



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
PROGRAM OF BUSINESS ADMINISTRATION (MBA)**

**FACTORS AFFECTING CUSTOMER LOYALTY: THE CASE OF META
ABO BREWERY IN SEBETA TOWN, OROMIA REGION**

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ADDIS ABABA, ETHIOPIA

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**A thesis proposal submitted to St. Mary's University School of Graduate Studies in partial
fulfillment of the requirement for the Masters of Business Administration**

**January 2022
Addis Ababa, Ethiopia**

Declaration

I, the undersigned, declare that this thesis is my original work, presented under the guidance of Dr. Ephrem Assefa. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher institution for the purpose of earning any degree.

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Date _____

Endorsement

This thesis entitled “*Factor affecting customer loyalty: The case of Meta Abo Brewery in Sebeta town, Oromia region*” has been submitted to St. Mary’s University, School of Graduate Studies for examination with my approval as a university advisor.

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Approval

The undersigned certify that they have read and hereby recommend to St. Mary's University to accept the thesis submitted by Hawi Teshome entitled "*Factor Affecting Customer Loyalty: The Case of Meta Abo Brewery in Sebeta Town, Oromia Region*", in partial fulfillment of the requirements for the award of a Master's degree in Business Administration.

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Acknowledgment

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List of acronyms

ANOVA: Analysis of variance

SC: Share Company

SPSS: Statistical Package for Social Science

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Abstract

It is often argued that the extent of customer loyalty affects the level of firm performance and competitiveness. Therefore, understanding the determining factors affecting customer loyalty enable firms to devise strategies to boost their level of performance. The study is carried out to investigate the factors affecting customer loyalty in the case of Meta Abo Brewery. To this end, data were mainly gathered via structured questionnaire from 353 customers of Meta beer. The study applied a quantitative research approach and explanatory research design. Data were processed via SPSS and analyzed through descriptive (frequency, percentage, mean and standard deviation) and inferential statistics (correlation and regression analysis). The findings of the study reveal that, out of the proposed four factors, only one factor namely product quality has a statistically significant positive effect on customer loyalty. However, this study couldn't find a statistically significant effect of advertising influence and consumer's situational variation on customer loyalty. Moreover, the study reported a statistically significant but negative effect of groups influence on customer loyalty. Based on the findings of the study, it is recommended that the organization should mainly emphasize on product quality to build customer loyalty.

Keywords: *customer loyalty, advertisement, group influence, situational variation, product quality*

Chapter One: Introduction

This introductory part aims to highlight introduction to the study. More specifically, this chapter consists of background of the study, statement of the problem, general and specific objectives, research questions, significance of the study, scope of the study, limitations of the study, organization of the study, and definition of key terms.

1.1. Background of the study

In today's globalization and highly competitive environment, companies fight to share the given market in order to survive in the business and secure long-term profitability. This can be done both by retaining customers and/or attracting new ones. Such environments have enhanced customer awareness that leads to a great transformation from traditional product-oriented strategy to customer-oriented strategy in accordance with the basic principle of relational marketing that focus on customer loyalty. The objective of relationship marketing is to build loyalty by creating and maintain positive attitude towards the company, thus businesses are shifting from adapting profit-oriented strategy to customer-oriented strategy in order to win the competitive environment and become profitable (Gilmore, 2003).

Nowadays, business decision makers are searching for new innovative strategies to keep their existing customers loyalty towards their products and services, and also to further increase the base of loyal customers (Lauren and Lin, 2003). According to Oliver (1999), customer loyalty means that the customers will repurchase the same brand product or services consistently in the future without being affected by situation that could cause switching behavior. According to Andres (2007), these days customer loyalty is becoming the main goal of organizations. Globalization and development of information technology have enhanced customer awareness and created a situation where long-term success is no longer achieved without long-term customer relationship.

According to Dick and Basu (1994), customer loyalty considered as bi-dimensional, including both attitudinal and behavioral re-purchase intention. In addition, Lin and Wang (2006), defined customer loyalty as the customer's favorable attitude towards a brand, resulting in repeat purchase behavior.

Christian and Sunday (2013) stated that loyalty could be construed as the association between an individual's attitudinal predisposition towards an object and the repeat patronage of that object. Preferences result in attitudinal loyalty, as the customers tend to develop an attitude of liking or preferring certain products to others (Jakpar et al, 2012). According to Achana et al (2013), when customers fail to use the product a previous product, but rather goes for the substitutes, it confers dissatisfaction towards the previous product.

Loyalty implies the customer's tendency to remain loyal his or her consumption or purchase of a given product (Jakpar et al, 2012). The attitudinal loyalty often results from the past experiences that a customer has had after using the product or the perceptions that those around him or her have created about the product. Attitudinal loyalty therefore influences the customer to perceive satisfaction as only achievable from the use of that particular product.

According to Oliver (2007), customers' intrinsic commitment to remain loyal to and maintain preference for a product in view of situational factors such as competitor's practices entails attitudinal loyalty. The attitudinal loyalty implies the consumers' psychological attachment to a product and could even imply attitudinal advocacy towards the company. The customer draws a sense of satisfaction from associating with the organization and its brands (Jaiswal et al, 2007). This arises from the fact that the customer may have drawn repeated satisfaction from the product and has developed confidence in using the product. Attitudinal loyalty arises out of a series of intricate yet non-distinguishable feelings that precipitate a kind of overall attachment by the customer to the product (Anderson et al, 2000).

Behavioral loyalty reflects the customer actions and involves the measurement of past purchases of the same brand or the same brand-set and/or the measurement of probabilities of future purchase given past purchase behavior (Bandyopadhy and Martell 2007).

Beer is the world widely consumed alcoholic beverage of several dominant multinational companies, and many thousands of small scale producers. More than 133 billion liters are sold every year in the world (Mulugeta et al., 2017). There is great advantage for beer market due to the demographic structure in Africa. South Africa has the second largest brewery company in the world that is SABMiller. It has operation in large number of African countries including Ethiopia (Lobo, 2016). Diageo and Heineken are the other multinationals operating in Ethiopia beer market. In a matter of years, big names like Diageo purchased the Meta Abo Brewery, formerly a state-owned business, with Meta, Azemra and Malta Guinness Brands in January 2012. Diageo,

which is engaged in beverage alcohol business, has been enjoyed in Ethiopia since 1955, with Johnnie Walker and White Horse whiskies. The company has other international brands, such as Smirnoff Vodka, Baileys and Captain Morgan.

There are different factors that affect customer loyalty such as; advertisement, Price consciousness, Social interaction, customer situational variation, group influence, satisfaction and product quality. From those factors the researcher chooses advertising, situational variation, group influence, and product quality. Advertising is the best-known and most widely discussed form of promotion, probably because of its pervasiveness. It is also a very important promotional tool; particularly for companies whose products and services are targeted at mass consumer markets. . The value-based approach thus conceives product quality as the ability of the product to meet customer needs and desires or expectation in general at a specific price, which is reasonable for the customer. Consumers evaluate brands on the situation. Friends could influence the attitudinal loyalty in the beer industry and colleague who may make a person remain loyal to a particular brand and derive satisfaction only when they use that brand .(Peter and Olson, 2010, Workneh, 2017; Muturi, 2013, Vazquez et al, 2002, Christian et al, 2013).

In order to remain competent enough in today's highly competitive business environment, organizations are supposed to retain their customers. In this regard, Brewery is becoming an important business and is growing rapidly in Ethiopia. According to Access capital (2018), the Ethiopian beer industry is characterized by dynamic environment where a competition and technological advancements are changing rapidly. In order to respond to this rapid environmental changing and being able to be competent in the face of stiff competition, there is a need to ensure the loyalty of customers. Therefore, this study focuses on the analysis of factors affecting customer loyalty in the case of Meta Abo Brewery S.C.

1.2. Background of the organization

Meta Abo Brewery S.C, a public enterprise, was established in June 1967 with an initial capital of 2 million Birr and production capacity of 50,000hl/annum. It is located about 30km South West of Addis Ababa, nearby Sebeta town (Diageo, 2015). It produces bottled beer and draught beer for local and foreign consumption. Meta's currently produces Meta classic, Malta Guinness, Kuru malt, Meta Draught and Azmera beer. (Diageo, 2017)

The total asset of the brewery is estimated to be \$223 million \$344. The total area of the S.Co is 36.96 hectares. It is currently located at the top in manufacturing and distribution quality beer in and out of the country. (Diageo, 2015)

Meta Brewery S. Co was sold to foreign company called Diageo PLC years ago. Diageo PLC was formed with the merger of Guinness PLC, its primary parent company a hotel chain with brewing interests, in 1997. Guinness had already absorbed a number of other companies. Arthur Guinness began brewing beer in 1759. The name "Diageo" combines the Latin word for "day" and the Greek word for "earth". Together, the two words mean celebrating life every day, everywhere' whatever. This is in another word 'every day, everywhere, people are enjoying our brands. (Diageo 2005)

Diageo is the 11th largest company in the UK. It has bases in 180 countries around the world, with growing markets in Africa, as well as substantial interests in Europe and North America. The company indeed has had much to celebrate in recent years it has become a world leader in spirits production and today is viewed as a clean and ethical company.

The principal aim of Meta Abo Brewery is meeting the customers' requirements for quality beer and to offer customers more choice in the market without affecting the environment. Thus, then Brewery is highly committed to waste reduction, waste management and satisfying customers' needs and expectations. Meta Abo Brewery utilizes state of the art technology and has a highly qualified professional work force that enables it to complete on the export market with the leading international beer producing and marketing companies. The Brewery has been a pioneer in customer satisfaction, which is confirmed by being awarded two internationally, recognized certifications, ISO: 9001 and ISO: 14001.

1.3. Statement of the problem

The customer's willingness to purchase again from the company, having a preference for the company, or recommending the company to others could be indications to customers' desire to remain in a relationship with a company that demonstrate how much a customer is related to a company.(Palmatier, 2006). Loyal customers are often worth the marketing effort, owing to their willingness to buy additional products and spread positive word of mouth as well as their reliability as a source of continuous revenues. (Barnes 2003: 8).

Several studies have been conducted in relation to customer loyalty. A study by Amadi (2013) indicated that, identifying factors influencing brand preference has a great impact on understanding how and why brand preference and choice vary in the product category of beer. And it provides an in-depth understanding for such choice dynamics and how it can help marketing managers and practitioners design marketing programmes that will evolve with their customers' overtime.

In addition, it contributes to the awareness of the relationship between the identified factors (Advertisement, peer group influence and situational variation of the consumers) and brand preference in the beer category. Loyalty programs are used to give customers the sense of importance and/or the sense of being special. The behavioral and attitudinal characteristics that loyalty programs create are most attractive to services and retail businesses. Usually there is some reward component included in these programs that enhances the buying behaviors for repeat customers. It has been shown that truly loyal customers are highly satisfied, display behavioral and attitudinal characteristics, are willing to pay premium, and act as advocates for the particular brand (Bai et al, 2006).

Several studies have been conducted to unlock the factors affecting customer loyalty in different sectors. According to the study conducted by Sunkamol (2017), the factors positively affecting beer's brand preference of customers in Bangkok were beer characteristic, branding, beer types, situation appropriateness statements, packaging, social media, country of origin, and convenient and practical functions. Another study by Mulugeta et al (2017) carried out a study on the levels and factors affecting brand loyalty towards beer brands; in the case of three Ethiopian cities. The findings of the study indicate that among 13 brand loyalty influences identified in the model, brand trust, breweries marketing activity, culture, repeat purchase and the combination of brand relevance and brand performance had the highest influences on consumer loyalty. Another study by Tsegaye Fereja & Leykun Birhanu Demeke (2019) investigated the factors determining consumer beer brand preference in case of Addis Ababa City based on a sample of 261 consumers. The findings indicated that age, perceived beer quality, perceived social benefit, situational influence and peer influences have positively affected the probability of preferring St. George beer. Moreover advertisement, situational and peer influence had positive sign and significantly affect the probability of preferring Habesha. Furthermore, Amadi & Ezekie (2013) conducted a study on the factors influencing the preferences of beer consumers in Nigeria, with a

sample size of 354 beer consumers. The results show that there is a significant positive correlation between beer consumer advertising, peer influence, situational changes, and brand preference.

