RESEARCH PAPER

Does Advertisement Matters in Beer Brand Preference? Case Study in Ambo Town, Oromia, Ethiopia

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Abstract

Every beer brands use advertisement as a major weapon to overcome the fierce competition. The study aims to explore the effect of advertisement on consumers' beer brand preference in Ambo town Oromiya region Ethiopia. Four variables namely advertising media, source of advertisement, and characteristics of advertising messages and language of advertisement were used as independent variables, while brand preference was used as dependent variable. A total of 362 respondents were selected using judgmental sampling technique. The structured questionnaires were used to collect primary data. Data were analyzed using descriptive and inferential statistics. The finding revealed that there is positive and significant relationship between advertising media, source of advertisement, characteristics of advertising messages, type of advertising language and beer brand preference. Among advertising medias, TV is the most influential whereas outdoor advertisement has low influence in beer brand preference. Appropriate actions like upgrading attractiveness of the advertisement, making advertisement message and content persuasive, and use advertisement by understandable languages are indispensable. Further, companies need to refine their advertising strategies as a means of overcoming the intense competition that exist in the market so that they can increase sales volume and market share..

Keywords: Ambo, Advertisement, Brand preference, Media, Beer

Introduction

Advertising is a form of communication used to encourage, persuade, or manipulate an audience to continue or take some new action (Kotler, 2005). Nowadays it has a significant role on the sale of goods and services as it is all about influencing and inducing an urge to purchase the products.

According to Kotlerand Armstrong (2008) advertising is traced back to the very beginnings of recorded history. Nowadays, advertising has become a multi-billion industry employing hundreds of thousands people and affecting billions of people's lives worldwide.

So far, seeing as advertising clutter has increased tremendously and is more intense than ever, it is vital that companies differentiate themselves from competitors by creating even more powerful, entertaining and innovative advertising message that affect consumers' brand preference (Nartey,2010).

According to Agwu (2012), advertising is daily encounter because we are exposed to media. We all have and listen to TVs, radios, read various magazines, newspapers, outdoor signage, direct mails and now new innovation by websites and text messages. A good advertisement persuades the customer to the final purchase and keeps them motivated to do certain action (Kenneth and Donald, 2010). The advertising also gives customers the options

that can be considered when they go to purchase to distinguish the products among many. So that when the customer goes to purchase any thing he/she will once think about it that there is a certain product with certain features (Agwu, 2013) and (Ikpefan et al., 2014). Therefore, advertising has an important role in today's businesses.

Advertising has effect on alcohol consumption and established that advert leads to onset of drinking amongst non-drinking youth; increased levels of consumption and also revealed evidence of a dose-relationship in relation to advertising exposure (Anderson et al., 2009) and (Grube and Waiters, 2005). According to Adeolu et al., (2005) types of advertising media and age of consumers as the two factors used for the study purpose. Furthermore, Vivekananthan (2010) used three assessment factors such as information, communication, and comprehension. Features of advertisement, contents of advertising message, types of advertising media and reference group influence are the factors that affect consumption. Accordingly, first language is a choice language by audiences (Gezachew, 2012) and (Tendon, 2011).

The study by Singh et al., (2012); Adeole et al., (2005) and Ugonna, et al., (2017) revealed that advertisement has positive impact on attention and exposure of consumers'. The study also showed that media advertisements of TV and radio had a significant influence on consumers' purchase intent, while radio and billboard advertisements had significant influence on the attention, interest, desire, conviction, and action of consumers'. According to Moorthy and Madevan (2014) and Lema (2016), TV advertising is the most preferred by consumers' to have awareness about the product and chose alternative brand. Moreover, Gezachew (2012) assessed the influence of advertisement on consumers' brand preference with reference to electronics products. The study revealed that among advertising media, TV advertising is the most preferred media by consumers. Mother language is the most preferable language by audiences. To convey advertising message experts, celebrities, and common man were preferred by consumers to get reliable information of the brand. As indicated by figure 1, brand preference is influenced by types of media used for advertisement, source and language of advertisement, and message of advertisement.

