, cultural factors as refer to the set of basic values, perceptions, wants and behaviors learned by a member of society from family and other important institutions, and is the primary reason behind a person's wants and behavior. Each cultural group can be divided into groups consisting of people with common life experiences and situations, also known as subcultures (Kotler *et al.,* 2005), such as nationality, racial groups, religion, and geographical areas. The third cultural factor is social class, which is constituted upon among other variables: occupation, income, education, and wealth (Blackwell *et al.* 2001). The other classification of factors affecting consumer behavior is social grouping, which is composed of small groups, social roles and status, and family that affect all individuals to some extent. Some of these groups have a direct influence on a person, i.e. membership groups, groups that a person can belong to (Kotler *et al.* 2005), and reference groups which "serve as direct (face-to-face) or indirect points of comparison or reference in forming a person's attitudes or beliefs" (Armstrong et al. 2005). In addition, consumers' personal characteristics, like for instance age and life-cycle stage, occupation, economic situation, lifestyle, as well as personality and self-concept influence consumers' buying behavior. Moreover, depending on a person's occupation and financial situation, as well as the stage in life a person is in, his/her demands for products shift. A person's lifestyle forms his/her world and the way he/she decides to act, thus a person's activities, interests, and opinions constitute their lifestyle, as well as affecting the choice of products (Armstrong *et al*., 2005).

2.1.3.1   Brand Awareness

A brand can be defined as a "name, term, symbol, or design, or a combination of them, which is intended to signify the goods or services of one seller or group of sellers and to differentiate them from those of competitors" (Keller 1993). Brand image takes place when brand associations held in the mind of consumers are conveyed onto a consumer's perception about a brand. These

associations can either be developed from direct experience with the product, from the information communicated by the company, or from previous associations held about the company and origin, etc. (Martinez et al. 2003). Brand equity is, according to Aaker (2005) "a set of assets and liabilities to a brand's name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/or a firm's customers". Brand awareness entails that recognition is communicated onto a brand, which allows consumers to identify with the brand product, and thus providing companies with constant competitive advantage (Aaker, 2005). For low involvement products, products "bought frequently and with a minimum of thought and effort" awareness can affect a consumer's buying decision through a sense of familiarity, whereas for high involvement products, brand awareness provides consumers with a sense of presence and assurance (Aaker, 2005).

2.1.3.2   Brand Advertisement

Advertising informs consumers about the existence and benefits of products and services, and tries to persuade consumers to buy them (MacKenzie, 2004). Moreover, Kotler et al. (2005), claim that advertising aims at attaining target consumers to either think or react to the product or brand. As a method of achieving advertisement goals, advertisements as well as their content play a vital role in the process of commercial communication. More specifically, it is the advertised product and brand as well as the content of the advertisement that determine greater or lesser memory retention among the consumers (Royo-Vela, 2005). There are different types of advertising objectives, and they are classified by the purpose, that is, to inform, persuade or remind. When introducing a new product category, informative advertising is heavily used where the objective is to build a primary demand, but as competition increases, persuasive advertising becomes more important. Here, the company's objective is to build selective demand for a brand by persuading consumers that it offers the best quality for their money. Reminder advertising, on the other hand, is employed for mature products as it keeps customers thinking about the product (Kotler et al. 2002).

2.1.3.3   Brand Comprehension

Beyond awareness comes Brand Comprehension and it is here that positioning happens and the customer is able to create a coherent view about the brand vis-à-vis competition. Brand Comprehension (Keller 2003) refers to various aspects viz. It includes ability to recognize which

products are being sold under the brand, ability to ascertain to which company the brand belongs, perception on the absolute quality and value for money of the brand and perception on the quality of the product and its price relative to its competition. It also includes understanding on what the brand stands for in terms of values and social image and brand personality.

Brand comprehension is both partly rational and partly subjective and surreal in nature. Brand comprehension is about both the tangible and intangible value offered by the brand. Brand Comprehension hence is far beyond only the product or only the brand campaign and it encompasses all the consumer knows about the brand and how he evaluates it in his subjective reference frame. Brand Comprehension ends with a positive or negative attitude towards the brand and the same results in Brand Preference or otherwise.

2.1.3.4   Brand Experience

Hampf and Lindberg (2011) defined brand experience as sensations, feelings, cognitions and behavioral responses evoked by brand-related stimuli that are part of brand design and identity, packaging, communications and environments. These authors validated a brand experience scale for measuring the customer responses, based on four sub-dimensions: sensory, affective, intellectual, and behavioral. Brand experience is conceptualized as sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments. Various studies show that brand experience affects consumer satisfaction and loyalty directly and indirectly through brand personality associations (Hoch, 2002). It is noted that brand experience has fascinated a lot of consideration in marketing theories and practice. Practitioners in the field of marketing have come to recognize that understanding how consumers experience brands is serious for developing strategies to marketize goods and services.

2.2 Related Empirical Literature

2.2.1 Evidences from Global Perspective

Consumer brand preference is an essential step towards understanding consumer choice behaviour, and has therefore always received great attention from marketers. Sumeet and Madhuri (2015) assessed customers' preferences towards various soft drinks brands. They reasoned to work out the customers preferences pertaining to the various brands of soft drink. Basically they

intended to find out the most popular flavor, what factor compels to consume (like brand, advertisement, quality, variants), product rating (like excellent, good, average, poor), what size prefer most in the terms of packing (like 2ltr., 1ltr., 500ml 250ml), how often consume it, what is the source of information regarding the purchase of it, do soft drink come up with more flavor in the market from our sample. It is concluded that difference between the Determinants i.e. Brand, Price, Taste, Packaging, Advertisement, Size, Colour, are significant. The companies are therefore, advised to give more emphasis on Services of Company factor while producing Soft drinks because consumers highly considered the Services of Company factor while purchasing Soft drinks whereas less emphasis on Retailers, friends and Relatives's advice because consumers considered little about the reference of shopkeepers, friends and relatives factor while purchasing Soft drinks. On other hand, Eva-Lena, Evelina and Cecilie (2006) examined the factors affecting consumer preferences. This study aimed to gain a deeper understanding of different international and local factors affecting consumer preferences on a local market. It used a quantitative method was applied, and thus a questionnaire with 150 respondents on the local market was conducted. It found that international advertising and international sponsorship respectively influence the local target group in different ways, but they also affect international brand in that they haven impact on brand image and brand equity. Moreover, depending on a person's age, consumers view brands differently, and thus have an effect on international brand alone, but also in combination with international advertisement and international sponsorship. Together, these factors influence the way in which a brand is perceived, and consequently influence consumer preferences. Bandar (2015) assessed the factors affecting decision making of consumers through advertising strategy and integrated marketing. As result, the study has found that consumers do not prefer purchasing products about which they are not aware of, which signifies the importance of advertising and integrated marketing. It has been found in this study that advertising strategy is most important tool of integrated marketing program which produce profound and lasting impact on consumers. This explains that advertising is the most important tool in creating brand awareness as well as influencing consumer purchase decision. The study found out that advertising strategy and integrated marketing share a positive correlation with consumer purchase decision; only if they are used effectively through application of appropriate research technic.

Ebrahim, Ghoneim and Irani (2016) investigated a brand preference and repurchase intention model the role of consumer experience. This study developed a model that provides an

understanding of how brand knowledge and brand experience determine brand preference and to investigate its impact on brand repurchase intention. Accordingly, exploratory focus group discussions are employed followed by a survey of mobile phone users in Egypt. The findings provide insights into the relative importance of consumer perceptions on different brand knowledge factors in shaping brand preferences. It also demonstrates the significance of consumers' experiential responses toward brands in developing their brand preferences that in turn influence brand repurchase intention. The model therefore offers managers a new perspective for building strong brands able to gain consumer preferences.

On other hand, Mustafa (2013) stated that the most significant reasons for buying white goods according to consumers are to use or take advantage of them for various purposes. Meanwhile, consumers may also have other purposes such as innovation, prestige, brand and flashiness. Many people perceive white goods as comfort and ease of life. However, the most important thing is to figure out why or why not consumers buy and the factors which affect their brand preference most. During brand life cycle, the links produced by advertisements in consumers' mind will determine consumers' decision for brand preference, in addition to brand awareness. Although there are several researches on the effects of advertisements on consumers' decision in general, there are no researches about effects of advertisement on decision of white goods. This situation required this study. He assessed the effects of advertisements on the consumers' brand preference. The aim of this research was to explore the effects of advertisements in white goods sector on brand preference. According to this aim, firstly brand and ad concepts are reviewed and then the relationship between them is stated. Afterwards for the preference of white goods brands are evaluated through results of the research. The study participants are customers of white goods brands in Istanbul and the data collection method used is questionnaire. It is assessed that the results and findings of the research will be helpful for white goods vendors about advertisement decisions. The difference between demographic features and the means of customer loyalty are analyzed. The relationship for the gender-variable factor and marital status-variable factor are statistically significant. As a result, H0 hypotheses for customer loyalty are accepted (p>0,05) for gender groups and marital status. The relationship for age-variable factor, educational status-variable factor, profession-variable factor and monthly income-variable status are not statistically significant. According to the age, educational status, profession and monthly income, there is

difference between the means. As a result H0 hypotheses for customer loyalty are rejected (p<0,05) and alternative hypotheses (H1) are accepted.

Kate and Jenni (2010) assessed the relative effectiveness of 15- and 30-second television advertisements. They indicated that the purpose of ad is to show identity and individuality of the brand, and ad's goal is to give the brand a first class ticket throughout the life of it. Advertising remind, liking, and correct brand identification are three metrics commonly used to assess the quality of advertising, particularly once it has gone to air and is playing in the competitive environment with viewers seeing it in their home environment. The most important element that makes up this fact in the mind of the consumer is advertisement. These are all in the mind of the consumer trust. Brand personality is also affected by nearly everything associated with the person including his or her neighborhood, friends, and activities just as the personality of a person. The personality of the brand can be created directly or indirectly through advertising. To do so, human characteristics will be transferred to the brand. Consumers perform the repurchase behaviour in certain brands if they are satisfied as a result of the trial or if they create a personal commitment against them. This is because the consumer is looking for beneficiaries of a hash and you can overlap the product image if it fits the lifestyle of consumer.