This study is, therefore, conducted due to the severity of the issue and absence of sufficient empirical studies on Meta beer pertaining to this topic incorporating crucial variables collectively is what motivated the researcher to examine the determinants of customer loyalty in the case of Meta abo brewery.

1.4. Objective of the Study

1.4.1. General Objective

The main objective of the study is to examine the factors affecting customer loyalty in case of Meta Abo Brewery.

1.4.2. Specific Objectives

2. To assess the level of customer loyalty in the case of Mata Abo Brewery
3. To determine the effect of advertising on customer loyalty in the case of Mata Abo Brewery
4. To examine the effects of group's influence on customer loyalty in the case of Mata Abo Brewery.
5. To test the effects of consumer's situational variation on customer loyalty in the case of Mata Abo Brewery.
6. To determine the effect of product quality on customer loyalty in the case of Mata Abo Brewery

1.5. Significance of the study

Customer loyalty plays significant role in the achievement of organizational performance objectives. This study was very significant in assessing factors affecting customer loyalty in case of Meta abo brewery. This research has significant role to play in shading light on the factors that influence customer loyalty in the case of Meta Abo Brewery S.C. Additionally, this study will have a paramount importance in providing a better ground for Meta abo brewery company's sales managers, business professionals, business initiatives and policy makers. Moreover, the research will also contribute an insight point as a stepping stone for further study in the area to future researchers.

1.6. Scope of the Study

The scope of the study can be discussed in terms of the issue under investigation (conceptually), geographically and methodologically.

- **Conceptual scope:** Conceptually, the study will be delimited to determine the factors affecting customer loyalty in case of Meta abo brewery. The study used four independent variables i.e. advertising influence, reference group's influence, consumer's situational variation and quality of product as independent variables and customer loyalty as dependent variable.
- **Geographical scope:** Geographically, the study is delimited to one organization called Meta Abo Brewery S.C which is located Addis Ababa, Ethiopia.
- **Methodological scope:** Methodologically, the study applies a quantitative research approach and a blend of descriptive and explanatory designs to achieve the research objectives. Pertinent data will be collected through questionnaire mainly from customers who have willingness to give the required information.

1.7. Limitation of the study

There are two types of beer in the market namely bottled beer and drought beer, and this research study focus on only bottled beer and the result and recommendation will not be applied to the drought beer. Because it is hard to define consumers who uses beer in their home, this study is limited to consumers who uses beer in Hotel, Bar & restaurant, and Groceries.

1.8. Definition of key terms

- **Customer Loyalty:** a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future; causing repetitive same brand or same brand set purchasing, despite situational influences and marketing efforts (Oliver, 1997).
- **Advertising Influence:** an influential communication force and a critical marketing tool that aids in the sale of goods, services, images, and ideas through a channel of information and persuasion (Milner, 1995).
- **Group Influence:** A reference group is defined as "An actual or imaginary individual or group conceived of having significant relevance upon an individual's evaluations, aspirations or behavior" (C.Whan & V.Parker, 1977, p. 102).

- **Situational Variation of the Consumer:** are those factors particular to a time and place of observation, which have demonstrable and systematic effects on behavior (Belk, 2004).
- **Product Quality:** Product quality is the characteristic of a product or service that bear on its ability to satisfy stated or implied customer needs (Kotler and Armstrong, 2012).

1.9. Organization of the Study

This study is organized into five chapters. Chapter one is an introduction part where back ground of the study, statement of the problem, objectives of the study, scope of the study, significance of the study and limitation of the study are presented. Chapter two is review of literature in which theories, empirical evidence, conceptual framework and research hypotheses are discussed. Chapter three is about the research methodology where research approach; research design; population, sampling method, sample size; sources of data; data collection instruments, method of data analysis, model specification; and ethical considerations were covered. Chapter four includes data presentation, analysis and interpretation of the research findings. Finally, chapter five presents summary of the major findings, conclusion and recommendation based on the findings of the study.

CHAPTER TWO: LITERATURE REVIEW

This section presents theoretical and empirical review on the concept of customer loyalty, the factors affecting customer loyalty. Overall, this chapter is divided into three parts. The first part will present the theoretical literature about the concept of customer loyalty, the factors affecting customer loyalty and also explain about customer loyalty theory. The second part discusses related empirical studies conducted locally and abroad. The third part is about the conceptual framework of the study and research hypotheses.

2.1. Theoretical Review

2.1.1. The concept of customer loyalty

In order to have a clear understanding about customer loyalty, there is a need to differentiate it from competing terms such as customer satisfaction and brand loyalty. As noted by S. Sysoev and A. Neumann, “satisfaction comes when the buyer is happy and does not regret the money spent. But, the client will not necessarily be loyal. Loyal customer is always a satisfied buyer, but the buyer is not satisfied with the always loyal, although the customer satisfaction is the first step on the way to win his or her loyalty (Sysoev and Neiman, 2004). Similar view is held by T.N. Gerpott, who believes that “satisfaction with the service is not identical with customer loyalty (Gerpott, 2001). By customer satisfaction should be understood a set of ordered assessments of individual service features (which may be positive or negative), and in these estimates are infused the individually perceived and expected quality characteristics.

Loyalty has been and continues to be, defined as repeat purchasing frequency or relative volume of same-brand purchasing. Many definitions in the literature suffer from the problem that they record what the consumer does, and none taps into the psychological meaning of loyalty Oliver (1999). According to Jacoby and Kyner (1973), brand loyalty is biased (i.e., non-random) behavioral response (i.e., purchase), expressed overtime, by some decision making units, either on the part of an individual, family or organization with respects to one or more alterative brands

out of a set of such brands, which means that it is necessary to distinguish between exclusivity and loyalty and a function of psychological process which involves the evaluation of different alternatives using specific criteria. Similarly, Oliver (1999) defines loyalty as a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

According to, Jacoby and Kyner (1973) have explored the psychological meaning of loyalty in an effort to distinguish it from behavioral (i.e., repeat purchase) definitions. Their analysis concludes that consistent purchasing as an indicator of loyalty could be invalid because of happenstance buying or a preference for convenience and that inconsistent purchasing could mask loyalty if consumers were multi-brand loyal. So it is conclude that the simply repetitive purchasing is not the base brick of customer loyalty. Customer loyalty is a variable of having two dimensions, one is related to the behavior and other related to the attitude, where commitment in the essential features.

2.1.2 Dimensions of customer loyalty

Concept of loyalty was initially developed in 1940s. That time, loyalty was a one-dimensional factor and then during 1944 and 1945 two separate concepts about loyalty were developed; “brand preference”, which was introduced as attitude loyalty, and “market share”, which was proposed later as behavioral loyalty. Since then, concept of loyalty was entered in academic literature and authors found that loyalty may be a combination of attitude and behavioral loyalty (Rundle, 2005).

2.1.2.1 Behavioral loyalty

Behavioral loyalty reflects the customer actions and involves the measurement of past purchases of the same brand or the same brand-set and/or the measurement of probabilities of future purchase given past purchase behavior (Bandyopadhy and Martell 2007). The behavioral measurements consider consistent, repeat purchase behavior as an indicator of loyalty and ignore the cognitive processes underlying that behavior (Tucker 1999; Mcconnell 1999; Carman; Bowen and Chen 2001; Chaudhuri and Halbrook 2001). The major assumption of defining loyalty from behavioral perspective is that internal processes are spurious and behavior captures the loyalty (Tucker 1999).The behavioral measures anticipate the repeat purchase pattern of consumers from basic information about penetration and average purchase frequency (Knox and

Walker, 2001). The advocates of behavioral approach suggest that most consumers have split loyalty portfolios of habitually bought brands (Knox and Walker, 2001). The behavioral definitions fail to explain how and why customer loyalty develops and changes. According to Day (1969), there is more to brand loyalty than just consistent buying of same brand.

2.1.2.2 Attitude loyalty

The attitudinal approach infers customer loyalty from psychological involvement, favoritism, and a sense of goodwill towards a particular products or service (Kim 2004). Attitudinal loyalty reflects the consumer's psychological disposition towards the brand (Evanchitzky; 2003). Attitudinal loyalty measurement suggests that consumers form relationship with some of their brands. Attitudinal loyalty involves a psychological involvement customers like the company or the brand, they are emotionally attached to them.

2.1.2.3 Customer loyalty programs/schemes

Ludin & Cheng (2014) describe customer loyalty as a continuous relationship between the customer and the brand. It can be seen as resistance to switch brands in spite of any situation or problem encountered during the business process. Additionally, they describe customer loyalty as repeated purchases of a product from the same brand.

Loyalty programs are a marketing strategy focused on offering benefits to achieve loyal customer retention. These programs are also called frequent purchase programs or reward programs because benefits depend on purchasing frequency (Gómez, Arranz, Cillán & 2006). Meyer-Waarden (2008) states previously used definition of loyalty programs as an integrated system of marketing actions that aims at making customers more loyal by developing a personalized relationship with them. Developing approach treats customer loyalty program as a tool for relationship management.

This tool gives an opportunity to create personalized communication. Companies record information by loyalty cards and possess instruments of dissemination and individualization of marketing mix (Meyer-Waarden, 2008). It enables managers to hold customers data and create customer databases. Gómez, Arranz & Cillán (2006) emphasize that customer loyalty program have to build behavioral and affective loyalty. According to behavioral approach, loyalty program play an important role in the purchase frequency. Participants in this program make a higher number of visits to the retailer than non-participants.

In the last couple of years, the role of customer loyalty in a company's performance has been widely acknowledged. It is known that there is a positive relationship between customer loyalty and profitability. Successful loyalty programs can help convert satisfied customers to loyal customers which protect market shares over time. (Vinod, 2011). The customer loyalty programs also help the company to measure the customer lifetime value of each of the company's customers. It also calculates how the customers are valuable for the company in present and in the future. And provide behavioral data of customers' purchasing habits to increase the customer lifetime value (LoyaltyLion 2014)

Customer loyalty programs help to build personal and emotional relationship between the company and the customers by showing the customers that the company truly values them. It also provide the company the data on your customers such as their behaviors, needs and other activities so that the company can be able to provide better products and services according to their customers' need (LoyaltyLion 2014).

2.1.3 Customer loyalty approaches

There are multiple approaches to customer loyalty. Theories of behavioral loyalty were dominating until 1970 considering loyalty as the function of the share of total purchases, function of buying frequency or buying pattern (Tucker 1999: 32; Sheth 1999: 398) or function of buying probability (Harary.1982; McConnell 1999:14; Wernerfelt 1991: 231). These approaches looked at brand loyalty in terms of outcomes (repeat purchase behavior) rather than reasons, until Day (1969) introduced the two-dimensional concept of brand loyalty, which stated that loyalty should be evaluated with both behavioral and attitudinal criteria. Contemporary researches consider and accent the psychological (mostly attitudinal and emotional) factor of loyalty (Oliver 1999: 34; Chaudury 1995: 28; Djupe 2000: 79; Reichheld 2003: 47). There are also approaches comparing loyalty with marriage (Hofmeyr 2000: 53–83; Lewitt 1983: 89; Dwyer 1987: 14). These different approaches allow distinguishing customers as whether behaviorally or emotionally loyal. Behaviorally loyal customers act loyal but have no emotional bond with the brand or the supplier whereas emotionally loyal customers do. Jones and Sasser call these two kinds of loyalty accordingly false or true long- term loyalty (Jones 1995: 90). Hofmeyr and Rice (2000: 87) divide customers to loyal (behavioral) or committed (emotional).

2.1.4 Factors Affecting Customer loyalty

As Kotler et al. (2017) noted, even highly loyal customers can be of different types at one extreme, quietly satisfied, and at the other extreme, ones that cannot wait to tell everybody. Loyalty consists of attitudinal and behavioral components. Attitudinal loyalty means that a customer is willing to purchase the particular product at any reasonable price. Behavioral loyalty means re-purchasing. Some factors that affect customer loyalty are advertising, reference group, consumer's situational variation and product quality. Each of these factors affects customer loyalty in the following ways.