Atkin, (1982) states that TV advertisement forces consumers to immerse in the matter and leads to action. There is positive and significant relationships between advertising media, source of advertisement, characteristics of advertising messages and brand preference of beer Lema, (2016) , Ugonna, *et.al*., (2017) and Wilcox and Gangadharbatla,(2006). Ayanale, et.al., (2005) find out that quality of advertisement is important in influencing brand preference. In addition to content of the advertisement, brand preference is affected by language that the consumer better understands (de Run and Khalique,2012).

The Beer industry in Ethiopia has gone through tremendous growth in the last two decades. It transformed into one of the most competitive industries in Ethiopia with millions of birr spent on advertisements alone. Every beer brands in the market use advertisement as a major weapon to overcome the fierce competition. In Ambo town, there are a number of beer products in the market such as St. George Beer, Amber Beer, Waliya Beer, Habesha Beer, Castle Beer, Zabidar, Harar Beer, Bedele Beer, Dashen Beer, Meta Beer, and Raya beer. In Ambo town the producers of different beer brands are striving to increase their market share through varying marketing strategies. With such number of beer brands it seems the competition is leveled up between the beer companies. One means to beat up the competition is through communication, where advertisement is a major tool. Hence this study tries to investigate the effect of advertisement on beer brand preference in Ambo town. The general objective of the study was to evaluate the effect of advertisement on consumers' beer brand preference. Specific objectives of the study are to; (1) Identify the type of media used in advertising beer, (2)-Assess the effect of sources of advertisement on consumers' beer brand preference, (3)-Explore the effect of advertising messages on consumers' beer brand preference and (4)-Investigate the effect of

advertisement language on consumers' beer brand preference.

Figure 1 shows the effect of independent variables (source of advertising, language of advertising, Media and Message of advertising) on dependent variable (Brand preference). Brand preference is explained by quality of beer, price and package of the beer.
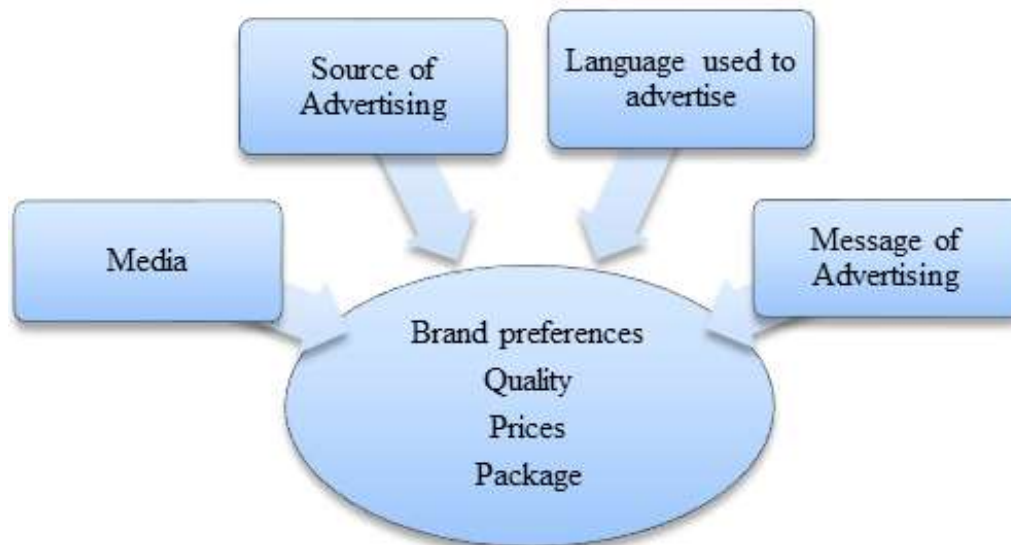

Figure1: Conceptual framework, Adopted from Gezachew (2012) and Singh et al. (2012)

Research methods

Description of the study area

The study was conducted at Ambo town West Shoa Zone, Oromia National Regional State. Relatively Ambo town is located 114 kms faraway West of Addis Ababa. The Town has a total population of about 81000 and area covering 8587.58 hectares (85875871.07m2) square meters. Besides this the town has 23 hotels and 42 restaurant and groceries which give different services to the residence.