Jeffrey, Rajagopal and Chip (2011) assessed the repetition-break plot structure makes effective advertisements. They stated that advertisers seek to increase consumer's engagement with brands. However, consumers vary in what they find engaging and, as such, enhancing consumer engagement has been a challenge. Advertising has to be updated according to new trends in the world. (new technologies, changing markets, changing legal frameworks etc.) But there are more challenges and trends that increase the pressure on marketing and brand management. The type of responses to advertisements for the well-known and new products: a positive emotional context led to a more positive attitude towards the advertisement, the brand and purchase intention for the well-known brand than for the new brand. A non-emotional context led to more positive responses for the new brand than for the well-known brand.

2.2.2 Findings from Ethiopian Studies

Amdemichael (2014) assessed the factors affecting brand preference of brands. The study aimed to fill the lack of publication on brand preference of university students particularly in Addis Ababa. The researcher used one way ANOVA analysis and independent sample t-test and it found

that consumers are influenced by brand equity dimensions in their brand preference of international brands over the local ones rather than consumer attribute dimensions like new technology applications, product attributes and price. In addition, Kassahun (2014) conducted a study entitled determinants of beer brand preference the case of Addis Ababa beer market. The study was analyzed through descriptive statistic also factor analysis was used along with exploratory factor analysis and multiple regressions. The study concluded the finding in perception of beer consumer regarding the brand quality is important factor in shaping preference. Also price and normative influence are insignificant predictors of consumer beer brand preference.

Aberra (2015) examined factors affecting consumers brand preference in Addis Ababa outlet shops. The study was done due to the fact to inform how to design and update marketing and branding of dairy products. The study used descriptive analysis method to analyze the quantitative data gathered in the outlets. The researcher concluded the study brand attributes (product price, quality, taste and brand familiarity), advertisement and sales promotion affect consumers brand preference on dairy products in Addis Ababa. Mohammed (2015) conducted a study in the impact of branding on consumer buying decision behavior. The researcher aimed on manufacturers and distributors of local footwear products understand the impacts of branding the consumer buying decision behaviors of local products. The study used descriptive and inferential statistics methods. The research was concluded on brand name and brand logo has significant impact on consumer buying decision behavior. Finally, Metshet (2014) assessed brand preference in relation to product attribute and business buyers' behavior in Addis Ababa". The major aim of the study was to identify the relationship of brand preference with product attribute or else business buyers' behavior in Addis Ababa market. The researcher used descriptive analysis and chi-square test to analyze the data collected. The conclusion of the study indicated that the brands are highly monetary valued and has high performance in the market due to the prefer ability by the consumer in regard with the product attribute.

2.3 Research Gap

Not only can it be difficult to understand consumer behaviour and target groups' needs on the domestic market, but for multi-national companies, this is an even greater struggle. Despite the fact that most of the world's consumers have certain things in common, their values and attitudes,

as well as behaviour often differ. As a result, it is vital that international marketers understand these differences and adapt their marketing strategies accordingly. Failure to do so could result in disaster for a company's international products and marketing programs. More specifically, the degree to which international advertisement should be adjusted in accordance to distinctive consumer characteristics in different countries is of great concern for many companies (Bandar, 2015). Consequently, the debate about whether to standardize or adapt an advertising campaign based on consumer preference has come to dominate the area within the international marketing literature for decades. This is because every day consumers make purchase decisions by choosing among large sets of related products. Individual consumers may approach purchase decisions with different mind sets that can affect how they purchase. However, the study of brand preference has been limited to traditional marketing focusing on functional attributes to maximise utility. But now the shift to experiential marketing broadens the role of the brand from a bundle of attributes to experiences. Technological advancements have helped to increase the similarities between brand attributes and product commoditization (Ebrahim, *et al.,* 2016). Consequently, consumers cannot shape their preferences among brands using rational attributes only. They seek out brands that create experiences; that intrigue them in a sensorial, emotional and creative way. In addition, previous studies ignored the factor that affecting consumer soft drink brand preference. Researchers like Amdemichael (2014) and Kassahun (2014) have been conducting studies regarding brand preference in Addis Ababa on different sectors as stated on the empirical literature review but to give highlights like dairy products a study entitled "factors affecting consumers brand preference of dairy products in Addis Ababa outlet shops" and concluded brand attributes (product price, quality, taste and brand familiarity), advertisement and sales promotion affect consumers brand preference on dairy products in Addis Ababa (Aberra, 2015), another study on mobile phones entitled "assessment of brand preference of international vs. local mobile phone brands (the case of Addis Ababa university school of commerce students). There is a lack of inclusion of demographic factors and brand comprehension. Thus, this study aimed to examine the factor that affecting consumer Soft drink brand preference to consume Pepsi Cola or Coca-Cola in Addis Ababa, Ethiopia. It also specifically included the investigating of brand awareness, brand, advertisement and brand experience on consumers' soft drink brand preference for Coca-Cola or Pepsi Cola in Addis Ababa, Ethiopia. It also tests if there significant difference among consumer brand preference and its factors with different gender, age, and income group.

2.4 Conceptual framework

The consumer decision-making process comprises various steps a consumer passes through when making a purchase decision. This process encompasses all steps from the recognition of a need through the pre-purchase search for information about potential ways to satisfy the need, the evaluation of alternative options to the actual purchase and the post-purchase processes including experience and evaluation of the product (Olshavsky and Granbois 1979). Hence the following conceptual framework of the paper is adopted through review of literatures. The dependent variable is brand preference and brand awareness, comprehension, advertisement and experience are included in independent variables.

Independent Variables	Dependent Variable
Brand Awareness	
Brand Comprehension	Brand Preference
Brand Advertisement	
Brand Experience	

- Gender
- Age
- Income group

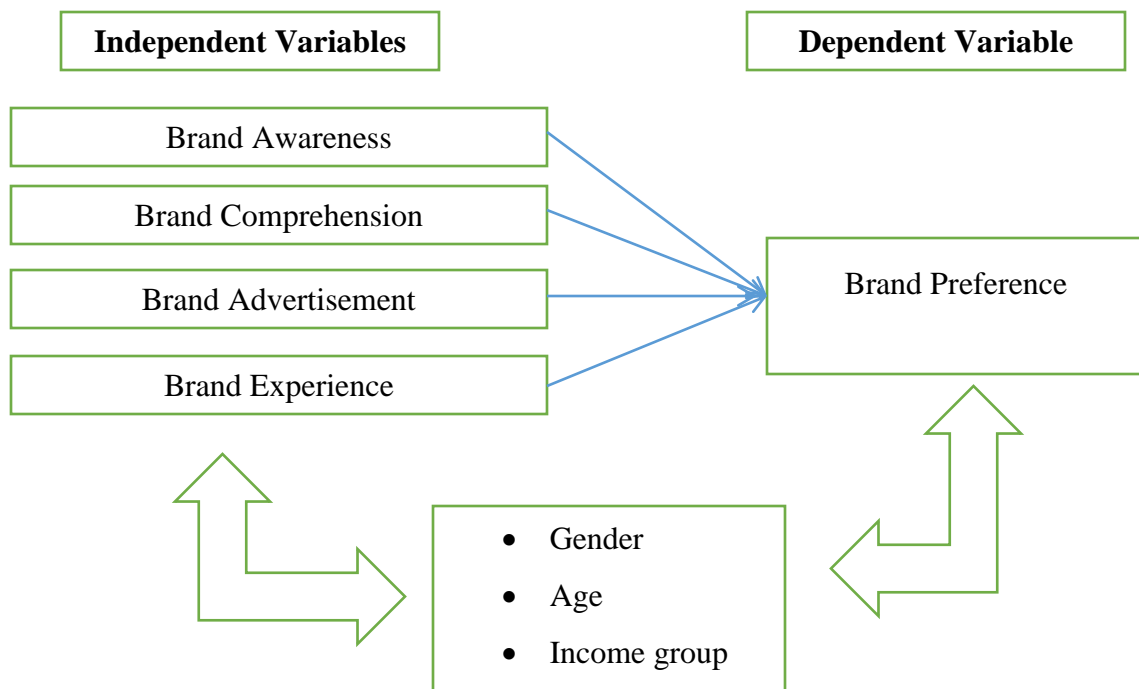*Figure 2.1: Conceptual framework (*adopted from Mooradian *et al.* 2012*)*

The researcher reviewed related literature as above demonstrated so as to see what others have done to the subject in the past. From the review, the student researcher has observed that majority of the scholars agree that factor that affecting on consumer brand preference after brand awareness and attitude towards a brand is created.

2.5 Research Hypothesis

2.5.1.1 Brand Awareness

Brand image takes place when brand associations held in the mind of consumers are conveyed onto a consumer's perception about a brand. These associations can either be developed from direct experience with the product, from the information communicated by the company, or from previous associations held about the company and origin, etc. (Martinez et al. 2003). Brand equity is, according to Aaker (2005) "a set of assets and liabilities to a brand's name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/or a firm's customers". Brand awareness highly relates to brand preference as it entails that recognition is communicated onto a brand, which allows consumers to identify with the brand product, and thus providing companies with constant competitive advantage (Aaker, 2005). For low involvement products, products "bought frequently and with a minimum of thought and effort" awareness can affect a consumer's buying decision through a sense of familiarity, whereas for high involvement products, brand awareness provides consumers with a sense of presence and assurance (Aaker, 2005).