2.1.4.1 Advertising influence

Advertising is a subset of promotion mix that is as 4p (Product, price, place and promotion) in marketing mix. Advertising as one of the strategies of promotion, is an important tool in creating awareness in the minds of potential customers in order to make decision to buy the product. Manufacturers create an emotional link with customers through advertising. As a result, it is more likely that these kinds of customers create an emotional link with the ads of that bran (Latif and Abideen, 2011).

Traditionally, it is understood that advertising facilitates sales of brands in four ways: creates awareness; provides essential information; builds brand image; and, serves as regular reminder of purchase (White, 1999). Advertising researches show that there is an enduring relationship between purchase behaviors of individuals and their attitudes toward products or services (Barry, 1987).

Advertising directly affects the strength of loyalty a consumer has for the favorite brand. If the favorite brand advertises the loyalty strength increases but if the rival brand advertises it decreases" (Agrawal, 1996, p. 86). Oliver (1999) writes that consumers remain loyal to a brand under two conditions: by shunning communications from competitive brands; and, because brands continue to offer the best. This could imply that advertising at least is a switching agent.

2.1.4.2 Group Influence

An average consumer belongs to one group or the other and to a reasonable extent, the group one belongs to or wishes to belong has one purchasing and consumption influence on him or her. Supporting this view, Engel et al (2001) opine that each consumer is a member of many groups, but those that influence behavior are called reference group.

Though related in many aspects, different authors have given different definition of the term reference group. Accordingly, reference groups are groups with which an individual identifies (Mordern, 2008), groups whose presumed perspective or values are being used by individual as the basis for his or her current behavior (Hawkins, et al, 2001), persons or groups that serves as point of comparison for an individual in forming either general or specific values, attitudes or behavior (Schiffman and Kanuk, 2009), group of people who influence persons attitude, values and behavior (Stanton, 2004) and or groups used by individual to evaluate self and whose standards are used as basis of comparison for the individual's behavior (Bearden and Etzel, 2006).

Reference group concept has been used by advertisers in their effort to persuade consumers to purchase product and brands, portraying products being consumed in socially pleasant situations. The use of prominent/attractive people endorsing products, and the use of obvious group members as spokesperson in advertisement are all evidence that marketers and advertiser make substantial use of potential reference group to influence consumers brand preference in the development of their communications. Alluding to reference groups in persuasive attempts to market products and brands demonstrates the belief that reference group exposes people to behavior and life styles, influence self-concept development, contribute to the formation of values and attitudes, and generate pressure for conformity and attitudes to group norms (Kotler, 2004).

2.1.4.3 Situational variation of the consumer

People consume products by themselves, with friends, on the beach, at carnivals, at parties and while having dinners with their boss or other relatives. Within these situations an individual may prefer a brand over the other because benefits sought out by consumers can differ by situation the consumer is in (Yang et al, 2002). According to Belk (2004), situations may be defined as those factors particular to a time and place of observation which have demonstrable and systematic effects on behavior. Consumers evaluate brands on the situation (Vazquez et al, 2002). It is suggested from previous research that situational factors are a better predictor for consumer behavior than measures involving attitudes. Research has indicated that consumer preferences change according to the environment in which the consumers find themselves (Quester and Smart, 2008, Lai, 2001, Belk, 2004). Consumer might choose a brand based on being in different situations and will therefore be motivated to drink a certain brand (Yang et al, 2002). That

consumer may face similar environments but there are several motivating conditions that play a role on brand choice depending on the consumer.

2.1.4.4 Product quality

Quality refers to the degree of excellence in a product or service (Xianhua and Germain, 2003). Quality is significant on the performance of a product (Calantone and Knight, 2000). Quality is important for impacting brand choice because it is the portion of personal risk that a consumer takes on the decision making processing in evaluating the purchase of a product (Berden et al. 2000; Hoyer and MacInnis, 2004).

According to Dapkevicius and Melnikas (2009), perceived quality has a significant relationship with customer satisfaction. A customer based on quality can judge a product as superior or inferior. Kotler, et al., (2009), argues that perceived quality acts as an intermediary between extrinsic cue and customer perceived value. According to Kotler and Armstrong (2007), customers do have the inherent ability to segment products based on quality. Significantly, products with high quality perceptions have higher satisfaction rates compared to products with poor quality. According to Anderson and Mittal (2000), perceived quality can easily be construed to mean overall assessment of product's ability to satisfy a customer's needed. The connection between perceived quality and customer satisfaction has been determined in previous research. McCullough et al., (2000), argues that the relationship between product qualities is not only significant, but also strong and positive.

Nonetheless, other researchers' have indicated contradicting finding especially in the breweries industry concerning the positive association between the perceived quality and customer satisfaction. There has been no agreement as to whether there exists a relationship between apparent quality and contentment on purchase intentions (Oliver, 2007). According to Tslotsou (2005), some researchers have argued that there is no connection between the two (quality and customer satisfaction). Others researchers have contended that perceived quality is not necessarily an individual matter as companies may have a lot of influence over perceived quality. Cengiz (2010) explains further that perceived quality is the extent of compliance rate between the customer's perceived performance and customer expectations. When the former meets or

surpasses the latter then the customer derives a feeling of satisfaction but when it fails to meet the latter, then the customers overall assessment of the experience is dissatisfaction. According to Oliver (2007), therefore, it corrects to say that perceived quality is a subjective concept that is based on a post-use evaluation of the performance of the product against expectation.

2.2 Theories of Customer Loyalty

Competing or Complementary Theories of Customer Loyalty

Depending on the model one adopts, the implications for practice can be significantly different. For example,

Model 1: Attitude approach aim to increase sales by enhancing beliefs about the brand and strengthening the emotional commitment of customers to their brand. Moving customers up a 'loyalty ladder' through image-based or persuasive advertising and personal service (recovery) programs are frequently used tactics (Brown 2000; White and Schneider 1998). Loyalty programs are also designed to strengthen commitment and create velvet handcuffs to bond the customer to the brand. This way of thinking has become commonplace in communications, branding and CRM textbooks.

Model 2: Alternatively, advocates of the behavioral focus suggest that most consumers have *split-loyalty* portfolios of habitually-bought brands. Here it is assumed that consumers tend to view advertising and other forms of marketing communication more as publicity that sustains awareness and offers reinforcement, rather than as highly persuasive information that fundamentally changes their attitudes and/or levels of commitment (Ehrenberg, Barnard and Scriven 1998). While these customers may participate in loyalty programs, they are also thought to be less influenced by these programs than the advocates of Model 1 assume (Dowling and Uncles 1997). Managers who adopt this approach try to maintain their share of category sales by matching competitor initiatives and avoiding supply shortages, and achieve growth via increased market penetration (by, for example, securing wider distribution). Under these circumstances, a loyalty program might be launched for mainly defensive purposes, in a bid to match competitors or as a publicity generating gesture, but with no expectation of dramatic changes in customer attitudes and behavior.

Model 3: Advocates of the contingency approach adopt a slightly different approach. They emphasize what might seem to be prosaic factors – such as avoiding stock-outs, extending opening hours, offering the appropriate assortment mix (to cater for various usage situations and variety seeking), having 24-hour call centers, providing on-line access, etc. They also often use price promotions, deals and special offers to attract the customers of competitor brands (e.g., as with gasoline retailers). Here the potential for loyalty programs to impact demand is very limited. Indeed, the product or service provider is likely to gain greater loyalty by responding directly to the contingent factors, and an image-building program may run counter to such a goal. Nevertheless, loyalty programs have been launched by companies who operate in markets with very little product/service differentiation – many of these can be seen as continuous promotional programs (Palmer and Beggs 1997). For management, the choice of theory becomes important when brands competing in a category are functionally similar and marketing budgets are not big enough to fund the tactics implied by all three models. Even where budgets are large – allowing for the simultaneous expansion of the sales base, advertising to encourage more positive beliefs about the brand, and tactical promotions – the need for strategic focus may preclude one or two of these options. For instance, as noted above, the launch of a loyalty program may run counter to the creation of a price-competitive image (particularly if it is perceived as an unnecessary expense that inhibits price-cuts from being passed on to customers).

Trust: Morgan & Hunt (1994) present trust as crucial to develop a relationship between a brand and the consumer over the long run (concept of « Commitment-Trust Theory »). Consumer trust can be defined as a belief in the reliability and honesty of the brand, and also as a desire to rely on the brand (Chaudhuri & Holbrook, 2001). We will then use the following definition: Customer trust is at once a belief in the reliability and honesty of a brand, and a will to rely on the brand over the long run. The positive impact of this trust on loyalty has been proved by several authors (Chaudhuri & Holbrook, 2001; Aydin & Ozer, 2005...).

Attachment: Brand attachment is based on the attachment theory, that studies “the propensity of human beings to make strong bonds of affection to particular others” (p.1479, Vlachos, *et al.*, 2010). According to this theory, individuals are developing affection ties with people adapted to their functional, experiential and emotional needs. Nevertheless, it

has been proved that individuals can be emotionally attached to all kinds of objects (Belk, 1988) like products or even brands (Thomson, et al. 2005). The concept of brand attachment has been then conceptualized by Thomson et al. (2005) with 3 main dimensions: connection, affection, and passion for the brand. Thus, we will use the following definition: brand attachment is an emotional bond between a customer and a brand, based on connection, affection, and passion for the brand. A consumer can effectively experience an attachment for a brand, by developing a set of perceptions and affective associations, which will naturally lead to a real psychologist proximity and a sense of belonging, that will have a huge impact on loyalty (Lacoeuilhe, 1997).

Brand identification: This concept of identification applied to the brand context is derived from the *Social Identity Theory*, which posits that, by remaining consistent with them, individuals seek to develop a social identity (Bhattacharya & Sen, 2003). Consumers will then use products or brands as social symbols to confirm their identity, to themselves and to the others (Grubb & Grathwohl, 1967), causing a strong emotional experience and affection for the object of identification and creating a strong commitment for the brand.

Self-congruence : Self-congruence is a concept increasingly used in marketing literature, easy to confuse with identification, but they are indeed different concepts (Bhattacharya & Sen, 2003), since self-congruence is a purely cognitive concept about having a personality which coincides with the brand's one (Sirgy, 1982), whereas identification is about the affective and evaluative psychological membership to the brand. In this article, the following definition will be used: Brand self-congruence is a concordance between the consumers' self-concept (real or ideal) and the brand personality. Belk (1988), suggests that objects and products can be seen as a part of ourselves, or as a "Self-extension", and that will impact our will to buy and our attitude toward a product/brand. Consumers will prefer to buy brands that will reinforce their self-concept (Cognitive-consistency Theory), or brands with an attractive personality to enhance their self-concept (Self-expansion Theory). Self-congruence has then a positive effect of loyalty (Kressmann *et al.*, 2006; Lee & Workman, 2015...),

2.3 Empirical Review

Several studies have been conducted in relation to customer loyalty, both locally and abroad. Solomon Ajebew (2019) conducted a study on the determinants of brand loyalty in the brewery industry in the case of Dashen brewery, in Bahirdar town. The population of this study was people who were over 18 years of age and who had experience in drinking beer either once or on regular basis in Bahir Dar Town, Fasilo Sub city. 323 questionnaires were distributed to respondents through on spot survey based on convenience sampling method. The data analyzed using descriptive statistics, correlation analysis and regression analysis. The findings of the study indicate that brand experience has the highest mean value (which is 3.88) followed by and customer satisfaction; perceive quality, brand switching cost and brand image with mean values of 3.61, 3.09, 3.69, 2.90, respectively. The perceive quality has the most significant impact on brand loyalty it's standardize coefficient value is 0.736. And brand experience has less impact on brand loyalty it's standardize coefficient is 0.054. The correlation value proves that all the independent variables are correlated with the dependent variable from the range of (0.186-0.869) The Beta coefficient confirms perceived quality has the highest value and brand experience shows the lowest value (Solomon Ajebew, 2019).