Research approach and design

Mixed research approach was employed in determining the effect of advertisement on beer brand preference in the study area. Descriptive and explanatory research designs were employed. Descriptive was used to show the landscape of advertisement in Ambo town, whereas, Explanatory design was used to indicate the effect of advertisement on brand preference. The study targeted the Hotels, Restaurants, and Groceries found in Ambo Town.

Data types and methods of collection

Data were collected on week-end (Saturday and Sunday) afternoon since week-ends are leisure time for most of the respondents. The primary data were collected directly from the sample respondents such as the consumers of beer, sales personnel and managers of selected groceries, restaurants and hotels using structured questionnaire. The Respondents were asked if they were willing to participate in

the survey. Then they were given questionnaires to fill in based on their preference, experience and prior exposures to the brands. In this study data collector was employed and trained to collect the data from the respondents which is located in different areas of hotels, restaurants and groceries in the town. Secondary data were collected from reports, and statistics by government agencies and any other authorities. Interview was also conducted with Managers, sales man and business owners to substantiate the data by obtaining through questionnaire method.

Sampling method and sample size

The target populations for this study were consumers of beer in hotels, restaurants and groceries in Ambo Town. Sampling frame of this research were customers of Hotels, Restaurants and groceries located in Ambo Town. When the size of population is unknown the sample size was calculated by the following formula (Corbetta, 2003).

$$n = \frac{Z^2 P * Q}{e^2}$$

Where n = required sample size, Z = Degree of confidence (i.e. 1.96)2, P = Probability of positive response (0.5), Q=Probability of negative response (0.5) and E = Tolerable error (0.05)2.

Accordingly, sample size was 384.16, rounded as 384 beer users. From the stated number twenty two of the respondent were failed to respond and hence, the analysis was done with 362 samples. Purposive sampling was used to select hotels, Restaurants and groceries. From hotels, restaurants and groceries respondents who are consume beer brands and willing to fill the questionnaire were selected.

Data analysis

The data analysis was made by using both descriptive (frequency, percentage, graphs and figures) and inferential statistics. Multiple linear regression analysis was used to test the effect independent variables on the dependent variable. The following is the model specification,

$$Y = \beta 0 + \beta 1 X1 + \beta 2 X2 + \beta 3 X3 + \beta 4 X4 + \varepsilon$$

Where Y=Brand preference x1=Type of media x2= sources of advertising x3=Messages of advertising x4= languages of advertising and ε is error term

Reliability test

Baker (1994) noted that a pilot study is used to pre-test and accordingly 10-20 % of the sample size for the actual study was a reasonable number of participants to consider in pilot study. For this study 38 respondents were selected for pretesting the questionnaire. In order to check the internal consistency of the instrument, reliability test was conducted using Cronbach-Alpha as evidenced by Oluwatayo (2012). This coefficient varies from 0 to 1, and a value of 0.6 or less generally indicates unsatisfactory level of internal consistency (Malhotra& Birks, 2007). The result of the Cronbach-Alpha on table 1 shows that the internal consistency of the questionnaire is satisfactory

Table 1: Reliability Test

Variables	Cornbach Alpha	Items
Advertising media	.886	8
Message Source factor	.911	7
Message Character factor	.839	3
Language factor	.842	3
Brand Preference	.859	6
Overall Scale reliability	.909	27

Result and discussion

Demographic characteristics of the respondents, beer preferences, major reasons for beer preference and language preference for advertisement were presented in table 2. We examined the correlation among independent and dependent variables and in addition, cause and effect relationship between independent and dependent variable were analysed.

Table 2: Demographic characteristics of the respondents

Gender			Age			Job category			Marital status			Family size		
	Fre	%		Fre	%		Fre	%		Fre.	%		Fre	%
Male	300	82.9	20-35	252	69.6	Private	175	48.3	Married	132	36.5	1-3	202	55.8
Female	62	17.1	36-50	42	11.6	Government	141	39.0	Single	199	55.0	4-6	84	23.2
-	-	51-65	64	17.7	NGO	15	4.1	Widowed	16	4.4	7-8	39	10.8	
-	-	Above 65	4	1.1	Student	31	8.6	Divorced	15	4.1	above 8	37	10.2	
Total	362	100		362	100		362	100		362	100		362	100

According to Table 2 majority of the respondents are males that imply males are high beer users compared to female counterpart. In terms of age, youngsters (20-35) are high users of beer represented by 69.6% whereas oldies are relatively low users. Private job workers are high in terms of beer usage. The table also shows those drinkers with few family members are relatively high in number. This implies those who have large family cannot use beer frequently as drinking beer has economy implication.