- **Hypothesis 1: Brand awareness has a positive and significant effect on consumer brand preference.**

2.5.1.2 Advertisement

It is the advertised product and brand as well as the content of the advertisement that determine greater or lesser memory retention among the consumers (Royo-Vela, 2005). There are different types of advertising objectives, and they are classified by the purpose, that is, to inform, persuade or remind. Here, the company's objective is to build selective demand for a brand by persuading consumers that it offers the best quality for their money. Reminder advertising, on the other hand, is employed for mature products as it keeps customers preference to the product (Kotler *et al.* 2002).

- **Hypothesis 2: Advertisement has a positive and significant effect on consumer brand preference.**

2.5.1.3 Brand Comprehension

Brand Comprehension is here positioning happens and the customer is able to create a coherent view about the brand vis-à-vis competition (Keller 2003). Brand comprehension is both partly rational and partly subjective and surreal in nature. Brand comprehension is about both the tangible and intangible value offered by the brand. Brand Comprehension hence is far beyond only the product or only the brand campaign and it encompasses all the consumer knows about the brand and how he evaluates it in his subjective reference frame. Brand comprehension ends with a positive or negative attitude towards the brand and the same results in brand Preference or otherwise**.**

- **Hypothesis 3: Brand Comprehension has a positive and significant effect on consumer brand preference.**

2.5.1.4   Brand Experience

Hampf and Lindberg (2011) validated a brand experience scale for measuring the customer responses, based on four sub-dimensions: sensory, affective, intellectual, and behavioral. Brand experience is conceptualized as sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments. Various studies show that brand experience affects consumer preferences, satisfaction and loyalty directly and indirectly through brand personality associations (Hoch, 2002).

- **Hypothesis 4: Brand experience has a positive and significant effect on consumer brand preference.**

Although demographic segmentation continues to have an influential role within the marketing theory, the majority of the research focuses on the way in which demographic variables affect marketing communications, particularly that of gender and advertising. Merely little research can be found within the other demographic variables and thus age segmentation theory is relatively limited ((Royo-Vela, 2005). The consumer market amounts has been increased, and thus there is great demand for an enormous variety of goods and services, especially as consumers differ from one another in that of age, gender, income, education level, and tastes. In addition, the relationships between different consumers, as well as their contact with other elements of the world surroundings, affect their choice of products, services, and companies (Kotler *et al*. 2002). The reason why consumers buy what they do is often deeply rooted in their minds, consequently

consumers do not truly know what affects their purchases as "ninety-five percent of the thought, emotion, and learning occur in the unconscious mind- that is without our awareness (Armstrong *et al*. 2005). Consumers' purchase process is affected by a number of different factors, some of which marketers cannot control, such as cultural, social, personal, and psychological factors. However, these factors must be taken into consideration in order to reach target consumers effectively (Kotler *et al*. 2005).

- **Hypothesis 5:** There is a difference between demographic variables (gnder, income and age) of consumers buying decisions in soft drink market in Addis Ababa

CHAPTER THREE
RESEARCH METHODOLOGY AND DESIGN

3.1 Research Design

Research can be approached as qualitative and quantitative or mixed when approach to research has been considered as the criterion of classification. Qualitative research is more subjective in nature than quantitative research and involves examining and reflecting on the less tangible aspects of a research subject, e.g. values, attitudes, perceptions. Whereas, the emphasis of quantitative research is on collecting and analysing numerical data; it concentrates on measuring the scale, range, frequency etc. of phenomena (Marczyk and Festinger, 2005). In addition, mixed method integrates quantitative and qualitative data collection and analysis in a single study or a program of enquiry (Creswell, 2009).

This study collected and analyzed numerical data; concentrates on measuring the scale, range, frequency etc. of phenomena. The study is highly detailed and structured and results can be easily collected and presented statistically. On other hand, this study depends on careful definition of the meaning of consumer preference and its associated factors and it properly develops the concepts and variables of consumer buying behavior, and the plotting of interrelationships between these. The most effective evaluation research is one that combines qualitative and quantitative components, making statistical comparisons is useful and so is gaining an in depth understanding of the processes producing the observed results or preventing the expected results from appearing. It was for this sake that, this research design was chosen in order to explore the Factor that affecting consumer Soft Drink Brand Preference in the case of Pepsi and Coca-Cola Addis Ababa of Ethiopia.

3.1 Research Design

The research design can be classified using a variety of ways, such as the methods of data collection, time dimension, researcher participation and the purpose of the study. On the other hand, the most widely-used classification is the one based on the purpose of the study. There are three types of research design based on the study's purpose: exploratory, descriptive and causal (Creswell, 2009). The exploratory study provides more insight and ideas to discover the real nature of the issue under investigation. Descriptive study stems from prior knowledge and is

concerned with describing specific phenomena; it is a means to an end rather than an end, since it encourages future explanation. Causal or explanatory research explains causal relationships between variables. These three basic designs are interrelated, and the research can combine more than purpose.

This study is going to try to investigate factors affect consumer buying decision on soft drink market business. Because the research was conducted to test the factors affecting busing behavior and explain the relationships between the studies constructs in soft drink market. The study explained causal relationships among factors influencing consumers' behavior in soft drink market to facilitate generalization and to predict the future. Additionally, it employed mathematical models and theories pertaining to consumer behavior. Moreover, discovering regularities in descriptive events is a prerequisite to investigate the factors that affecting consumer Soft Drink Brand Preference in the case of Pepsi and Coca-Cola Addis Ababa of Ethiopia. Besides, the study provided a complete picture of consumer preference for soft and its market situation in Ethiopia and explained the buying behavior of the target market that is the essential task of marketing manager under modern marketing. In addition, it described various aspects about soft drink market in Ethiopia with its perceived consumer buying decision behavior.

3.2 Target Population and Sampling

Population is a complete set of elements (persons or objects) that possess some common characteristic defined by the sampling criteria established by the researcher (Biopharm, 2002). The study used unknown target population for the study. Therefore; the researcher used men and women who use non-alcoholic carbonated soft drinks at selected gold eating and drinking outlets. So the sampling frame for this study was from the observation in six areas of Addis Ababa by dividing it north Addis, South Addis, East Addis, Central Addis-1, Central Addis-2 and West Addis to include different life style of Addis Ababa.

3.2.1 Sampling Frame

Sampling frame is list of all the elements in the population from which the sample is drawn. This list should contain enough information about each prospective sampling unit so the researcher can successfully contact them. Having an incomplete sampling frame, decrease the likelihood of drowning a representative of the sample. Sampling frame list can be created from a number of

different source such as customer lists from companies internal database, random digit dealing (hair, Bush and ortinau,2006,p.343).So for this study the researcher used six area of Addis Ababa by dividing it north Addis Ababa, South Addis Ababa, East Addis Ababa, Central-Addis Ababa-1 ,Central Addis Ababa-2 and West Addis gold eating and drinking outlets (outlets their industry volume sales is more than 100 cases of bottle per month) based on the database researched in CCBA(NBE,2019).so for this study the researcher used sample from respondents who uses these selected gold eating and drinking outlets.

3.2.2 Sampling Size

Generally, the sample size for any study depends on the population size — how many total people fit your demographic and margin of Error (Confidence Interval); the researcher need to decide how much error to allow. The confidence interval determines how much higher or lower than the population mean. The researcher was willing to let your sample mean fall. It looked something like this: "68% of voters said yes to Proposition Z, with a margin of error of +/- 5%." Its confidence Level — How confident the researcher wants to be that the actual mean falls within his /her confidence interval? The most common confidence intervals are 90% confident, 95% confident and 99% confident. Standard of Deviation — and necessary Sample Size formula = (Z-score) ^{2} * StdDev*(1-StdDev) / (margin of error) ^{2} Assuming the researcher chose a 95% confidence level, .5 standard deviations, and a margin of error (confidence interval) of +/- 5%. ((1.96) ^{2} x .5(.5)) / (.05) ^{2} (3.8416 x .25) .0025 .9604 / .0025= 384.16 so approximately 385 respondents were needed. So the sample size for each area were depend based on the percentage each area has from the total gold eating and drinking outlets. So the following is percentage of each area; -

    1) North Addis Ababa-285(outlets)/2101=0.13565*385(samples)=52.22513≈52

    2) South Addis Ababa (667 outlets)/2101=0.317468*385(samples)=122.2251≈122

    3) East Addis Ababa (284 outlets)/2101=0.135174*385(samples)=52.04188≈52

    4) Central-Addis Ababa-1(273 outlets)/2101=0.129938*385(sample)=50.02618≈50

    5) Central Addis Ababa-2(288 outlets)/2101=0.137078*385(samples)=52.77487≈53

6) West Addis Ababa (304 outlets)/2101=0.144693*385(samples)=55.70671≈56

3.3 Data Collection Method

There is a choice of three main research instruments in collecting primary data includes questionnaires, qualitative measures and mechanical device (Kotler and Keller, 2006, p.101). In this research, the researcher used questionnaire to collect the primary data, therefore the reviews focused on the concept of questionnaire method only to collect only primary data (data gathered freshly for specific purposes). The research questions were designed according to conceptual framework for answering the main objectives of the study.

3.4 Data Collection Form

The researcher used primary data from the market through questionnaire including the factors that affecting consumer Soft Drink Brand Preference in the case of Pepsi and Coca-Cola Addis Ababa of Ethiopia.

3.5 Data Analysis

Once the usable responses from the questionnaires were collected, the data was documented and coded into SPSS software. After the collection process of relevant data is completed; proper method of data analysis is going to be used. The analysis indicates transformation of raw data in to a form that makes easy to understand and interests it. First, the empirical data was analyzed by descriptive statistics (frequency, mean and standard deviation). Next, the data was analyzed using statistical techniques of correlation analysis as the study used likert scale, Pearson product moment correlation was used. Besides, chi square test was used to show the difference of score means between respondents (the mean difference among respondents based on demographic variables) on brand preference and its factors.