Mulugeta et al (2017) have carried out a study on the levels and factors affecting brand loyalty towards beer brands; in the case of three Ethiopian cities. The study was conducted to investigate influential factors of brand loyalty, and different loyalty level of beer consumers in Ethiopian context that would shed light on other developing countries too. Data was collected via questionnaires from 400 respondents consuming two dominant brands in the selected three cities. The findings indicated that among 13 brand loyalty influences identified in the model, brand trust, breweries marketing activity, culture, repeat purchase and the combination of brand relevance and brand performance had the highest influences on consumer loyalty. The study concluded that the level of brand loyalty of beer consumers was not in one loyalty stage and almost 1/3 consumers were not totally loyal for their respective beer choice. The result of the research clearly indicated that breweries must focus on the ten most significant brand loyalty factors, and adjust their overall marketing strategy according to the beer consumers' loyalty level. Due to brand proliferation of beers in Ethiopian context, the level of brand loyalty has to be taken as segmenting criteria to develop marketing strategies and decisions. The research is done in two brands, and the geographic coverage consists of three major cities, thus this research could be done at large scale by taking into account geographic and demographic difference of beer consumers (Mulugeta et al, 2017).

Tsegaye Fereja & Leykun Birhanu Demeke (2019) has undertaken a study to investigate the factors determining consumer beer brand preference in case of Addis Ababa City based on a sample of 261 consumers. The statistical findings from one-way ANOVA and Pearson chi² showed that age, marital status, family size, perceived beer quality, perceived beer price, perceived social benefit, advertisement situational influence and peer influence have statistically significant association with the beer brand preference. Moreover, the result of the multinomial logistic regressions shows age, perceived beer quality, perceived social benefit, situational influence and peer influences have positively affected the probability of preferring St. George; whereas family size had sign and significantly affect the probability of preferring St. George. Moreover advertisement, situational and peer influence had positive sign and significantly affect the probability of preferring Habesha. Family size has negatively affected the probability of preferring Habesh. The other advertisement and situational influence had positive sign and significantly affect the probability of preferring Walia. Whereas sex and marital status had negative sign and significantly affect the probability of preferring Walia.

Amadi & Ezekie (2013) conducted a study on the factors influencing the preferences of beer consumers in Nigeria, with a sample size of 354 beer consumers. The results show that there is a significant positive correlation between beer consumer advertising, peer influence, situational changes, and brand preference.

Research study conducted by Hika Debela Biru (2021) on the Effect of Social Media and Situational Variations on Consumers Brand Preference in beer products which are found in Nekemte Town. From the finding it is concluded that social media has a greater impact on consumers' brand preferences for beer products; while situational variations have less impact on beer consumers' brand preferences, with standardized betas of 75.2% and 10.8%, respectively.

A study by Saron Zewdie (2018) undertaken to investigate the impact of advertisement on customer's attitude towards brewery products the Case of Habesha Beer based on a sample of 345 consumers. Two-tailed correlation analysis showed that there is statistically significant and strong positive association between advertisement practice & consumers' attitude ($r = .955$, $p < .001$). The result indicates all elements of source of advertising such as celebrity, experts, peer group and family have significant impact on consumer's brand preference. Moreover, experts have greater positive effect on the perception of the respondents with regard to credibility.

A study by Alison K. Murray (2012) on the Factors influencing brand loyalty to craft breweries in North Carolina based. The purpose of this study is to gain a clearer understanding of what factors influence brand loyalty to microbreweries. The study looks at why visitors to Mother Earth Brewery in Kinston, North Carolina and Aviator Brewery in Fuquay-Varina, North Carolina chose to visit and purchase from that microbrewery instead of other breweries by examining concepts used in brand loyalty, access, environmental consumption, connection with the community, quality and satisfaction, desire for unique consumer products, and involvement in the industry.

Results show that while access, connection with the community, and satisfaction are important to respondents, connection with the community, satisfaction, and uniqueness is the three factors that most align themselves with brand loyalty. Connection with the community was the most important factor in influencing brand loyalty especially among residents and those born in the study region.

A study done by Saumya & Bandara (2012) was conducted to see the impact of closeness and the profession of reference groups towards brand loyalty of Beer Products the case of Sri Lankan. They used a random sampling method, and 150 questionnaires were distributed analyzed accordingly. This study is helping to find the effect of two important characteristic of groups which effect on changing buying habits. The result found that there is a significant relationship of Closeness of Reference Group towards the Brand Loyalty.

Moreover, a study done by Wanninayake and Chovancova (2012) attempted to investigate effect on consumer ethnocentrism on consumer's attitudes toward both domestic (Czech Republic) and foreign beer. They also researched if there was significance between demographics and consumer ethnocentrism. They conducted a convenient sampling method, and 108 questionnaires were analyzed. It asked questions regarding taste, quality, price, and a few other things in regards to foreign beers adopted from another study. The results agreed with previous research, in that consumers are more likely favor beer or have a more positive attitude to domestic beers, because of ethnocentrism. Even if there research found no correlation with the demographics.

Boisvert and Ashill (2011) conducted a study on the perception of product quality to customer attitude, and the result is that there is positive influence of the perception of quality on the customer attitude.

2.3 Conceptual framework of the study

With conceptual framework of the study, theories are connected to all aspects of the inquiry such as problem definition, purpose, literature review, methodology, data collection and analysis. Conceptual framework can act like maps that give coherence to empirical inquiry. Because conceptual frameworks are potentially so close to empirical inquiry, they take different forms depending upon the research question or problem (Patricia Shields, 1998). This research tried to identify the factors that influencing customer loyalty in Meta abo brewery the case of Sebeta Town. In order to do this, the previous studies were reviewed. As shown in figure 1, the student researcher has identified four factors or independent variables (advertising, group influence, consumer's situational variation and product quality) affecting customer loyalty.

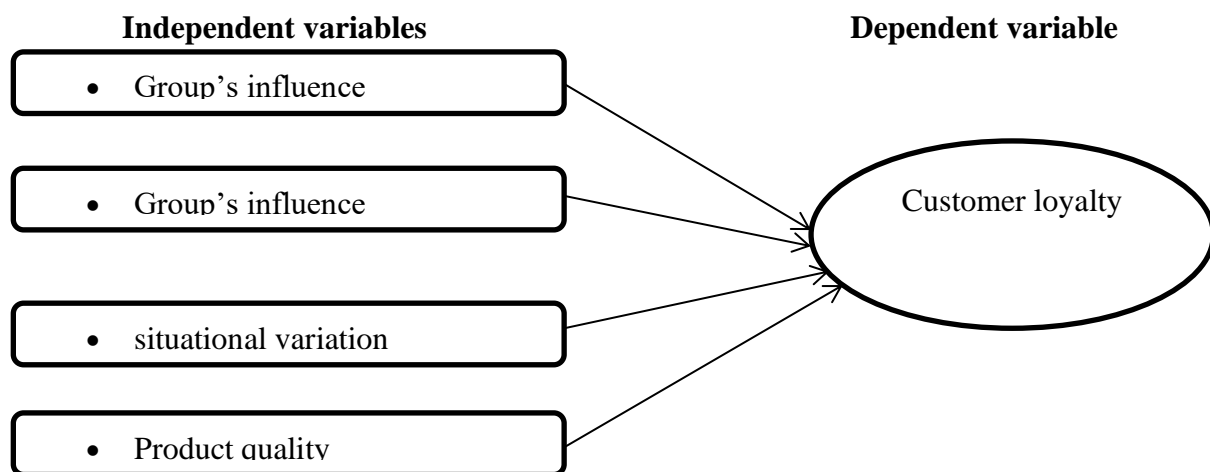


Figure 1: Conceptual framework of the study

Source:- Adopted from Chao, (2011)

2.4 Research hypothesis

- H1: Advertising has a statistically significant positive effect on customer loyalty.
- H2: Group's influence has a statistically significant positive effect on customer loyalty.
- H3: Consumer's situational variation has a statistically significant positive effect on customer loyalty.
- H4: Quality of the product has a statistically significant positive effect on customer loyalty.

CHAPTER THREE: RESEARCH METHODOLOGY

This section deals with the research methodology and discusses the research approach and design; population, sample size, sampling technique; sources of data; data collection instruments; reliability and validity of data collection instruments; data analysis method and ethical considerations.

3.1. Description of the Study Area

Sebeta is one of the Oromia towns that emerged before the Italian invaded Ethiopia in 1935; it is the capital town of Sebeta Awash District of Oromia special Zone surrounding Finfinne situated at about 24 km south west of Addis Ababa along Jimma road. According to the master plan of the town which was prepared in 1999, Sebeta has 99 km² or 9900 hectares of a reserved total area. The total population of this town for the year 2003 E.C & 2004 E.C was 131,123 (68,258 males & 62,865 females) and 136,368 (70,988 males & 65,380 females) respectively (OFED, 2013).

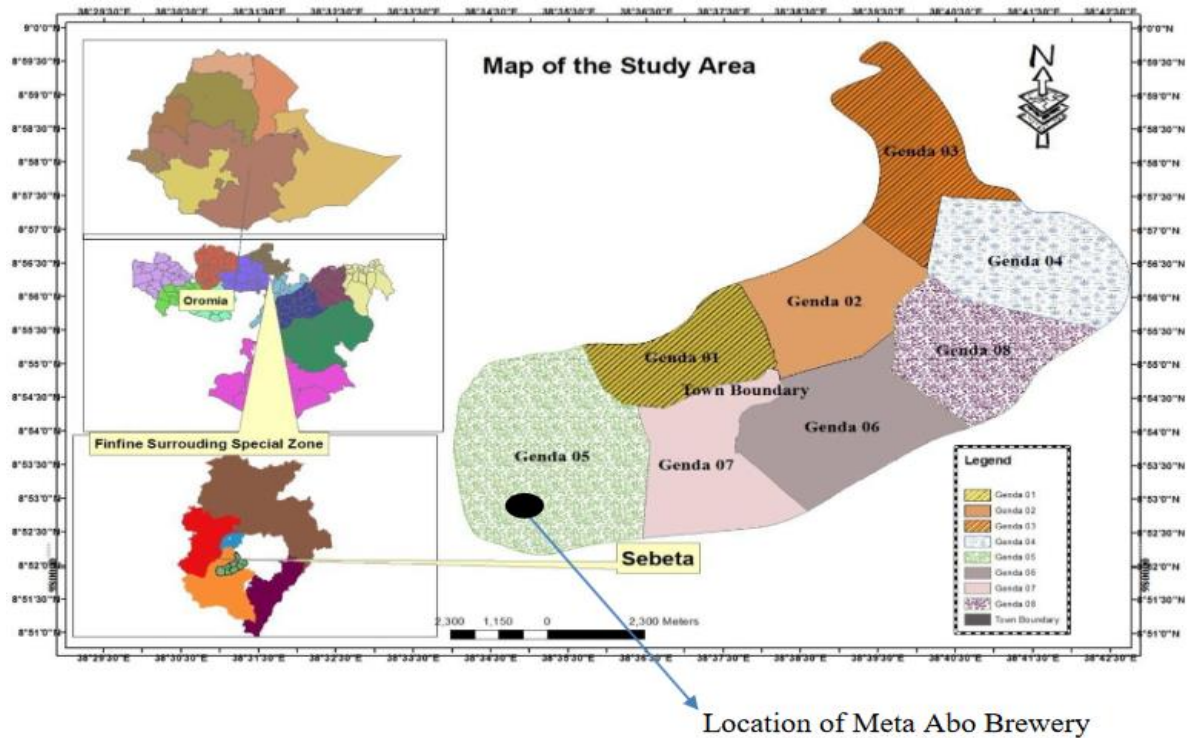


Figure 2 Map of the Study Area

Source: Meta Abo Brewery ESIA Study Report (2014)

3.2. Research Approach

When conducting a research, there are different ways of approaching the problem. According to Creswell (2009), there are three approaches of research namely quantitative, qualitative and mixed. A quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of review, and collect data on fixed instruments that yield statistics data Cochran, (1977). On the other hand, qualitative research approach is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem with intent of developing a theory or pattern inductively (Creswell, 2009). The major objective of this study was to investigate the factors affecting customer loyalty in the cases of Meta beer. Hence, the researcher used quantitative approach in order to fulfill the research objectives.

3.3. Research Design

Research design is a plan of collecting and analyzing data in an economic, efficient, and relevant manner. It is a plan of organizing framework for doing the study and collecting the necessary data. (C.R Kotari, 2004). According to Robson (2002), based on the purposes they serve, researches can be categorized into three types: explorative, descriptive, and explanative. Exploratory research is characterized as the seeking of new insights, the “looking around”, and the asking of questions or the bringing of some phenomenon into new light. Descriptive research is characterized as the depicting of accurate profile of people, events, or situations. Explanatory research aims at gaining an explanation of a specific problem, generally in the form of causal relationships (Robson, 2002). The study was undertaken to determine the factors affecting customer loyalty and identify those factors that significantly influence customer loyalty in case Meta abo brewery. Therefore, this study applied descriptive and explanatory research designs to meet the research objectives.