Table 3: Advertisement and beer preference

	Frequency	Percent
yes	257	71.0
no	105	29.0
Total	362	100.0

Table 3 shows, 257(71%) of respondents replied that advertising has influenced consumers to consume beer of their preference and 105(29%) of the total respondents replied

that advertising does not influence them on beer selection. This indicates that most of the respondents are affected by advertising on beer brands selection

According to figure 2, the study shows that the most preferable beer was St. George beer 121(33.4%) of the total followed by Waliya beer 74(20.4%) which was also followed by Meta beer 71(19.6%). In the third place and fourth place Habesha and Bedele were followed by having 41(11.3%) and 21(5.8%) of the total share of brand preference. Where as Castel, Heniken, Amber, Zabider and Dashen have low preference 11(3%), 11(3%), 5(1.4%), 4(1.1%) and 3(0.8%) of the total score respectively. The study is supported by Borji and Amele, (2015) St. George beer was top preferred by beer drinkers.
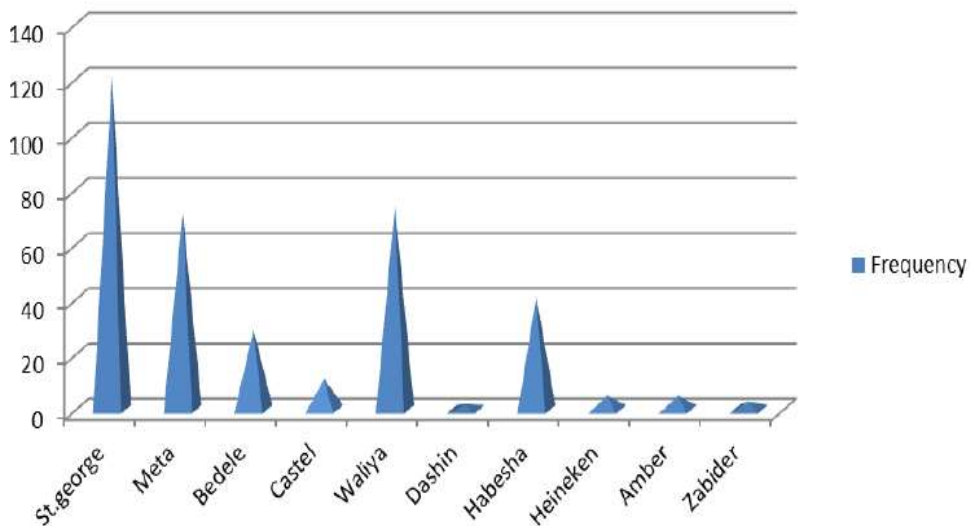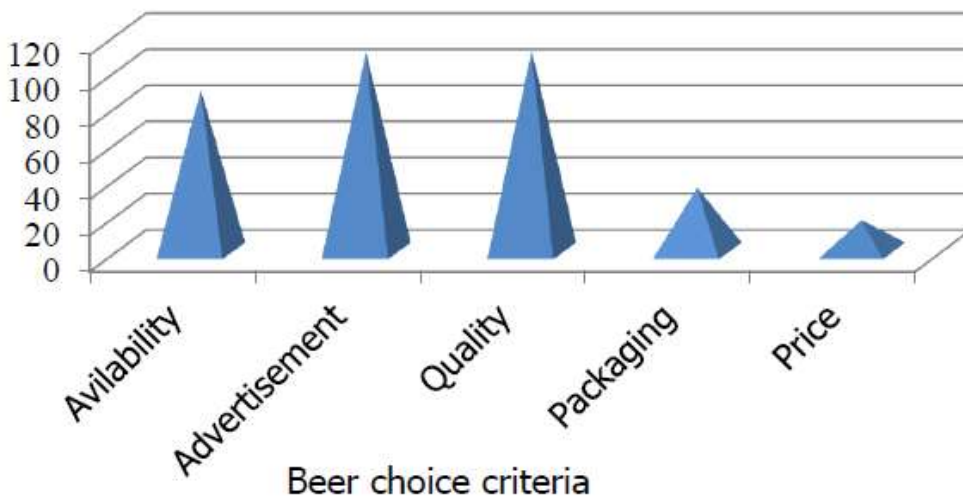