In addition, the study used Logistic regression as a part of model building. Logistic regression is a variation of the regression model, wherein the dependent variable is a categorical variable. The logistic regression also allows the independent variables to be categorical variables. The logistic regression is nothing but the non-linear transformation of linear regression. The researcher used the binary logistic regression, where the dependent variable is a dichotomous variable like to prefer their conceivable brand (Pepsi or Coke). The regression value ranged between 0 and 1,

indicating the unwillingness by 0 and the willingness by 1. The model fit is tested using the ''percent correct prediction'' which is calculated based on the estimated p value (event occurring). The bigger the percent correct predictions, the better the mode. Finally, the qualitative data was analyzed and described according to respondents' responses.

$$Y1 = B_1 + X_1B_1 + X_2B_2 + X_3B_3 + X_4B_4 + E$$

Where

- Y1 = Consumer Brand Preference (Pepsi or Coke)
- The purchase decision of a consumer for preferring a brand (Y) is considered to be depending upon the following independent variables
- B1 – Coefficient of constant and B1-4 are the coefficient of independent variable where
- X1 – Brand Awareness
- X2 – Brand Comprehensive
- X3 – Brand Advertisement
- X4 – Brand Experience
- E = error term

3.6 Validity and Reliability

3.6.1 Validity

Kothari (2004) says validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. In this research different mechanisms were used to enhance the validity of the study. In the first place, non- random sampling was used, this method reduced the possibility being in valid and in addition, the appearance and appropriateness of questioner was cheeked by professional in the field so as to refine the questions.

3.6.1.1   Pilot Test

A pilot survey was conducted on minimum of 10 respondents prior to administrating the questionnaire to the selected sample size. The pilot survey is undertaken to check if the questionnaire is easily understandable and straightforward to ensure that the respondents can answer the questions without difficulty.

3.6.2 Reliability

It is another important test of sound measurement. A measuring instrument is reliable if it provides consistent results Kothari (2004). The two variants of reliability were assured through standardizing the condition under which the instrument administered (stability aspect) and employing the same design of measurement for the whole sample (equivalence aspect).

Table 3.1 Reliability Statistics

	Cronbach's Alpha	N of Items
Brand Awareness	.818	8
Brand Comprehension	.865	6
Advertisement	.790	8
Brand Experience	.781	6
Brand Preference	.909	8
Overall	.844	36

Survey result, 2020

For this purpose Cronbach''s Alpha-values was used or applied to determine the reliability of the construct as a measurement instrument. The result indicated that all dimensions reliability statistics scores have been more than .75 and shows that the data collection instrument is reliable.

3.7 Ethical Considerations

This study like other academic researches abides by ethical issues, moral conducts and service confidentiality to the dairy's data and for the privacy of respondents. The questionnaire is designed out in such a way that respondents are not required to write the names and reveal their personal information on the questionnaire and the confidentiality of data being collected is handled with due care and used for academic purpose only. Every person was involved in the study was entitled to the right of privacy and dignity of treatment, and no personal harm was caused to subjects in the research. Information obtained was held in strict confidentiality by the researcher. All assistance, collaboration of others and sources from which information was be drawn is acknowledged.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION AND DISCUSION

This chapter presents the study' data presentation, analysis and discussion part which contains research model and demographic profile of respondents.

Response Rate

The study appeared 61 % of responses rate as 235 questionnaires were suitably returned out of 384 distributed questionnaires. As a result, it can be supposed that the study attended good reactions with respondents due to Covid 19 out struck and its concern and impact.

Table 4.1 Response Rate by zone

No	Sub city	Sample Size	Returned	Response rate
1	North Addis Ababa	52	29	56%
2	South Addis Ababa	122	81	66%
3	East Addis Ababa	52	31	60%
4	Central-Addis Ababa -1	50	30	60%
5	Central Addis Ababa-2	53	28	52%
6	West Addis Ababa	55	36	65%
	Total	384	239	61%

Survey result, 2020

4.1 Respondents Profile

This part presents the respondents' profile about their education, gender, age, marital status, purchasing behavior in terms of preference, choices and priority given in buying process. .
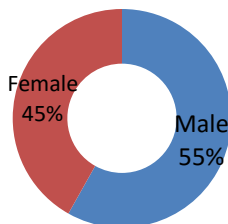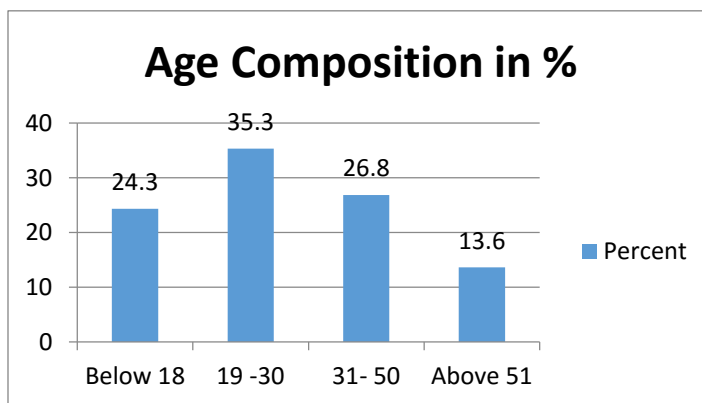
Survey result, 2020

Figure 4.1 Respondents' age and gender profiles

The above two figures show the respondents' gender participation and age category. This helps to know their background information on the respondents at different level has been shown throughout charts. The study found that, among the 235 respondents 45%, i.e., 107 individuals were female and 55%, i.e., 128 individuals were male. In addition, among these respondents 24% of the respondents are of age below 18 years, 35 % individuals are of age 19-30 years and the remaining 40 % of them are of age more than 30 years.

Table 4.2 Respondent profile – Marital Status and Income

Marital Status			Income		
	Frequency	Percent		Frequency	Percent
Never Married	112	47.7	Less than 1000	13	5.5
Married	90	38.3	1001 - 5000	66	28.1
Divorced	17	7.2	5001 - 15000	75	31.9
Widowed	16	6.8	Above 15001	81	34.5
Total	235	100.0	Total	235	100.0

Survey result, 2020

The above table portrays that among 235 collected questionnaires conducted research on, 48 % of them are not married or single and 38 % married and others around 14 % divorced and widowed. Moreover, few or almost 6 % of them have less than 1000 monthly income and 67% of them have more than 5, 000 Birr per month income. Thus, most respondents were from both gender category, in active age group, as having variety of income group. For that reason, it is understood that they were from various income group, marital status and able to respond the questionnaire and to provide pertinent data for this study.

Table 4.3 Respondent Buying Preference

| How many times did you drink soft drinks per week			How long you have been drinking Coca-Cola brand products?			First priority when it comes to drinking soft drinks		
Category	Count	%	Category	Count	%	Category	Count	%
Under 2	93	39.6	Less than 2	14	6.0	Price	45	19.1
3-5 times	73	31.1	2 - 5	63	26.8	Taste	67	28.5
6 -8 times	47	20.0	5 - 10	75	31.9	Refreshment	78	33.2
more than 10times	22	9.4	> 10	83	35.3	To be wide-awake	45	19.1
Total	235	100.0	Total	235	100.0	Total	235	100.0

Survey result, 2020

The above table portrays the majority of the respondents have experienced many times to drink soft drinks per week. Respondents first priority when it comes to drinking soft drinks, 19.1% indicated price, 28.5% preferred to taste, 33.2% for refreshment and 19.1% To be wide-awake. The majority of them assured that they use soft drinks repeatedly. This implies that this study can collect pertinent brand preference and associated information from these respondents.
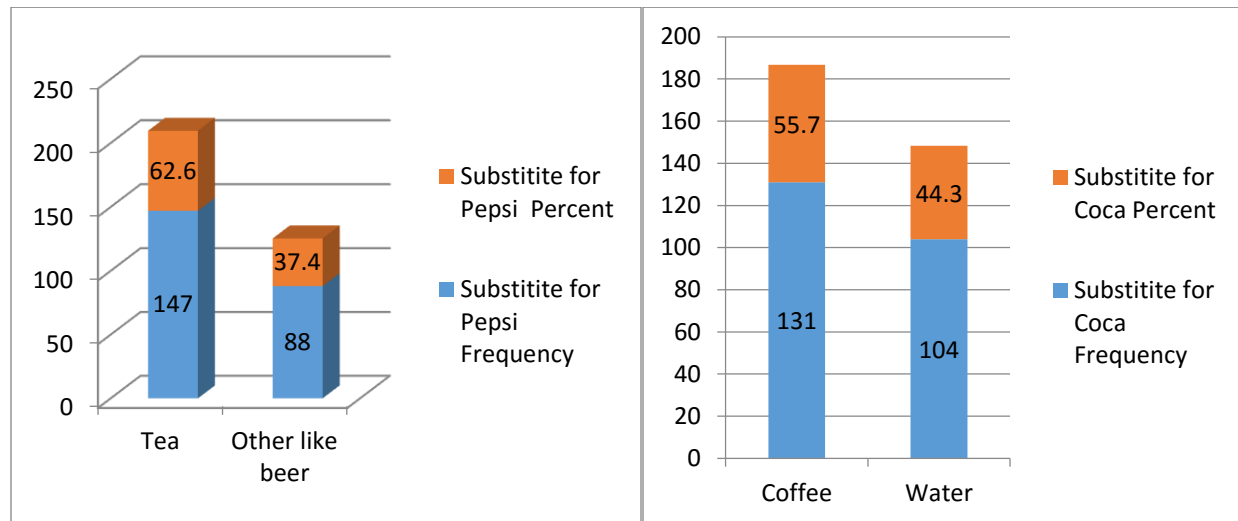
Survey result, 2020