3.4. Population, sample size and sampling technique

3.4.1. Population

According to Sekaran (2003), population refers to all of things, people, or events that are the object of the investigation. There is no accurate official data on the population size. The target populations in this study were all consumers of Meta Beer in sebeta town during the study period.

3.4.2 Sample Size

Determining sample size varies for various types of research designs and there are several approaches in practice. The different strategies to calculate sample size include using census for small population, using a sample size of similar study, using published tables and using formula. A general rule, one can say that the sample must be of an optimum size i.e., it should neither be excessively large nor too small (Kothari, 2004). Due to lack of accurate knowledge about the total number of customers of the brewery, the researcher calculated sample size appropriate for infinite population. The study used the following sample size determination formula stated by Kothari (2004).

$$n = \frac{Z^2 p q}{e^2}$$

Where,

n=sample size,

z = confidence interval (with 95% level of certainty)

p = proportion (0.50)

q= 1-p (q= 0.5)

e = margin of error 95 % (0.05)

Thus the total number of the sample size is presented as follows.

$$n=3.8416*0.5*0.5$$

$$n=0.9604/e^2 (e=0.05)$$

$$=0.9604/0.0025$$

$$n=384.16$$

$$n = 384$$

3.4.3 Sampling Technique and Procedures

A sample design is a clear plan for obtaining a sample from a given population. As Kothari (2004) noted a sample design refers to the technique or the procedure the researcher would adopt in selecting items for the sample. In this research, convenience sampling was used to choose respondents (customers). The sampling areas for this study were bars and restaurants that are found around 01 Kebele of Sebeta town. This kebele is chosen because there are more Meta beer customers from the other place of Sebeta town.

The study included Meta beer product consumers available at the time of data collection. Thus, they were the major participants in providing information to the study. This is because of that they were included in the study believing that they were the potential sources of information to the study.

3.5. Data Sources and types

Data was gathered from primary and secondary sources. Primary data were collected from customers through close ended questionnaire. Moreover, secondary data were gathered from books, journal articles, masters or doctoral theses, statistical reports, etc.

3.6. Reliability and validity of data collection instruments

3.6.1 Validity

To assure quality of the data a structured standard questionnaire was used. Pretest was carried out on 20 individuals (5% of sample size) on similar subjects, which were not included in the study. Modifications and adjustments were made on questions and their responses based on lessons from the pretest.

3.6.2 Reliability

There are several different reliability coefficients. One of the most commonly used is called Cronbach's Alpha. Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer the coefficient is to 1, the greater is the internal consistency of the items (variables) in scale. And this study used the Cronbach alpha to check for quality assurance. As can be seen from table 1, to measure independent and dependent variables, the researcher adopted reliable measurement scales developed by prior scholars. The minimum reliability coefficients for the Likert scales used to measure each of the variables exceed 0.70.

Variables	Number of items or statements	Reliability coefficient Cronbach alpha	Name of the scholar/s who developed the scale, year)
Advertising	5	.725	Dorothy A. Otieno(2018) and Peter Mwangi Ndiritu(2015)
Group's influence	5	.732	ChanatipPatnachairoch(2017)
Consumer's situational variation	4	.721	Dorothy A. Otieno(2018)
Quality of the product	5	.883	Sunkamol Khongsawatvorakul(2017)
customer loyalty	6	.736	Sunkamol Khongsawatvorakul(2017)

Table 1: Reliability of the measurement scales

3.7. Data collection procedures

The data collection took place in sebeta town 01 Keble. There are countless bars, groceries and hotels around there and it is easy to get access to Meta beer consumers. The study was done specifically at weekends (Friday, Saturday and Sunday) since weekends are leisure time for most

of civil servants. The questionnaires were filled on the spot by the consumers who were drinking Beer. Therefore; structured questionnaires mainly based on categorical scale type was used as a major instrument to collection of primary data.

The questionnaires consisted three sections; the first section was to elicited information on the demographic characteristics of the respondents, the second section measured the dependent variables of the study (i.e. Customer loyalty). While the third section measured the source of information for the independent variables of the study (i.e. advertising influence, reference group influence, product quality and situational factors). In addition, secondary sources such as documents and related materials were also used to back up the findings from primary sources.

3.8. Ethical Consideration

The researcher holds the view that the ethical consideration is the most important element in the research process thus tries to guarantee confidentiality and preserve anonymity of participants of the research. Confidentiality of information was confirmed by informing respondents not to write their names on the questionnaire. The aim and objectives of the study was also clearly disclosed for the respondents on the information sheet and that the result of the study is to be used for academic purpose only and the response of the participants is fully confidential.

3.9. Method of Data Analysis

Quantitative data gathered via questionnaire was processed via SPSS version 21. To analyze data, both descriptive and inferential statistics were applied. In order to assess the level of customer loyalty descriptive statistical tool were used using frequency, mean, and standard deviation. The results of descriptive statistics were presented by using the tools such as tables, percentages and averages. Moreover, inferential statistics such as correlation and regression analyses were used to determine the relationship between the independent (determining factors) and dependent variables (customer loyalty).

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the data analysis and discussion of the research findings obtained from data collected from the survey questionnaire. Responses for the measures on the questionnaire are summarized and presented using tables to facilitate easy understanding. The demographic profiles of the study sample were described using descriptive statistics and also inferential statistics were employed in order to analyze data obtained from the survey. Accordingly, multiple regression analysis was used to test hypothesis and achieve the study objective that focuses on determining the effect of advertisement, reference group, product quality, situational variation on customer loyalty. Furthermore, Kothari correlation coefficient and Cronbach's Alpha coefficient were used to test internal consistency of the measure.

A total of 384 questionnaires were distributed to the respondent's beer customers using non probability (convenience sampling) techniques. This sampling technique is selected because it enables the researcher to get immediate research outcomes and it help for pilot studies. Even

though there are some risks in adopting a convenience sampling like it is prone to researcher bias due to the fact that researcher are crate large sample size.

In order to have a representative sample the researcher has administered questionnaire to sampled respondents with different backgrounds in terms of gender, age, educational level, occupational, monthly income and marital status. Out of the 384 questionnaires 353 questionnaire were properly filled. This response rate (92%) is quite large to run the analysis. Accordingly, the analysis of this study is based on the response obtained from these respondents.

4.2 Descriptive Analysis

4.2.1 Demographic Profile of Respondents

This section summarizes the demographic characteristics of the sample, which includes gender of the respondent, age, marital status, monthly income, educational background, & occupation. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the proportion of males and females in the sample, range of age, education level, marital status and employment group, so that the analysis could be more meaningful for readers.

Variables	Frequency	Percentage %
Gender		
Male	279	79.0
Female	74	21.0
Age		
21-30	43	12.2
31-45	71	20.1
46-60	129	36.5
Above 60	110	31.2
Marital status		
Single	71	20.1
Married	212	60.1
Divorced	53	15.0
Widowed	17	4.8
Monthly income		

< 3000 birr	73	20.7
3000-5,999 birr	84	23.8
6000- 8999birr	112	31.7
9000-11,999 birr	52	14.7
12,000 – 14,999 birr	24	6.8
15,000 and more	8	2.3
Educational qualification		
No formal education	14	4.0
Grade 1-8	74	21.0
Grade 9-12	120	34.0
Diploma	79	22.4
BA/BSc Degree	36	10.2
Master Degree	24	6.8
Ph.D.	6	1.7
Current occupation		
Unemployed	74	21.0
Student	10	2.8
Salaried	145	41.1
Business man/women	79	22.4
Other	45	12.7

Table 2: Demographic Profile of Respondents

Source: Own Survey, computed in SPSS, 2022

Table 2 visualizes the demographic profile of 353 respondents. In terms of gender, the majority of the sample populations are males; they represent 79% of the total sample population. The rest 21% are females. The results showed that, male had higher potential to consume Meta beer than female. Regarding the age of respondents, the sample population is largely dominated by the age group of 46-60 (36.5%) followed by the age group of above 60(31.2%). The implication was that the group of the middle-age and old constitute a large portion to experience Meta beer. The remaining group of respondents consists (20.1%) with the age of (31-45) and (12.2%) (21-30). concerning marital status, (60.1%) of them are married, (20.1%) are single, (15%) are divorced & the reaming (4.8%) are widowed. This confirms that majority of Meta Beer consumers are married (60.1%). With regard to the monthly income of respondents, (31.7%) of them earns monthly income of birr 6000-8999 birr , & 23.8%, 20.7%, 14.7%, 6.8%, 2.3% of them earns birr

3000-5,999, < 3000 , 9000-11,999, 12,000 – 14,999, 15,000 and more, birr respectively. This entail that majority of the respondents were people with middle income groups.

In terms of education, the relative majority of respondents (34%) goes to high school, while 22.4% of the respondents have received Diploma, 10.2% of the respondents comprises first degree holders, 6.8% of respondents are MA degree holders & the remaining 6% of the respondents have doctoral degree (Ph.D). This result shows that more high school completed consume of Meta beer.

When looking at the occupation of the respondents, 145 respondents (41.1%) were salaried followed by business man/women constituting 79 respondents (or 22.4%). The individuals who searched for job were 74 respondents accounted for 21.0% of population sample. Moreover, there were 45 respondents who were uncategorized group accounted for 12.7% of population sample. The least group of respondents (10 respondents or 2.8%) of population sample were students. This confirms that majority of Mera Beer consumers are salaried (41.1%).

4.1.2. Preferred Beer Brand

Table 3 shows that the most preferred brand was Meta classic (500ML) at 34% followed by Meta Classic Decor (330ML) at 31.2% respondents. This was followed by Meta Classic (330ML) at 19.8%, the least preferred brands that were Azemra (330ML) at 15%. The indication was that most of individuals infrequently consumed.

Brands	Frequency	Percent
Meta classic (500ML)	120	34.0
Meta Classic (330ML)	70	19.8
Meta Classic Decor (330ML)	110	31.2
Azemra(330ML)	53	15.0
Total	353	100.0

Table 3: Preferred beer brand

Source: Own Survey, computed in SPSS, 2021

4.1.3. Frequency of beer consumption

As can be seen from Table 4, the largest group of respondents who frequently consumed beer thrice per week constitutes 32.3% of survey respondents. The second group was a group of respondents who frequently consumed twice per week constitutes 27.8% of respondents. The third group was the groups of respondents who frequently consumed more than thrice per week constitute 22.4% of respondents. The fourth group was the group of respondents who frequently consumed once per week constitutes 17.6 % of respondents. The results showed that, the majority of the respondents consumed beer thrice a week. This shows that a growing number of people are increasing their beer drinking habits.

Beer consumption	Frequency	Percent
Once	62	17.6
Twice	98	27.8
Thrice	114	32.3
More than Thrice	79	22.4
Total	353	100.0

Source: Own Survey, computed in SPSS, 2021

Table 4: Frequency of Meta beer selection in a week

4.2.2. Descriptive statistics for antecedent variables

On the basis of a five points Likert scale, the overall mean (M) score between **1-2.33** is considered as low, the score between **2.34-3.67** is considered as moderate, and the mean score between **3.68-5** is taken as high value (Zaidatol et al, 2012). The interpretation of mean values is based on this criterion.

Variables	N	Mean	Std. Deviation	Variance
Customer Loyalty	353	3.2129	.98412	.968
Advertisement	353	3.2929	.66091	.437
Group Influence	353	2.9671	1.06400	1.132
Situational Variation	353	3.1650	1.14465	1.310

Product Quality	353	3.5365	1.14169	1.303
Valid N (list wise)	353			

Source: Own Survey, computed in SPSS, 2021

Table 5: Descriptive statics' for antecedent variables

From Table 5, data presented all variable are moderate aggregate mean score between 2.96-3.53. It is possible to understand that most of the customers either agreed or strongly agreed to the product quality, advertisement, customer loyalty and situational variation statements while most of the customer have either disagreed or strongly disagreed to the group influence statements.