Figure 2. Beer brand preferences

Figure 3. Reasons for beer brand choice

From figure 3, 111(30.7%) of the respondents replied that the reason for beer brand preference was based on the quality of the beer brand, 110(30.4%) of the respondents replied that the reason for their beer brand preferences depends on the advertisement of the beer brands, 89(24.6%) of the respondents replied that the reason for their beer brand preferences depend on the easily availability of the beer brands. Whereas 35(9.7%) and 17(4.7%) of the total respondents replied that their beer brand preferences relay on the Price and Packaging of the beer brands. This result indicates that most of consumers use beer depends on quality and advertisement frequency, attractiveness and persuading strength. Quality, along with advertising, is a major factor responsible for the success of the product. This finding is corroborated by Tendon (2011) and (Ayanwale et al. (2000) that manifested quality of the beverage coupled with attractive advertisement leads to preference.
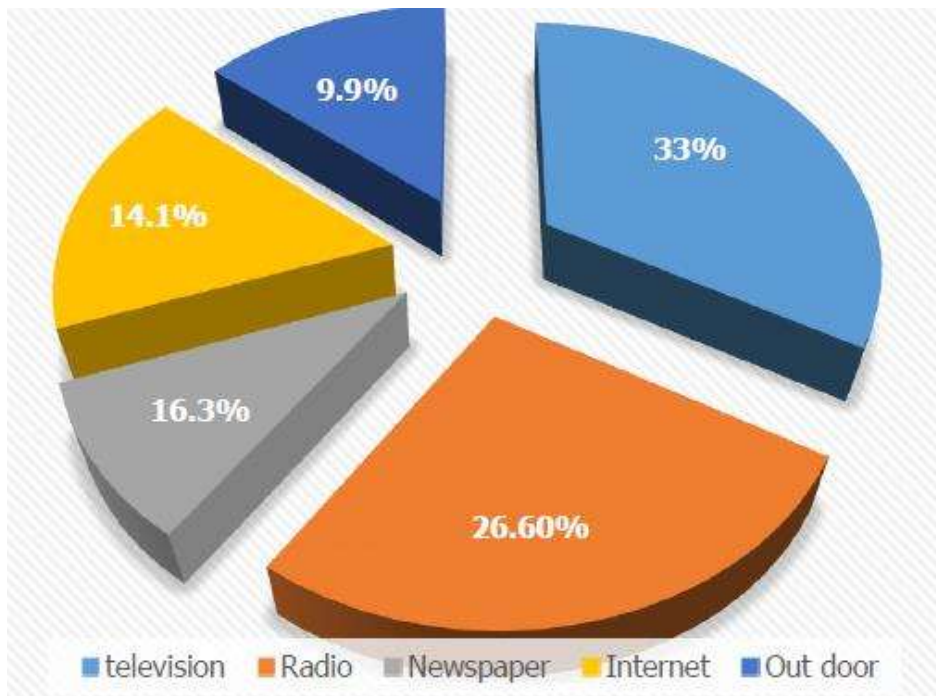

Figure 4. Types of Advertisement Media

According to figure 4, 33.10%,26.6% ,16.30%, 14.10% and 9.90% of the total respondents prefer to use TV, Radio, Internet, Newspaper and Outdoor advertisements respectively. This finding is supported by previous literatures (Ugonna etal., 2017); (Gezachew, 2012) and (Lema, 2016) that states among all advertising media, TV is most preferred media. Internet advertisement is also increasingly preferred by consumers as internet accessibility is improved and people have become owners of smart mobile phones.