Figure 4.2 Substitutes for Pepsi and Coca

The above two figures show that tea (63%) and other beverages like beer (37) were selected as substitute for Pepsi whereas Coffee and water were selected for Coke. This shows that Pepsi and Coke have different substation products even if they are similar soft drinks. Among their affiliated products Miranda has been preferred to Pepsi and Coca Cola and Sprit have been mostly prepared products as per the majority of interviewees responses. Most respondents including interviewees' result show that not only are Coca-Cola and Pepsi dominant market leaders on the Ethiopia beverage market, but they are also two of the most notable and widely sold commercial brands in the country. Most respondents like caffeine that has special kind of taste makes the taste of soft drink considered best. It is widely indicated that that most people need caffeine free soft drinks that associated with health issue. Most people like soft drinks as they contain gases or carbon dioxide. Actually, Carbon Dioxide is a colourless & smells less gas, which is added to cold drink to get bubble & it also help in keeping drink strong & fresh. Along with taste of soft drink is also of very important, the majority of respondents say Pepsi and Coke try to maintain both taste &

colour. However, most people have issue related to sugar that sugar syrup is added to make soft drink taste sweet. Thus, most people dislike artificial sweetness that is also used

4.2 Response Analysis

The response analysis was done using mean and standard deviation to present the various characteristics for data sets. In this study, descriptive statistics helps to enables us to present the data in a more meaningful way, which allows simpler interpretation of the data. Mean scores rating was taken from Reham (2011) that studied on similar area as 4.51-5.00 excellent or very good, 3.51-4.50 good, 2.51-3.50 average or moderate, 1.51-2.50 fair and 1.00-1.50 is poor.

4.2.1 Using Descriptive Statistics

Table 4.4: Respondents' Responses

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand Awareness	235	2.91	4.02	3.75	1.268
Brand Comprehension	235	3.51	3.75	3.59	1.351
Advertisement	235	3.51	3.94	3.65	1.313
Brand Experience	235	3.19	4.15	3.76	1.197
Consumer Brand Preference	235	0.76	0.84	.80	.404

Survey result, 2020

Consumer decision making pertains to making decisions regarding product and service offerings. It actually a process of gathering and processing information, evaluating it and selecting the best possible option so as to solve a problem or make a buying choice. The above table shows that the mean rages for brand preference .76 to .864with .80 grand mean. The grand mean was found to be approaching to 1. It shows most respondents spend their available resources (time, money, effort) on consumption-related items. The relationships between different consumers, as well as their contact with other elements of the world surroundings, affect their choice of products, services, and companies (Kotler et al. 2005). On other hand, this study found that lowest mean found on brand comprehension 3.59 and highest mean was found as 3.76 by brand experience. It means Pepsi and Coke could not able to create positioning happens and the customer is nearly unable to

create a coherent view about the brand vis-à-vis competition. However, Pepsi and Coke tried to create   sensations, feelings, cognitions and behavioral responses evoked by brand-related stimuli that are they have a good brand design and identity, packaging, communications and environments.

4.2.2 Itemized Analysis Using Descriptive Statistics

Table 4.5: Respondents' Responses Itemized

	Dimensions		Mean		Dimensions		Mean
Brand Awareness	well familiar	Pepsi	4.01	Advertisement	influence by advertisement	Pepsi	3.75
		Coke	4.02			Coke	3.51
	Always recall	Pepsi	3.62		get pleasure & entertainment	Pepsi	3.55
		Coke	3.90			Coke	3.51
	Good recognition	Pepsi	3.87		Proud by various advertisement	Pepsi	3.58
		Coke	4.01			Coke	3.70
	Aware as holding quality product	Pepsi	2.91		idol affect	Pepsi	3.94
		Coke	3.69			Coke	3.25

	Dimensions		Mean		Dimensions		Mean
Brand Comprehension	understand values and social image	Pepsi	3.75	Brand Experience	experience	Pepsi	3.19
		Coke	3.65			Coke	3.74
	Perceive quality and value for money	Pepsi	3.39		strong impression	Pepsi	3.25
		Coke	3.60			Coke	4.15
	Positive attitude	Pepsi	3.62		engagement	Pepsi	4.12
		Coke	3.51			Coke	4.10

	Dimensions		Mean
Consumer Preference	willing to buy	Pepsi	0.82
		Coke	0.84
	consume more Pepsi	Pepsi	0.78
		Coke	0.76
	feel acceptable	Pepsi	0.76
		Coke	0.80
	a good impression	Pepsi	0.75
		Coke	0.86

Survey result, 2020

4.2.3.1 Brand Awareness

A brand is intended to signify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Accordingly, this study found that respondents are well familiar with Pepsi (4.01) and Coke (4.02). However, these respondents always recall more Coke (3.90) than Pepsi (3.62). Similar result has been found as the majority of the respondents have a good recognition for Coke (4.01) than Pepsi (3.87) an d they aware as holding quality product Coke (3.69) than Pepsi (2.91). It shows that Coke can create a good brand image to convey onto a consumer's perception about its brand. These associations may be developed from direct experience with the product, from the information communicated by the company, or from previous associations held about the company and origin, etc. (Martinez *et al*. 2003). The interviewees assured that Coke takes more brand awareness based on the information communicated by the company. Aaker (2005) associated it with recognition is communicated onto a brand, which allows consumers to identify with the brand product, and thus providing companies with constant competitive advantage.

4.2.3.2 Advertisement

Advertising notifies consumers about the existence and benefits of products and services, and tries to persuade consumers to buy them accordingly, this study attempted to identify how advertisement informs consumers for Pepsi and Coke. As result, most of the respondents more influenced by Pepsi (3.75) advertisement than Coke (3.51). As the interviewees explanation it may be associated with celebrities particularly football superstars massively participated on Pepsi Ads. For example, idol effect of Pepsi advisement (3.94) is more than Coke (3.25). Most people get equally pleasure & entertainment on Pepsi (3.55) and Coke (3.51); it meant they have almost equivalent mean. However, respondents are proud by various Coke (3.70) advertisements than Pepsi (3.58). Kotler et al. (2005), advertising aims at attaining target consumers by various method of achieving advertisement goals, advertisements as well as their content play a vital role in the process of commercial communication. Royo-Vela (2005) classified by the purpose, that is, to inform, persuade or remind. This is because the company's objective is to build selective demand for a brand by persuading consumers that it offers the best quality for their money. Reminder advertising, on the other hand, is employed for mature products as it keeps customers thinking about the product.

4.2.3.3 Brand Comprehension

Brand Comprehension includes ability to recognize which products are being sold under the brand, ability to ascertain to which company the brand belongs, perception on the absolute quality and value for money. Accordingly, this study found that the majority of respondents understand values and social image of Pepsi (3.75) than Coke (3.65). However, they perceive quality and value for money Coke (3.60) than for Pepsi (3.39). Responds have moderately positive attitude towards Pepsi (3.62) and Coke (3.51). Even if brand comprehension is both partly rational and partly subjective, it encompasses all the consumer knows about the brand and how he or she evaluates it in his subjective reference frame. After purchase there is satisfaction or dissatisfaction. Satisfaction leads to positive attitude and increases brand comprehension. With dissatisfaction, a negative attitude is developed. Brand Comprehension is positioning happens and the customer is able to create a coherent view about the brand vis-à-vis competition (Keller, 2003).

4.2.3.4 Brand Experience

The above tables show that respondents' response on brand experience. Accordingly, most of the respondents have less brand experience to Pepsi (3.19) than Coke (3.74) and have less impression for Pepsi (3.25) but have strong impression for Coke (4.15). They equally engaged for both products (Pepsi, 4.12 and Coke , 4.10). Hampf and Lindberg (2011) validated a brand experience scale for measuring the customer responses, based on four sub-dimensions: sensory, affective, intellectual, and behavioral. Hoch(2002) show that brand experience affects consumer satisfaction and loyalty directly and indirectly through brand personality associations It is distinguished that brand experience has involved a lot of consideration in marketing theories and practice.

4.2.3.5 Consumer Preferences

Even if consumers affected by a number of different factors, these factors must be taken into consideration in order to reach target consumers effectively (Kotler *et al*. 2005). Thus, this study attempted to identify the brand preference for Coke and Pepsi. The result shows that they are alike willing to buy Pepsi (0.82) Coke (0.84) and consume more Pepsi (0.78) particularly Miranda and Coke (0.76). In addition, they feel less acceptable when they consume Pepsi (0.76) than Coke (0.80) and they have a good impression for Coke (0.86) than Pepsi (0.75). These may be

influenced by other factors affecting consumer behavior like social grouping, roles and status, and family and others. In addition, consumers' personal characteristics, like for instance age and life-cycle stage, occupation, economic situation, lifestyle, as well as personality and self-concept influence consumers' buying behavior (Armstrong *et al*., 2005).

4.3   Correlation Analysis

A simple bi-variate relationship analysis between the dependent and independent variables is briefly presented below.

Table 4.6: Result of correlation analysis

		Brand Awareness	Brand Comprehension	Advertisement	Brand Experience	Consumer Brand Preference
Brand Awareness	Pearson Correlation	1	.719**	.766**	.861**	*.675***
	Sig. (2-tailed)		.000	.000	.000	*.000*
Brand Comprehension	Pearson Correlation	.719**	1	.782**	.816**	*.669***
	Sig. (2-tailed)	.000		.000	.000	*.000*
Brand Advertisement	Pearson Correlation	.766**	.782**	1	.849**	*.638***
	Sig. (2-tailed)	.000	.000		.000	*.000*
Brand Experience	Pearson Correlation	.861**	.816**	.849**	1	*.746***
	Sig. (2-tailed)	.000	.000	.000		*.000*
Consumer Brand Preference	Pearson Correlation	.675**	.669**	.638**	.746**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	235	235	235	235	235

**. Correlation is significant at the 0.01 level (2-tailed).

Survey result, 2020

Correlation analysis attempts to quantify the direction of association between two variables. Thus, an assessment of the correlation matrix between all the independent variables and consumer behavior are positively related. This study used person correlation to give an important insight to the simple relationship between the dependent and independent variables, therefore, there is a positive and significant relationship between brand awareness (*.675, .000),* brand comprehension (*.669, .000),* brand advertisement (*.638, .000),* brand experience (*.746, .000) and* consumer brand preference at Sig. (2-tailed) .000 with correlation is significant at the 0.01 level (2-tailed).)