Among the five determining factors, situational variation and product quality factors had the highest deviation from the mean values (S.D. = 1.14). While the least standard deviation from the mean was recorded for advertisement (S.D. = 0.66).

4.3. Correlation Analysis

Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo&Festinger, 2005). Pearson correlation test was conducted to know the degree of relationship between the five independent variables i.e. advertising influence, group's influence, situational variation and product quality, and dependent variable i.e. customer loyalty. As per Marczyk, Dematteo and Festinger, (2005) correlations of .01 to .30 are considered small, correlations of .30 to .70 are considered moderate, correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large.

	CL	AD	GI	SV	PQ
Customer Loyalty (CL)	1				
Advertisement (AD)	-107*	1			
Group Influence(GI)	-772**	064	1		
Situational Variation(SV)	-590**	044	.632**	1	
Product Quality (PQ)	.878**	-073	-750	-573**	1
**. Correlation is significant at the 0.01 level (2-tailed).					
* Correlation is significant at the 0.05 level (2-tailed).					

Source: Own Survey, computed in SPSS, 2021

Table 6: The relationship between Customer Loyalty and factors

As shown in Table 6, the independent variables (advertising influence, group's influence, consumer's situational variation and product quality) are significantly correlated with the dependent variable. Customer loyalty is positively and strongly correlated with product quality (Pearson Correlation = 0.878, $p < .001$). Contrarily, customer loyalty is negatively correlated with advertisement (Pearson Correlation = -0.107, $p < .001$), Group's influence (Pearson Correlation = -0.772, $p < .001$), and consumer's situational variation (Pearson Correlation = -0.590, $p < .001$).

4.4. Regression Analysis

4.4.1. Test of regression assumptions

Before interpreting the regression results, the researcher first tested the data to fulfill the basic assumptions of linear regression analysis namely normality, linearity, multicollinearity, homoscedasticity and no autocorrelation.

4.4.1.1. Normality of the data

The assumption of normal distribution of the data was examined. The overall distribution is presented with the histogram below. If the residuals are normally distributed, the histogram should be bell-shaped. Bryman, (1988). Therefore, from the above figure, the Histogram is bell-shaped; this implies that the residuals are normally distributed.

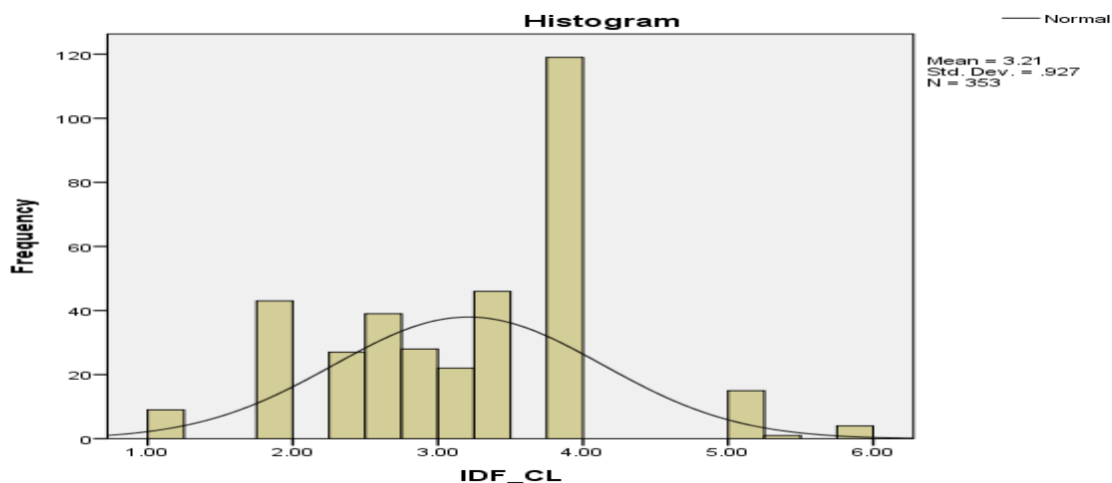


Figure 3: Normal curve

4.4.1.2. Linearity

There must be a linear relationship between the dependent and independent variables. Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. This can be also verified via the p-plot presented below. The plots appeared to be in a straight line fulfilling the linearity assumption.

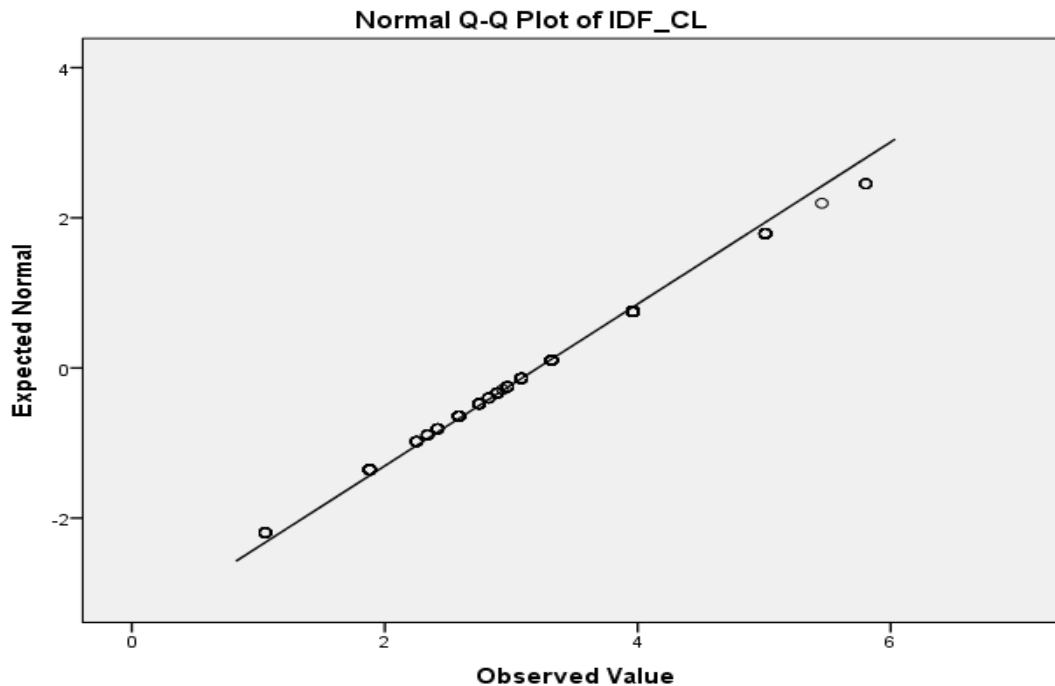


Figure 4: Linearity

Again, from the p plot result from the chart above, it can be seen that, the observed cumulative probabilities of the residuals are close to the line. This indicated that the distribution of the residuals is close to the normal distribution. From this it can be inferred that the data has not violated the assumption of normality extremely.

4.4.1.3. Autocorrelation Assumptions Test

The Durbin Watson statistic is a number that tests for autocorrelation in the residuals from a statistical regression analysis. The Durbin-Watson statistic is always between 0 and 4. The value 2 means that there is no autocorrelation in the sample of the study. Values approaching 0 indicate positive autocorrelation and values toward 4 indicate negative autocorrelation (Bryman, 1988).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	.903	.815	.813	.42547	.939
a. Predictors: (Constant),advertisement, Group Influence , Situational Variation ,Product quality b. Dependent Variable: Customer loyalty					

Source: SPSS result, 2021

Table 7: Autocorrelation assumptions test

From the above table 7 indicate that the value Durbin Watson statistic result is .939. Thus, it can be said that since the DW statistics is close to 1, autocorrelation is not a serious problem in the study.

4.4.1.4. Multi-collinearity issues to the data

According to Cochran (1977), the presence of multi collinearity can be detected by just looking at variance inflation factor (VIF) value of each explanatory variable. That is, if VIF is more than 10, then, it signifies that there is interdependency among independent variables.

Variables	Collinearity Statistics	
	Tolerance	VIF
Advertisement	.995	1.005
Group Influence	.300	3.336
Situational Variation	.538	1.860
Product quality	.372	2.690

Table 8: Multi co linearity assumption Test

Source: SPSS result, 2021

The above table 4.6 indicates that the VIF values for advertising influence, group's influence, situational variation and product quality are below 10. Moreover, the tolerance value is greater than 0.10. Hence, the Multi-Collinearity assumption is fulfilled in this study.

4.4.1.5. Homoscedasticity

Homoscedasticity is the extent to which the data values for the dependent and independent variables have equal variances, as Saunders, et al. (2009) noted. Based on the explanation by Field (2009), at each level of the predictor variables, the variance of the residual terms should be Constant, which means the residuals at each level of the predictors should have the same variance. Therefore, checking for this assumption is helpful for the goodness of the regression model. Field (2009) suggested that it should plot the standardized residuals, or errors (ZRESID) on the Y axis and the standardized predicted values of the dependent variable based on the model (ZPRED) on the X axis to get the homoscedasticity result.

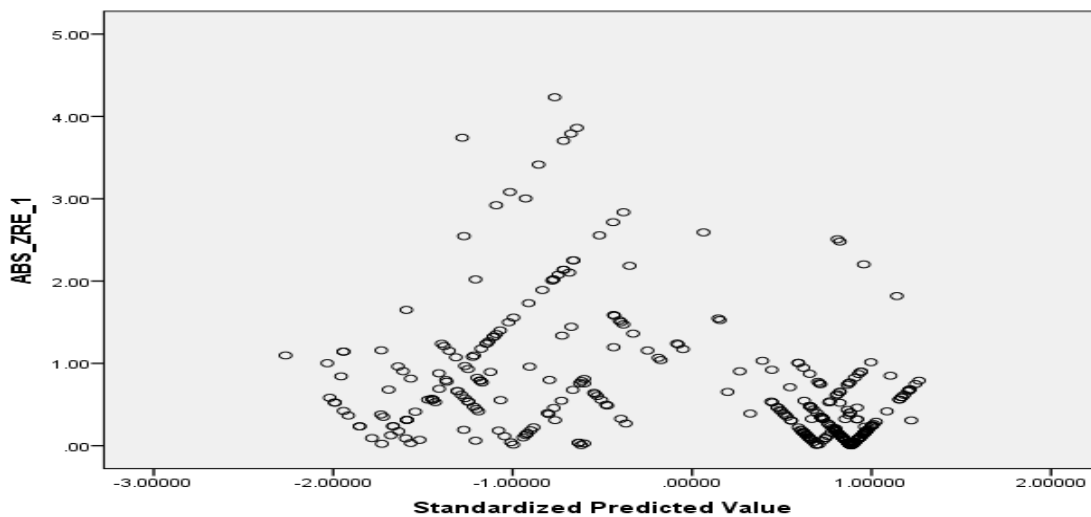


Figure 5: Homoscedasticity

According to Garson (2012), homoscedasticity help as to check for the relationship under investigation is the same for the entire range of the dependent variable and lack of homoscedasticity is shown by higher errors (residuals) for some portions of the range, which can be seen on the scatter plot.

In this regard, as Field (2009) describes, the graph of *ZRESID and *ZPRED should look like a random array of dots evenly dispersed around zero, if the assumption of homoscedasticity has to be met. Likewise, as shown in the above figure, the points are randomly and evenly dispersed

throughout the plot and there are no obvious outliers on this cloud of dots, which are spaced around zero. Therefore, it can be concluded that the assumptions of random errors and homoscedasticity have been met.

4.4. Multiple Regressions Analysis

Model	R	R Square	Adjusted Square	Std.Error of the Estimate
1	.903 ^a	.815	.813	.42547

a.Predictors: (Constant), Product quality, advertisement, Situational variation, Group influence

Table 9: Model Summaries

Regression model was applied to test how far determinants have effect on the customer loyalty. Coefficient of determination R^2 is the measure of proportion of the variance of dependent variables about its mean that is explained by the independent or predictor variables. It is conducted to investigate the effect of independent variable on the dependent variable and identify the relative significant influence; i.e. Independent variable (advertising influence, group's influence, situational variation and product quality) to the dependent variable. Higher value of R^2 represents greater explanatory power of the regression equation. The proposed hypotheses were tested using multiple regression analysis. The results of the regression analysis are depicted in the following table.