Figure 5 exhibits that 287(79.3%) of the

respondents replied that they preferred mother language to other languages, 40(11%) of the total respondents preferred official language and the rest35(9.7%) of the respondents replied that they would prefer international language such as English during advertisement of beer. This implies that mother tongue was the most popular language preferred by consumers of beer brand when advertisement is placed. Study by Borji and Amele, (2015) , (Gezachew, 2012) and (Tendon, 2011) revealed that advertisement by one's own language is a choice since it is easy and vivid for understanding.
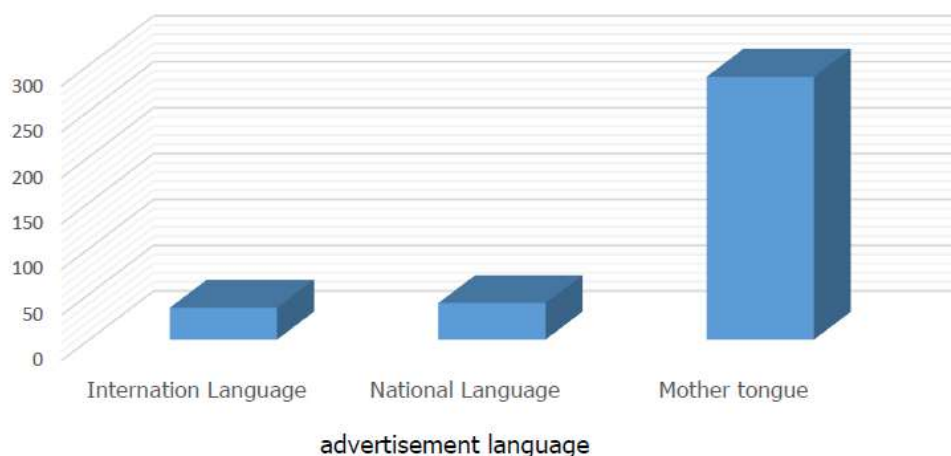
Figure 5: Language used for advertisement

Correlation between brand preference and independent variables

Correlation analysis was conducted to investigate the relationship between Independent Variables (advertising media(TMA), Source of Message (SMA), Character of Message (MCA) and Language of advertisement(TLA)) and Brand preference(BP) as Dependent variable. As shown from table 4 advertising has a strong association with beer brand preference with a value of 0.640. this collaborated with interview result. As per the person's correlation, the r value range from >0.5 shows variable is strongly correlated. According to Field (2005), 0.3-0.49 is moderate association hence; Pearson correlation coefficient value shows that Source of message, Character of message and language of advertising have a moderate association with beer brand preference with r value of .398,402 and .443 respectively.

Table 4. Correlation analysis between independent Variables (advertising media(TMA), Source of Message(SMA), Character of Message(MCA) and Language of advertisement(TLA)) and Brand preference(BP) as Dependent variable

	BP	TMA	SMA	MCA	TLA
BP	1				
TMA	.640**	1			
SMA	.398**	.414**	1		
MCA	.402**	.214**	.229**	1	
TLA	.443**	.303**	.169**	.339**	1

Linear regression assumption tests and result

The Multi-collinearity, Autocorrelation and Normality) tests were done to see the appropriateness of linear regression model.

Table 5: Multi-collinearity statistics

	Tolerance	VIF
TMA	1.31	0.763212
SMA	1.24	0.806610
TLA	1.21	0.825805
MCA	1.17	0.851195
		1.23

VIF of 5 and above is not good for regression model because it might render other significant variables redundant (Akinwande, Dikko& Samson, 2015). Therefore, table 5 shows that there is no multi-collinearity problem between variables

The study used DW to test for autocorrelation assumption of classical linear regression. Durbin--Watson (DW) is a test for first order autocorrelation i.e. it tests only for a relationship between an error and its immediately previous value. As exhibited on table 6, the null hypothesis would not be rejected if DW is near 2 therefore there is little evidence of autocorrelation (Brooks, 2008).

Normality test assumes the distribution of the residuals should be normal. This can be assessed by among other tools, using a histogram of the standardized residuals. As observed from the histogram is symmetric along the center. Therefore, this study fulfils the assumption of Normality assumption (figure 6).