4.4 Binary Logistics Regression

4.4.1. Assumptions and Diagnostic Test

Test result including normality, multicollinearity, autocorrelation and test for average value of the error term are found in appendices part; next to the data collection instrument. The test results was organized on appendix III. They show that the normality, multicollinearity, autocorrelation and test for average value of the error term were met the assumptions of regression analysis. This study tested and found that good results such as data was normally distributed, no multicollinearity and autocorrelation problems.

4.4.2. Regression Test Results

Table 4.7 : Regression Test Results

Block 0: Beginning Block

Classification Table[a,b]

	Observed		Predicted		
			Consumer Brand Preference		Percentage Correct
			No	Yes	
Step 0	Consumer Brand Preference	No	0	48	.0
		Yes	0	187	100.0
	Overall Percentage				79.6

a. Constant is included in the model.
b. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	1.360	.162	70.637	1	.000	3.896

Variables not in the Equation

			Score	df	Sig.
Step 0	Variables	Brand awareness	107.169	1	.000
		Brand comprehension	105.117	1	.000
		Advertisement	95.795	1	.000
		Brand Experience	130.626	1	.000
	Overall Statistics		134.223	4	.000

Block 1: Method = Enter

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	150.255	4	.000
	Block	150.255	4	.000
	Model	150.255	4	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	87.680[a]	.472	.742

a. Estimation terminated at iteration number 7 because parameter estimates

changed by less than .001.

Classification Table[a]

	Observed		Predicted		
			Consumer Brand Preference		Percentage Correct
			No	Yes	
Step 1	Consumer Brand Preference	No	41	7	85.4
		Yes	6	181	96.8
	Overall Percentage				94.5

a. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Brand awareness	.311	.354	.771	1	.000	.002
	Brand comprehension	1.238	.356	12.115	1	.001	3.448
	Advertisement	-1.332	.591	5.073	1	.024	.264
	Brand Experience	2.324	.678	11.771	1	.001	10.221
	Constant	-6.333	.987	41.136	1	.380	1.365

a. Variable(s) entered on step 1: BA, BC, BAD, BE.

Survey result, 2020

The **Block 0** output is for a model that includes only the intercept (which SPSS calls the constant). Given the base rates of the two decision options (48/235 = 20.4% decided to no, 79.6

(187/235) decided to yes for their brand preference or consumer behavior), and no other information, the best strategy is to predict, for every case, that the subject indicates their behavior. Using that strategy, we would be correct 79.6% of the time.

It is better to look at the **Block 1** output. Here SPSS has added the consumer behaviour variable as a predictor. **Omnibus Tests of Model Coefficients** gives us a Chi-Square of 150.255 on 4 *df*, significant beyond .0001. This is a test of the null hypothesis that adding the brand preference or consumer behaviour variable to the model has not significantly increased our ability to accept the decisions made by the respondents. Under Model Summary it can be seen that the -2 Log Likelihood statistic is 87.680. This statistic measures how poorly the model predicts the decisions -- the smaller the statistic the better the model. The Cox & Snell R2 can be interpreted like R2 in a multiple regression, but cannot reach a maximum value of 1. It meant the independent varaibles can explain the dependent variables 47.2%. The Nagelkerke R2 can reach a maximum of 1 and with .742 it is rated as good.

The Variables in the Equation output shows us that the regression equation is

= -6.333 + .311 Brand awareness + 1.238 Brand comprehension -1.332 Advertisement + 2.324 Brand Experience + e

The decision rule will take the following form: If the probability of the event is greater than or equal to some threshold, it can predict that the event will take place. By default, SPSS sets this threshold to .5. While that seems reasonable, in many cases we may want to set it higher or lower than .5. This shows that when advertisement is weaker (the negative B coefficient of advertisement) their brand preference will be shifted to either products. Using the default threshold, SPSS will classify a subject into there is a positive and significant effect of brand awareness (.000), brand comprehension (.001), advertisement (.024) and brand Experience (.001) on brand preference.

4.5. Chi-square Test

Chi-square test provides a way of judging against a set of observed response frequencies with a set of Expected response frequencies. Chi square -goodness of- fit is used to support or reject the null hypothesis. The decision used under the test of chi square is either to reject or to accept the null hypothesis. If the computed value of Chi-square is greater than the Chi-square table value, there is evidence to reject the null hypothesis this means the alternative hypothesis will be accepted. The study used SPSS, significance level constantly determined a priori as a rule set at the 0.05 level. Then the decision will be the following : If $p<0.05$ then reject the null hypothesis, and accept the alternate and If $p > 0.05$ then accept the null hypothesis. This study used the following hypothesis :

- **Hypothesis 5:** There is a difference between demographic variables (gender, income and age) of consumers buying decisions in soft drink market in Addis Ababa

Table 4.8 Chi-square Tests

Tests	Value	df	Asymp. Sig. (2-sided)
Consumer Brand Preference * Age (in year)	2.465	3	.482
Consumer Brand Preference * Gender	1.044	1	.307
Consumer Brand Preference * Income	3.055	3	.383

Survey result, 2020

Using the decision rule, the null hypothesis is rejected and the alternative hypothesis is accepted with 5% significance as Pearson Chi-Square Asymp. Sig. (2-sided) (.482 for age, .307 for gender and .383 for income). Detailed chi square tests were found in appendix 4. Hence, the result revealed there is no difference between demographic variables and consumer brand preference in soft drink market in Addis Ababa. Consumers' personal characteristics, like for instance age and life-cycle stage, occupation, economic situation, lifestyle, as well as personality and self-concept influence consumers' buying behaviour. In addition, depending on a person's occupation and financial situation, as well as the stage in life a person is in, his/her demands for products shift. A person's lifestyle forms his/her world and the way he/she decides to act, thus a person's activities, interests, and opinions constitute their lifestyle, as well as affecting the choice of products (Kotler, *et al.* 2002).

4.6. Hypothesis Testing

4.5.1 Brand Awareness

Hypothesis 1: Brand awareness has a positive and significant effect on consumer brand preference.

This study tested if brand awareness has relationship with brand preference using the correlation analysis; and it has a significant relationship show with consumer behavior (r=0.675; sig, 0.0000); and to make sure that it actually influence brand preference (Sig, 0.0001), logistic regression analysis has been conducted. And the result of the regression analysis shows that it has positive and significant effect on brand preference; consequently, the stated alternative hypothesis is accepted. The finding agrees with results of previous researches conducted in the same area.

4.5.2 Brand Comprehension

Hypothesis 3: Brand Comprehension has a positive and significant effect on consumer brand preference.

This study tested if brand comprehension has relationship with brand preference using the correlation analysis; and it has a significant relationship show with brand preference (r=0.675; sig, 0.001); and to make sure that it actually influence the brand preference (Sig, 0.0001), logistic regression analysis has been conducted. And the result of the regression analysis shows that it has positive and significant effect on brand preference; consequently, the stated alternative hypothesis is accepted. The finding agrees with results of previous researches conducted in the same area.

4.5.3 Advertisement

Hypothesis 2: Advertisement has a positive and significant effect on consumer brand preference.

The correlation analysis is used to see if advertisement has relationship with brand preference behavior; and it that trust has a significant relationship show with brand preference (r=0.638; sig, 0.0000); and to make sure that it actually influence the brand preference (Sig, 0.024), logistic regression analysis has been conducted. And the result of the regression analysis shows that it has positive and significant impact on consumer buying behavior; therefore, the stated alternative hypothesis is accepted. The finding agrees with results of previous researches conducted in the same area.

4.5.4 Brand Experience

Hypothesis 4: Brand experience has a positive and significant effect on consumer brand preference.

This study tested if brand experience has relationship with brand preference using the correlation analysis; and it has a significant relationship show with brand preference (r=0.746;   sig, 0.001); and to make sure that it actually influence the brand preference (Sig, 0.0001), logistic regression analysis has been conducted. And the result of the regression analysis shows that it has positive and significant effect on brand preference; consequently, the stated alternative hypothesis is accepted. The finding agrees with results of previous researches conducted in the same area.

 Table 4.9 : Summary of Hypotheses Tested

Hypothesis	Sig.	Status
Brand awareness has a positive and significant effect on consumer brand preference.	.0001	Accepted
Advertisement has a positive and significant effect on consumer brand preference.	.001	Accepted
Brand Comprehension has a positive and significant effect on consumer brand preference.	.024	Accepted
Brand experience has a positive and significant effect on consumer brand preference.	.001	Accepted

Survey result, 2020

CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

This is the last part of the study. It presents the summary of findings, conclusions and recommendations.