ANOVA Result

The significant level in ANOVA table shows that the combination of variables significantly predicts the dependent variable. ANOVA that tests whether the model is significantly better at predicting the outcome than using the mean as a best guess; specifically, the F-ratio represents the ratio of the improvements in prediction that results from fitting the model, relative to the inaccuracy that still exists in the model.

Table 10: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	277.914	4	69.479	383.808	.000 ^b
1 Residual	62.996	348	.181		
Total	340.911	352			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Product quality, advertisement, Situational variation , Group influence

As indicated in the above Table 4.6., the significant value of the ANOVA indicated that it was less than the p-value 0.05 (i.e. sig=0.00<0.05) and then there was perfectly significant difference among the mean score of customers' loyalty towards Meta beer, with respect to their independence variable.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.510	.242		10.378	.000
Advertising influence	-.061	.034	-0.41	-.1.770	.078
Group influence	-.304	.040	-.323	-7.683	.000
Situational variation	-.019	.027	-.022	-.692	.489
Product quality	.523	.033	.607	16.054	.000

Source: Own Survey, computed in SPSS, 2022

Table 11: Regression coefficient analysis of the model

H1: Advertising has a statistically significant positive effect on customer loyalty.

The result of multiple regression analysis (table 11) clearly indicates that in advertising influence has negative and insignificant effect on customer loyalty ($\beta=-.041$, $p\text{-value}>0.05$). This is in contrary to the proposed hypothesis. Thus, the above proposed hypothesis is not accepted.

H2: Group's influence has a statistically significant positive effect on customer loyalty.

The result of multiple regression analysis (table 11) clearly indicates that group's influence has significant negative effect on customer loyalty ($\beta=-.323$, $p<0.01$). Although group influence is said to have a positive effect on customer loyalty, this study reported the reverse. Thus, the above proposed hypothesis is rejected.

H3: Consumer's situational variation has a statistically significant positive effect on customer loyalty.

The result of multiple regression analysis (table 11) clearly indicates that in Consumer's situational variation has negative significant effect on customer loyalty ($\beta=-.022$, $p\text{-value}>0.05$). This is in contrary to the proposed hypothesis. Thus, the above proposed hypothesis is not accepted.

H4: Quality of product has positive and statistically significant effect on customer loyalty.

The result of multiple regression analysis (table 11) clearly indicates that in Quality of product has significant positive effect on customer loyalty ($\beta=.607$, $p<0.01$). The result is in line with the proposed hypothesis. This implies that a one unit increase in quality of product leads to a 0.607 unit increase in customer loyalty beer industry.

4.5. Discussion of findings

Advertisement

The result of regression analysis indicate that advertising influence has a negative and insignificant effect on customer loyalty ($\beta=-.041$, $p\text{-value}>0.05$). This result is contrary to the existing theory and prior studies. Thus, this outcome is in contrary with a study conducted by Saron Zewdie (2018) and Amadi et al (2013). The scholars pointed out the positive significant effect of advertising on customer loyalty.

According to the findings most of the respondents not agree that the advertisement influences of customer loyalty. Therefore advertisement not affects customer loyalty in case of Meta beer. During analysis of social media awareness, the findings show that most of the respondents not agree that it influences their choice of beer. Therefore awareness effort directly or via social media not keeps that loyalty of customer in case of Meta beer. Most of the time advertisement not meet the customer expectation and when the advertisement prepare aim to increase the volume not to attained loyal customer. The other reason when the advertisement example sampling and price discount was doing the customer used for that day not repeated in the next day.

Group's influence

According to the regression result of reference group's influence has a statistically significant negative effect on customer loyalty ($\beta = -.323$, $p\text{-value} < 0.05$). This result is contrary to the existing theory and prior studies. Thus, this outcome is in contrary with a study conducted by Tsegaye Fereja & Leykun Birhanu Demeke (2019) and Saumya & Bandara (2012) and Amadi et al (2013) who reported the significant positive effect of reference group's on customer loyalty.

Group influence as an attribute of influencer was studied. The study revealed that group influence had a low importance in customer loyalty in Meta beer; this is to say group influence doesn't affect customer loyalty. Group influence not affects customer loyalty because the Meta beer consumer adapts the test of the beer.

Situational variation

According to the result of regression analysis, consumer's situational variation has a negative but insignificant effect on customer loyalty ($\beta = -.022$, $p\text{-value} > 0.05$). Although this result is in contrary with the propose hypothesis, the outcome is consistent with prior study conducted by Hika Debela Biru (2021) who reported no significant effect of situational variation on customer loyalty.

The judgment to choose a particular brand was influenced by the situation context and the product familiarity (Cardello et al., 2016). Nonetheless, beer customers in Sebeta more relied on product familiarity in order to choose a particular beer brand for a situation. In Sebeta Meta beer was more available because of this the customer can get easily.

Product quality

According to the regression result, product quality has a statistically significant positive effect on customer loyalty ($\beta=0.607$, $p\text{-value}<0.05$). This means that holding other independent variables constant and when one percent increase in product quality leads to 60.7% increase in customer loyalty. Accordingly, the result supports the working hypothesis that product quality has positive and statistically significant effect on customer loyalty. Thus, this outcome is consistent with prior study of Solomon Ajobew (2019) and Tsegaye Fereja, Leykun Birhanu Demeke (2019) and Boisvert and Ashill (2011) who discovered positive significant effect of product quality on customer loyalty in beer industry. Hence, the possible reason is associated with high quality perceptions have higher satisfaction rates compared to products with poor quality, so that based on quality customer can judge a product as superior or inferior. In addition, customers do have the inherent ability to segment products based on quality. Thus, due to this reason it has positive and statistically significant effect on customer loyalty. Generally, the overall result is depicted in the following table.

<i>Hypothesis</i>	<i>Result</i>	<i>Reason</i>
H1: Advertising influence has positive and statistically insignificant effect on customer loyalty.	Not Accepted	$\beta=-0.041$,
H2: Group's influence has positive and statistically significant impact on customer loyalty.	Not Accepted	$\beta=-0.323$, $p<0.01$
H3: Situational variation has positive and statistically in significant effect on customer loyalty.	Not Accepted	$\beta=-0.022$,
H4: Quality of product has positive and statistically significant effect on customer loyalty.	Accepted	$\beta=0.607$, $p<0.01$

Source: Own Survey, computed in SPSS, 2021

Table 12: Summary of the overall outcome of the research hypotheses

CHAPTER FIVE:

SUMMARY, CONCLUSION AND RECOMMENDATION

This is the final chapter that summarizes and presents the main points from research analysis. This chapter aims to align the research findings with regard to the objectives of the study and illustrate the conclusions that have been reached. The final part of this chapter comprises of the future research recommendation.

4.1 Summary of major findings

The research general objective was to examine factors affecting customer loyalty Meta beer in case of sebeta town. The study used three hundred eighty-four (384) respondents out of these three hundred fifty three (353) were only properly filed and respond for the study. In line with this, it carried out by constructing a regression model using SPSS through testing relevant assumptions that were adopted from primary sources of data to have well-built quantitative analysis.

The overall result obtained from the regression model indicates that advertising influence and situational variation have negatively and insignificant impact on customer loyalty; group's influence have negative and significant impact on customer loyalty; product quality have positive and significant impact on customer loyalty.

5.2 Conclusion

In conducting this study, the required data was obtained through structured questionnaires. The Instrument (structured questionnaires) was adopted from prior related studies, in order to measure all variables of the study. To check the validity and reliability of the adopted instruments validity and reliability test was also carried out. To determine the sample size from the total population of the study, the researcher uses formula based-sample size determination. To select respondents 'non-probability sampling technique which is convenience sampling was

used. Basically, a total of 384 questionnaires were distributed to the sampled Customers, among these 353 questioners were returned. Thus, 353 returned questionnaires were analyzed using statistical package for social science (SPSS version 20). In the analysis descriptive statistics, correlation analysis and regression analysis were performed.

The findings of the study reveal that, out of the proposed four factors, only one factor namely product quality has a statistically significant positive effect on customer loyalty. However, this study couldn't find a statistically significant effect of advertising influence and consumer's situational variation on customer loyalty.

Moreover, the study also concluded that from the proposed significant variables product quality were significant determinant factors, which contributes .607%, of the change in the dependent variable of customer loyalty. However, the study concluded that product quality was the most determinant factor contributing .607% change in the dependent variable. Conversely situational variation and advertisement was the weak predictor of customer loyalty in the study area.

5.3 Recommendations

Based on the conclusions the study recommends the following main points

- Despite the fact that the term quality has a subjective meaning or do not have general consensus over the meaning and attitude of quality, companies like Meta abo Brewery need to conduct a contextual survey over the issue of what quality mean this enables the company to provide what their customer needed and desired. Quality depends on the perceived value of customer; hence, the need to make continuous survey about what matter quality is significant. Therefore, the company has to work with the interest and the perceived value of the customer to deliver quality Meta beer.
- The result disclosed that product quality has positive and significant effect on customer's loyalty. Accordingly, Meta beer has to improve the product quality by adding new features that makes the product highly desirable by consumers against other products.

- As the study revealed that the quality, of the product affects beer customer loyalty it is recommended to promote the product quality in lines of rationality rather than just making low price appeals.
- Product quality is the significant factor for customer loyalty, hence, it is recommended not to compromise on the quality of the beer. Low prices have to be charged while maintaining the quality.
- Once the customer loves the taste of the beer, the primary role of the company have to be keep the taste of the beer throughout. Therefore, Meta abo Brewery Share Company should strictly emphasize on the maintaining of the taste. A lot have to be done to keep the initial taste of the beer.
- Meta abo Brewery Share Company higher level leaders should aggressively work on the quality of Meta beer, they need to conduct research on the quality of the beer and a decision has to be given to adjust the current quality of the beer in line with the customer preference.
- In this specific case, the researcher recommends managers of beer companies focus their marketing strategies towards increasing the Perceived Quality of their brands in their customer's minds.
- Focusing attention on internal marketing and particularly front-line employees (company representatives) to ensure that they are offering quality product that consistently meets the requirements of the customers.
- Analyzing the root causes of complaints and Understanding why customers are switching the product provides that company with the essential information needed to fill the gap.

Therefore, Meta beer should effectively consider the above determinants by performing more work on those factors to have a prominent customer who loyal for the brand preference.

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Appendices

Appendix I: Information sheet

Dear respondent (customers),

I am Hawi Teshome a post graduate student at St. Mary's University School of Graduate Studies. Currently I am carrying out research for my master's thesis with a research title "Factors Affecting customer loyalty in cases of Meta Abo Brewery". The purpose of the study is for the partial fulfillment of the requirement of Degree of Masters in Business Administration (MBA). Therefore, I kindly request your genuine responses on this questionnaire. The data you provide are valuable for the successful accomplishment of the study. If you have any questions or concerns about completing the questionnaire, please contact me via the address provided below. Please note that your responses are confidential and as well your name is not required to be mentioned. Thank you for your willingness to spare 15 minutes from your valuable time to participate in this study.

Hawi Teshome

Mobile: +251 923 29 92 57

Email: Teshome.hawizarsema3@gmail.com

Instruction

- No need to mention name on the questioner.
- The questioner includes both open and close ended questions and please Use the mark

If any question may not be appropriate to your circumstances do not answer.
(Tick where appropriate)

Appendix II: Questionnaire

PART 1: Respondents Background Information

1. Gender

Male

Female

2. Age:

21-30

31-45

46-60

Above 60

3. Current education level:

- No Education Grade 1-8 Grade 9-12 Diploma
 BA/BSc degree Master Degree Above Master's Degree

4. Occupation:

- Unemployed Student Salaried
 Business man/woman other

5. Monthly level of income:

- < 3,000 birr
 3,000-5,999 birr
 6,000-8999 birr
 9,000- 11,999 birr
 12,000-14,999 birr
 15,000 and more

6. Marital status

- Single
 Married
 Divorced
 Widowed

PART 2: Beer Consumption Behavior of Consumers

7. which is your preferred Beer Brand?