5.1 Summary of Findings

This study mainly aimed to examine the factor that affecting consumer Soft drink brand preference to consume Pepsi Cola or Coca-Cola in Addis Ababa, Ethiopia. The response analysis was done using mean and standard deviation to present the various characteristics for data sets. Accordingly, the mean rages for brand preference .76 to .864 with .80 grand mean showing most respondents spend their available resources (time, money, effort) on consumption-related items. On other hand, this study found that brand comprehension has lowest mean showing that Pepsi and Coke could not able to create positioning happens and the customer is nearly unable to create a coherent view about the brand vis-à-vis competition. However, Pepsi and Coke tried to create sensations, feelings, cognitions and behavioral responses evoked by brand-related stimuli that are they have a good brand design and identity, packaging, communications and environments. Since brand is intended to signify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Accordingly, this study found that

- Respondents are well familiar with Pepsi (4.01) and Coke (4.02) and they always recall more Coke (3.90) than Pepsi (3.62) and the majority of the respondents have a good recognition for Coke (4.01) than Pepsi (3.87) and they aware as holding quality product Coke (3.69) than Pepsi (2.91).
- most of the respondents more influenced by Pepsi (3.75) advertisement than Coke (3.51), idol effect of Pepsi advisement (3.94) is more than Coke (3.25), most people get equally pleasure & entertainment on Pepsi (3.55) and Coke (3.51);
- the majority of respondents understand values and social image of Pepsi (3.75) than Coke (3.65). However, they perceived quality and value for money Coke (3.60) than for Pepsi (3.39). Responds have moderately positive attitude towards Pepsi (3.62) and Coke (3.51).

- The majorities of the respondents have less brand experience to Pepsi (3.19) than Coke (3.74) and have less impression for Pepsi (3.25) but have strong impression for Coke (4.15). They equally engaged for both products (Pepsi, 4.12 and Coke , 4.10).
- The result shows that they are alike willing to buy Pepsi (0.82) and Coke (0.84) and consume more Pepsi (0.78) particularly Miranda and Coke (0.76); they feel less acceptable when they consume Pepsi (0.76) than Coke (0.80) and they have a good impression for Coke (0.86) than Pepsi (0.75).
- there is a positive and significant relationship between brand awareness (*.675, .000),* brand comprehension (*.669, .000),* brand advertisement (*.638, .000),* brand experience (*.746, .000) and* consumer brand preference at Sig. (2-tailed) .000 with correlation is significant at the 0.01 level (2-tailed).)
- there is a positive and significant effect of brand awareness (.000), brand comprehension (.001), advertisement (.024) and brand Experience (.001) on brand preference.

5.2 Conclusion

Customers prefer to purchase a well-known brand product, need to choose among various brands, demanded suitable market place and trust is what they need most. Since advertising alone does not influence the buying process, companies may effectively use brand awareness, brand comprehension, and brand experience as strong brands that are often associated and recognized for their extensive advertising campaigns, do not always imply that consumers actually know of their campaigns. Firms may have increasingly employed other marketing tools, such as corporate sponsorship of sports, arts and cultural events to name a few as sponsorship is claimed to be the world's fastest growing form of marketing, and sponsorship activities are applied with the belief that companies can enter international markets and appeal to local consumer preferences. As a result, seeing as Coca-Cola and Pepsi seem to target different consumers through their advertisements and sponsorships, this study found that that the choice of cola product similar based on a person's age, income, gender, as well as their taste preference. Thus, it can be concluded that consumers, as buyers or users of products or services, are the central point of the entire marketing processes that everyone experiences in his or her day-to-day activities. A long side, the market is in continuous undertakings, in which vendors are actively engage in selling their products or services to consumers using several marketing strategies to enhance consumers'

behavior of purchasing. Thus, there is a positive and significant effect of brand awareness, brand comprehension, advertisement and brand experience on brand preference.

5.3. Recommendations

Since brand awareness, brand comprehension, advertisement and brand Experience on brand preference are factors affecting brand preference, the following suggestions are given:

- Soft drink companies may delight the customer to go far beyond satisfaction, and by innovation, augmentation and value addition, they may improve the product greatly, so that the customer is looking for a special feeling, which is far beyond customer expectation. This is because after purchase there is satisfaction or dissatisfaction. Satisfaction leads to positive attitude and increases brand comprehension. With dissatisfaction, a negative attitude is developed. The feedback shown by the dotted line and the solid lines shows the flow of information.

- Since Pepsi and Coke could not able to create positioning happens, they may use Advertising for Positioning. The company positions its product to a target audience by juggling its marketing mix. The performance of the sales should be analyzed and their products are compared with other leading products and are positioned by modifying the product and price to compete with them. This is also done by perceptual mapping technique.

- Pepsi and Coke marketers may try to position their brands in the minds of the consumer. It relates to the memory of brand in relation to competing products. By this, the marketers may attempt to enhance the image of their brand which suits the consumer, promotes the image of the products and the stores as well. Product position evolves over time, as the marketers gets to know more about the preference of the consumers.

- Since the customer is nearly unable to create a coherent view about the brand vis-à-vis competition, government may properly apply laws, rules and regulations for consumerism as it is one of the most popular social issues and is being publicised very fast. The consumes today wants their rights, full value for the money they spend, and want full satisfaction from the products they buy. In today's society, the dissatisfaction of the consumer and the protection of his rights need quick redressal.

- The consumer today is very demanding, skeptical and critical. Therefore, marketers must understand the consumer behaviour to be successful in this changing environment and companies may use of a local market's language in an international campaign even if English campaign has a greater influence on consumer preferences.
- Overall marketing effort may be necessary since advertisement has been very costly and companies spend billion of dollars on advertising in order to stay key players in their industry and, especially within highly competitive product markets, such as the soft-drink industry, which requires higher advertising budgets just to stay even with competitors.
- As advertisement has positive influence on consumers` buying behavior, Ethiopian beverage market should be restructure based on stakeholder value and marketers build confidence which can lead to increase consensus for the strengthen of the business and ensure to be engage in the process.
- Government may interfere and restructure the existing beverage market that must be re-shaped again to maintain consumers' rights and consumerism protection to satisfy the market in the city.

5.4 Limitations of the Study

One major limitation of the study will be the inability of the researcher to get earlier studies on the analysis of consumer's brand preference towards soft drinks as general and non-alcoholic carbonated soft drink specifically. Time will be major limitations due to corona COVID 19 *"STAY@HOME"* command post.

How, ever we solve this kinds problem was by synchronizing the questionnaires' in to distributor of Pepsi or Coca cola using equal chance of number between two in order to have response better off from incoming costumer by giving instructions to distribute how consumer filling and after that collecting last filled questionnaires was found effective.

5.5 Future Studies

It is suggested for future researcher to include the range of context to different areas. Variables like culture, social factors, price, origin of the product, promotion, marketplace and roles of government can be additional areas that could be researched. In addition, regional customers and their respective market places should be empirically inspected. Besides, researchers may employ

consumer behaviour and target groups' needs on the domestic market and multi-national companies. Moreover, researchers may compare preference world's consumers with local and regional consumers and distinguish things in common and dissimilarities, their values and attitudes. As a result, it is vital that international marketers understand these differences and adapt their marketing strategies accordingly. Further, they may include specifically, the degree to which the effectiveness of international advertisement in accordance to distinctive consumer characteristics and may attempt to resolve the debate about whether to standardize or adapt an advertising campaign within the international marketing literature concepts.

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Annex

Annex 1 - Questionnaire

SCHOOL OF GRADUATE STUDIES
SAINT MARY UNIVERSITY
Department of Marketing Management

Customer Survey
(To be filled by Customers)

Dear respected participant,

This questionnaire has designed to see your experiences Factor that affecting consumer Soft Drink Brand Preference in Ethiopia: (the case of Pepsi and Coca-Cola Addis Ababa) and is designed purely for academic purpose for the study title "To examine the factors affecting Coca-Cola and Pepsi purchase decision in Addis Ababa, Ethiopia;" in partial fulfillment of Master of Arts Degree in Marketing Management in St. Marry University. Your genuine input is highly important to the analysis.

The questionnaire is purely for academic purpose and your answers will be treated confidentially. Your genuine input is highly important to the analysis.

Thank you in advance for your cooperation in filling the questionnaire.

Part I - Personal Information

Direction: Please select an appropriate response category by encircling the number of your choice.

- Age

| Below 18 years | O | 19 -30 | O | 31- 50 | O | Above 51 | O |

- Sex

| Male | O | Female | O |

- Marital Status

| Never married | O | Married | O | Divorced | O | Widow(er) | O |
| Separated | O | Refused | O |

- Monthly Income

| Below 1000 | O | 1001 – 5000 | O | 5001 – 15000 | O | Above 15001 | O |

- How many times did you drink soft drinks per week?

| Under 2 times | O | 3 to 5 times | O | 6 to 8 times | O | More than 8 times | O |

- How long you have been drinking Coca-Cola brand products?

| Last2years | O | 2-5Years | O | 5-10 | O | more than 10years | O |

- Which one do you need to substitute Pepsi for?

| Coffee | O | Water | O | Tea | O | Other like beer | O |

- Which one do you need to substitute Coca Cola for?

| Coffee | O | Water | O | Tea | O | Other like beer | O |

- What is your first priority when it comes to drinking soft drinks?

| Price | O | Taste | O | Refreshment | O | To be wide-awake | O |

If any please describe _____

Part II- Questions related with the Study

Direction: Please express your degree of agreement with respect to the following statements by putting √ mark in the box. 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and finally 5 for strongly agree.

Variable –	Measurements – sub variables		1	2	3	4	5
Brand Awareness	I am well familiar with	Pepsi					
		Coke					
	When I need a soft drink I always recall	Pepsi					
		Coke					
	I give very good recognition for	Pepsi					
		Coke					
	I am aware this brand as holding quality product	Pepsi					
		Coke					
Brand Comprehension	I understand on what this brand stands for in terms of values and social image	Pepsi					
		Coke					
	I perceive the absolute quality and value for money of	Pepsi					
		Coke					
	I have positive attitude toward	Pepsi					
		Coke					
Brand Advertisement	I always influence by advertisement of	Pepsi					
		Coke					
	I get pleasure & entertainment when I see advertisement of	Pepsi					
		Coke					
	I am proud by various advertisement of	Pepsi					
		Coke					
	Would an advertisement with your idol affect your choice	Pepsi					
		Coke					
Brand Experience	I like the experience for	Pepsi					
		Coke					
	This brand makes a strong impression on my visual sense	Pepsi					
		Coke					
	I engage in physical actions and behaviors when I drink	Pepsi					
		Coke					

Direction: Please express your degree of agreement with respect to the following statements by putting √ mark in the box as 1 Yes and 0 for No.

Variable –	Measurements – sub variables		1 Yes	0 No
	I am willing to buy high for	Pepsi		
		Coke		
	I need to consume more	Pepsi		
		Coke		
	It helps me feel acceptable when I consume	Pepsi		
		Coke		
Consumer **Brand** **Preference**	It makes a good impression on other people when I consume	Pepsi		
		Coke		

Please express your suggestions regarding soft drinks and other like bottleing water, beer etc.

_____

_____

Thank you for your cooperation!

Annex 2 - Interview Check List

SCHOOL OF GRADUATE STUDIES
SAINT MARY UNIVERSITY

I invite you to participate in a research study entitled: "Factors Affecting Consumer Brand preference for soft Drinks - Pepsi or Coke". I am currently enrolled in marketing postgraduate program at Saint Mary University and am in the process of writing my Master's Thesis. Can I continue my questions?

Thank you!

1. How dose soft drink market practices in Ethiopia?

_____

_____

_____

2. Do you factors affecting Ethiopian consumer soft drinks buying decision?

_____

_____

_____

3. Please indicate changes on buying soft drinks in A.A market.

_____

_____

_____

Annex 3 - Assumptions and Diagnostic Test

1) Test for Normality Test

Annex 3 Table 1 Normality Test

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Brand Awareness	235	3.75	1.268	-.850	.259	-.392	.316
Brand Comprehension	235	3.59	1.351	-.653	.259	-.889	.316
Brand Advertisement	235	3.65	1.313	-.750	.259	-.642	.316
Brand Experience	235	3.76	1.197	-.910	.259	-.169	.316
Consumer Brand Preference	235	.80	.404	-1.477	.259	.182	.316
Valid N (listwise)	235						

Survey result, 2020

The above table shows the descriptive statistic of Kurtosis and Skewness statics calculation demonstrates that the distribution is normal because Kurtosis and Skewness are in between -2 and +2, thus data is normally distributed and had a reasonable variance to use subsequent analysis (Kraeger, 2011).

2) Test for average value of the error term is zero (E (ut) = 0); the first assumption required is that the average value of the errors is zero. In fact, if a constant term is included in the regression equation, this assumption will never be violated. Therefore, since the constant term (i.e. α) was included in the regression equation, the average value of the error term in this study is expected to be zero.

3) Test for multicollinearity

Multicollinearity refers to a situation in which there is exact (or nearly exact) linear relation among two or more of the input variables (Uma, 2003). The VIF (Variance Inflation Factor) for each term in the model measures the combined effect of dependence among the regressors on the variance of that term. One or more large VIF indicate multicollinearity. Practical experience indicates that if any of the VIF results exceeds 5 or 10, it is an indication that the associated regression coefficients are poorly estimated because of multicollinearity (Kraeger, 2011).

Annex 3 Table 2 Multicollinearity

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Brand Awareness	.254	3.932
	Brand Comprehension	.305	3.277
	Brand Advertisement	.252	3.970
	Brand Experience	.148	6.737

a. Dependent Variable: Consumer Brand Preference

Survey result, 2020

The above table shows Collinearity Statistics shows that the VIF value of for factors were less 10 and no collinaritry was observed on this data. The table also presents the result of regression analysis; the result regression analysis is based on dependent varaible. The independent variables that contribute to variance of the dependent variable are explained by standardized Beta coefficient.

4) Test for Autocorrelation

Assumption that is made of the multiple liner regressions disturbance terms is that the covariance between the error terms over time (or cross-sectionally, for that type of data) is zero.

Annex 3 Table 3 Autocorrelation Test: Durbin Watson

Model Summary^b

Model	Durbin-Watson
1	1.238^a

a. Predictors: (Constant), Brand Experience , Brand Comprehension , Brand Awareness , Brand Advertisement
b. Dependent Variable: Consumer Brand Preference

Survey result, 2020

To test the presence of autocorrelation, the popular Durbin-Watson Test was employed in this study In other words; it is assumed that the errors are uncorrelated with one another if the test was less than 2 (the study found 1.390) r. If the errors are not uncorrelated with one another, it would be stated that they are "auto correlated" or that they are "serially correlated". A test of this assumption is therefore required.
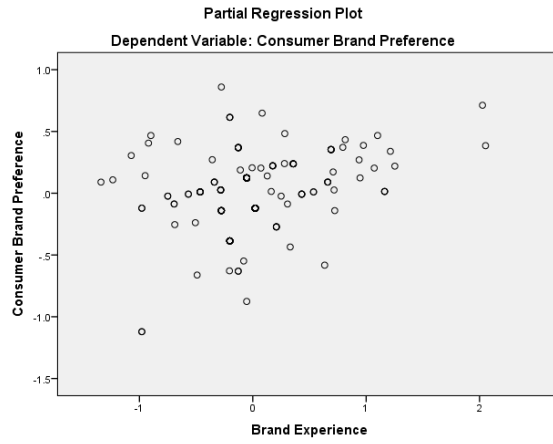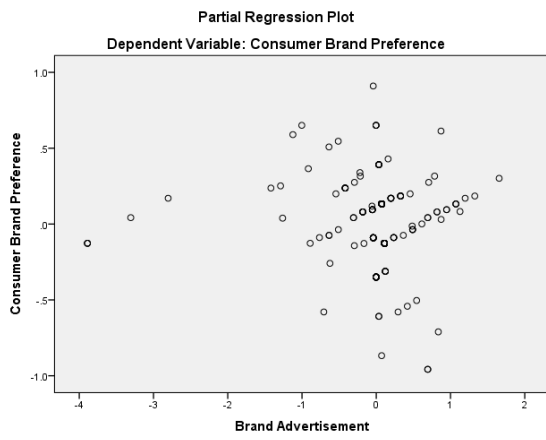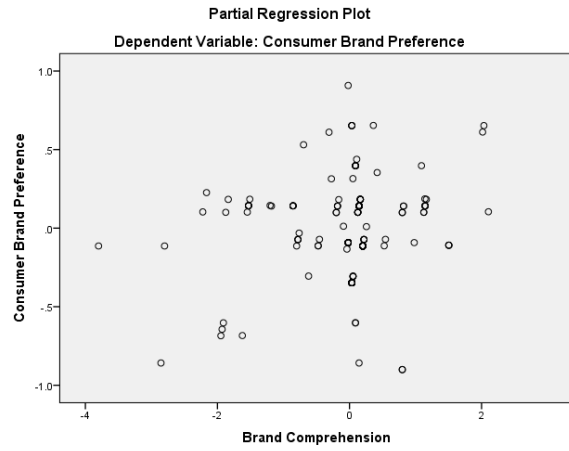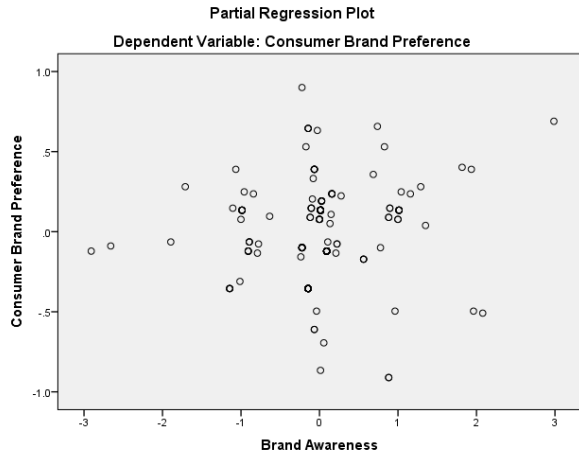
Annex 3 – Figure 1 Scatter Plot

Annex 4 – Chi Square Tests

Annex 4 – Table 1 Chi Square Tests Case Processing Summary

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Consumer Brand Preference * Age (in year):	235	100.0%	0	0.0%	235	100.0%
Consumer Brand Preference * Gender:	235	100.0%	0	0.0%	235	100.0%
Consumer Brand Preference * Income	235	100.0%	0	0.0%	235	100.0%

Annex 4 – Table 2 Consumer Brand Preference * Age (in year):

Crosstab

Count

		Age (in year):				Total
		Below 18	19 -30	31- 50	Above 51	
Consumer Brand Preference	No	13	20	11	4	48
	Yes	44	63	52	28	187
Total		57	83	63	32	235

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.465[a]	3	.482
Likelihood Ratio	2.596	3	.458
Linear-by-Linear Association	1.857	1	.173
N of Valid Cases	235		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.54.

Annex 4 – Table 3 Consumer Brand Preference * Gender:

Crosstab

Count

		Gender:		Total
		Male	Female	
Consumer Brand Preference	No	23	25	48
	Yes	105	82	187
Total		128	107	235

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.044[a]	1	.307		
Continuity Correction[b]	.738	1	.390		
Likelihood Ratio	1.040	1	.308		
Fisher's Exact Test				.333	.195
Linear-by-Linear Association	1.040	1	.308		
N of Valid Cases	235				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 21.86.

b. Computed only for a 2x2 table

Annex 4 – Table 4 Consumer Brand Preference * Income

Crosstab

Count

		Income				Total
		Less than 1000	1001 - 5000	5001 - 15000	Above 15001	
Consumer Brand Preference	No	3	9	19	17	48
	Yes	10	57	56	64	187
Total		13	66	75	81	235

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.055[a]	3	.383
Likelihood Ratio	3.184	3	.364
Linear-by-Linear Association	.557	1	.456
N of Valid Cases	235		

a. 1 cells (12.5%) have expected count less than 5. The minimum expected count is 2.66.