- Meta classic (500ML) Meta Classic (330ML)
 Meta classic Decor (330ML) Azemera (330ML)

8. How Many times in a week do you drink Meta Beer?

- Once Twice Thrice More than Thrice

PART 3: FACTORS AFFECTING CUSTOMER LOYALTY

The following questions are aimed to assess your perception towards the factors affecting customer loyalty by using 5-points Likert scale items. Please, indicate the extent to which you agree on the statements by putting a tick mark (√) on the box provided in front of your answer. 5 = Strongly Agree (SA), 4 = Agree (A), 3 = Neutral/Not sure, 2 = Disagree (D), 1 = Strongly Disagree (SD)

1. ADVERTISING

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	After exposed to Meta beer advertisement & test the Product I have recommended it to my colleagues.					
2	Brand Awareness via social media affects my choice of beer Brand					
3	Poster and events advertisements affect my choice of beer brand.					
4	I favor the recent Meta beer advertisement & encouraged to taste the product.					
5	I love drinking Meta beer due to happy hours and price discounts					

2. REFERENCE GROUP

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	I choose to drink Meta beer because my friends drink it too					
2	I choose to drink Meta beer because it makes me be part of the group					
3	I choose to drink Meta beer because I saw other people drink it					
4	I choose to drink Meta beer because my family drink it					
5	I choose to drink Meta beer because it enhances the image that others have of me					

3. SITUATIONAL VARIATION

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	When I don't get my favorite brand I go to another outlet to look for my brand					
2	The cost of beer affects my choice of beer brand					
3	Availability of a cheaper product will					

	affect my choice of beer.					
4	The availability and accessibility of the brand in the bar and shops makes it preferable to me					

4. PRODUCT QUALITY

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	I choose to drink Meta beer because I believe it has high quality					
2	I drink Meta beer because I enjoy its taste					
3	I prefer Meta beer because don't make me hangover					
4	I prefer Meta beer because it has low calories					
5	I drink Meta beer because it have good aroma or smell					

PART 4: CUSTOMER LOYALTY

The following questions are aimed to assess your level of loyalty to Meta Beer measured by using 5-points Likert scale items. Please, indicate the extent to which you agree on the statements by putting a tick mark (✓) on the box provided in front of your answer. 5 = Strongly Agree (SA), 4 = Agree (A), 3 = Neutral/Not sure, 2 = Disagree (D), 1 = Strongly Disagree (SD)

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	I feel I am loyal to meta beer					
2	I would buy a beer brand Meta rather than any other brands available.					
3	I am willing to recommend others to buy Meta beer.					
4	When I drink beer next time, I will buy the same brand of beer as the last time					
5	Whenever I choose to go out, I always drink Meta beer brand every time.					
6	I am likely to purchase Meta beer in					

	the future.					
--	-------------	--	--	--	--	--

Thank you

Appendix III: Information sheet (Amharic)

እኔ ሀዋ ተሾመ በቅድስት ማርያም ዩኒቨርሲቲ የድህረ ምረቃ ትምህርት ቤት የድህረ ምረቃ ተማሪ ነኝ። በአሁኑ ወቅት “በሜታ አቦ ቢራ ፋብሪካ ጉዳዮች ላይ የደንበኞችን ታማኝነት የሚነኩ ምክንያቶች” በሚል ርዕስ የማስተርስ መመረቂያ ጥናቴን እያካሄድኩ ነው። የጥናቴ አላማ የዲግሪ አፍ ቢዝነስ አስተዳደር

(ኤምቢኤ) የሚፈልገውን በከፊል ለማሟላት ነው። ስለዚህ በዚህ መጠይቅ ላይ እውነተኛ ምላሾችዎን በአክብሮት እጠይቃለሁ። ያቀረቡት ውሳኔ ለስኬታማው ጠቃሚ ነው።

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ኢሜይል: Teshome.hawizarsema3@gmail.com

መመሪያ

- ጠያቂው ላይ ስም መጥቀስ አያስፈልግም።
- ጠያቂው ሁለቱንም ክፍት እና የተዘጉ ጥያቄዎችን ያካትታል እና እባክዎ ምልክቱን ይጠቀሙ

ለሁኔታዎችዎ ተስማሚ ላይሆን የሚችል ማንኛውም ጥያቄ መልስ አይስጡ.

(ከተፈለገ ምልክት ያድርጉ)

Appendix IV : Questionnaire (Amharic)

ክፍል 1: ምላሽ ሰጪዎች ድህረ መረጃ

1, ጾታ

ወንድ

ሴት

2. ዕድሜ:-

21-30 31-45 46-60 በ60 በላይ

3. አሁን ያለው የትምህርት ደረጃ:-

ትምህርት የለም ከ1-8ኛ ክፍል ከ9-12ኛ ክፍል ዲፕሎማ
 የቢ.ኤ/ቢ.ኤስሲ ዲግሪ ማስተርስ በማስተርስ ዲግሪ በላይ

4. ሥራ:-

ሥራ አጥ ትማሪ ደግሞዝተ
 የግንደ ስራ ሌላ

5. ወርሃዊ የገቢ ደረጃ:-

< 3,000 ብር
 3,000-5,999 ብር
 6,000-8999 ብር
 9,000- 11,999 ብር
 12,000-14,999 ብር
 15,000 እና ተጨማሪ

6. የጋብቻ ሁኔታ

ያለገባ
 ያገባ
 የተፋታ

ስል/ሚስት የሞተባት/በት

ክፍል 2: የደንበኞች የቢራ ፍላጎት

7. የመረጡት የቢራ ብራንድ የትኛው ነው?

ሜታ ክላሲክ (500ML)

ሜታ ክላሲክ (330ML)

ሜታ ክላሲክ ዲኮር (330ML)

አዝመራ (330ML)

9. በሳምንት ውስጥ ስንት ጊዜ ሜታ ቢራ ይጠጣሉ?

አንድ ጊዜ

ሁለት ጊዜ

ሶስት ጊዜ

በሶስት እጥፍ ይበልጣል

ክፍል 3: የደንበኛ ታማኝነትን የሚነኩ ምክንያቶች

የሚከተሉት ጥያቄዎች ባለ 5-ነጥብ የሊትር ልኬት ዕቃዎችን በመጠቀም የደንበኞችን ታማኝነት በሚነኩ ምክንያቶች ላይ ያለዎትን ግንዛቤ ለመገምገም ነው። እባክዎን ከመልስዎ ፊት ለፊት ባለው ሣጥን ላይ ምልክት (✓) በማድረግ በመግለጫዎቹ ላይ የሚስማሙበትን መጠን ያመልክቱ። 5 = በጣም እስማማለሁ (በእ)፣ እስማማለሁ (እ)፣ 3 = ገለልተኛ/ እርግጠኛ ያልሆነ፣ 2 = አልስማማም (አ)፣ 1 = በጣም አልስማማም (በአ)

1. ማስታወቂያ

ቁጥር	መግለጫ	በጠንካራ ሁኔታ	አልስማማም	ገለልተኛ	ተስማማ	በጠንካራ ሁኔታ
		አልስማማም።				ተስማማ
		1	2	3	4	5
1	ለሜታ ቢራ ማስታወቂያ ከተጋለጥኩ እና ምርቱን ከሞከርኩ በኋላ ለስራ ባልደረቦቼ ጋር					

	ሞከርኩት።					
2	በማህበራዊ ሚዲያ በኩል የምርት ስም ግንዛቤ የቢራ ብራንድ ምርጫዬን ይነካል					
3	ፖስተር እና የክስተት ማስታወቂያዎች በእኔ የቢራ ብራንድ ምርጫ ላይ ተጽዕኖ ያሳድራሉ።					
4	የቅርብ ጊዜውን የሜታ ቢራ ማስታወቂያ እወደዋለሁ እና ምርቱን እንዲቀምሱ አበረታታለሁ።					
5	በደስታ ሰአታት እና በዋጋ ቅናሾች ምክንያት ሜታ ቢራን መጠጣት እወዳለሁ።					

2. የማጣቀሻ ቡድን

ቁጥር	መግለጫ	በጠንካራ ሁኔታ አልስማማም።	አልስማማም	ገለልተኛ	ተስማማ	በጠንካራ ሁኔታ ተስማማ
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		1	2	3	4	5
1	ሜታ ቢራን ለመጠጣት የመረጥኩት ዳደሾቼም ስለሚጠጡ ነው።					
2	ሜታ ቢራን ለመጠጣት የመረጥኩት የቡድኑ አባል እንደሆን ስለሚያደርገኝ ነው።					
3	ሜታ ቢራን ለመጠጣት የመረጥኩት ሌሎች ሲጠጡ ስላየሁ ነው።					
4	ሜታ ቢራን ለመጠጣት የመረጥኩት ቤተሰቤ ስለሚጠጡት ነው።					
5	ሜታ ቢራን ለመጠጣት የመረጥኩት ሌሎች በእኔ ላይ ያላቸውን አመለካከት ስለሚያሳድግ ነው።					

3. ሁኔታዊ ልዩነት

ቁጥር	መግለጫ	በጠንካራ ሁኔታ	አልስማማም	ገለልተኛ	ተስማማ	በጠንካራ ሁኔታ

		አልስማማም።				ተስማማ
		1	2	3	4	5
1	የምወደውን የምርት ስም ሳላገኝ የምርት ምርጫዬን ለመፈለግ ወደ ሌላ መሸጫ እሄዳለሁ።					
2	የቢራ ዋጋ የቢራ ብራንድ ምርጫዬን ይነካል					
3	ርካሽ ምርት መገኘት በእኔ የቢራ ምርጫ ላይ ተጽዕኖ ያሳድራል።					
4	በባር እና በሱቆች ውስጥ ያለው የምርት ስም መገኘት እና ተደራሽነት ለእኔ ተመራጭ ያደርገዋል					

4. የምርት ጥራት

ቁጥር	መግለጫ	በጠንካራ ሁኔታ አልስማማም።	አልስማማም	ገለልተኛ	ተስማማ	በጠንካራ ሁኔታ ተስማማ
		1	2	3	4	5

1	ሜታ ቢራን ለመጠጣት የመረጥኩት ከፍተኛ ጥራት እንዳለው ስለማምን ነው።					
2	ሜታ ቢራን የምጠጣው በጣዕሙ ስለምረካ ነው።					
3	አነስተኛ ካሎሪ ስላለው ሜታ ቢራን እመርጣለሁ።					
4	ጥሩ መዓዛ ወይም ሽታ ስላለው ሜታ ቢራ እጠጣለሁ።					
5						

ክፍል 4: የደንበኛ ታማኝነት

የሚከተሉት ጥያቄዎች ለሜታ ቢራ ያለዎትን ታማኝነት ደረጃ ባለ 5-ነጥብ የሊከርት መለኪያ ዕቃዎችን በመጠቀም ለመገምገም ያለመ ነው። እባክዎን ከመልስዎ ፊት ለፊት ባለው ሣጥን ላይ ምልክት (✓) በማድረግ በመግለጫዎቹ ላይ የሚስማሙበትን መጠን ያመልክቱ። 5 = በጣም እስማማለሁ (በእ)፣ እስማማለሁ (እ)፣ 3 = ገለልተኛ/ እርግጠኛ ያልሆነ፣ 2 = አልስማማም (አ)፣ 1 = በጣም አልስማማም (በአ)

ቁጥር	መግለጫ	በጠንካራ ሁኔታ አልስማማም።	አልስማማም	ገለልተኛ	ተስማማ	በጠንካራ ሁኔታ ተስማማ
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		1	2	3	4	5
1	ለሜታ ቢራ ታማኝ እንደሆንኩ ይሰማኛል።					
2	ካሉት ሌሎች የቢራ ብራንዶች ይልቅ የሜታ ቢራ እገዛ ነበር።					
3	ሌሎች ሜታ ቢራን እንዲገዙ ለመምከር ፈቃደኛ ነኝ።					
4	በሚቀጥለው ጊዜ ቢራ ስጦጦ ከመጨረሻው ጊዜ ጋር ተመሳሳይ የሆነ የቢራ ብራንድ እገዛለሁ።					
5	ለመውጣት በመረጥኩ ቁጥር ሁል ጊዜ የሜታ ቢራ ብራንድ እጠጣለሁ።					
6	ለወደፊት ሜታ ቢራን መግዛት እችል ይሆናል።					

አመሰግናለሁ