Table 6: Durbin-Watson (DW) test

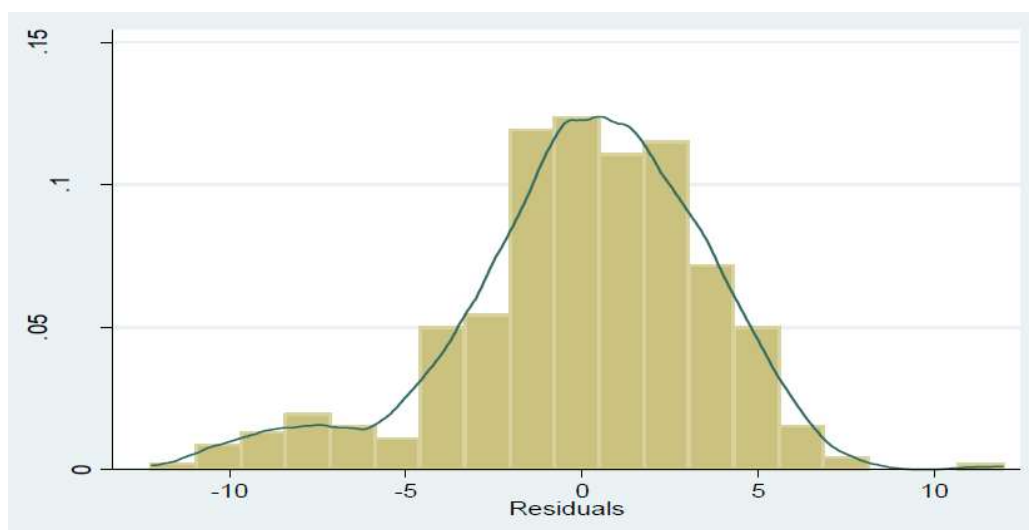| Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.728[a]	.530	.524	3.593	2.131

Figure 6. Normality test

Using the significance level of 0.05 and 95% confidence interval multiple linear repression was employed to analyze the effect of independent variables on beer brand preference. The independent variables were type of media, Sources of Message, Character of Message and Language of advertisement.

As exhibited on table 7 adjusted R2, 52.4% change in beer brand preference is explained by change in independent variables, whereas, the remaining is influenced by variables that are not included in the model.

Table 7: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.728[a]	.530	.524	3.593

[a]. Predictors

Table 8 shows the results of multiple linear regression analysis that all independent variables have positive and significant effect on brand preference. The result is supported by researches by (yang et al., 2007) and (Gezachew, 2012) stating that types of advertisement, contents of advertising message and types of advertising media are significantly and positively affects consumer beer brand

preference. Taking in to consideration the results from table 6 the regressions equation for the study becomes

$$y=-7.281+.612x1+.255x2+.235x3+.384x4+\varepsilon$$

Where Y=Brand preference x1=Type of media x2= sources of advertising x3=Messages of advertising x4= languages of advertising.

Table 8: Result of regression analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	-7.281	1.598		-4.596	.000
	TMA	.612	.052	.486	11.479	.000
	SMA	.255	.089	.116	2.864	.004
	MCA	.235	.046	.200	5.095	.000
	LA	.384	.074	.208	5.226	.000

Conclusions

Advertising plays a major role in a marketing war during highly competitive market to attract new customers and stay in loyal customer mind, and also it has significant impact on consumers' preferences of beer brand. Consumers rely on and recall advertisements of their brands. This reliance helps them in decision making while making beer brand preference. The mission of advertiser is to reach prospective customers and influence their awareness, attitudes and prefer their brand. They spend a lot of money to keep customers interested in their products. The result shows that among the factors that determine in the choice of beer brand, advertising and quality of the beer were significant.

The finding of the study also showed that beer consumers are interested to be informed about the quality of the product and its benefit through advertising. Among advertising media, TV advertising has high degree of impact than other advertising outlets because of its audio and visual effects.

The result of correlation analysis revealed that type of media used for advertising, advertising message, source of message and type of language used for advertisement are positively and strongly correlated with beer brand preference. The result of regression analysis shows all variables have positive and significant effect on beer brand consumers preference. Advertising messages factors like message character emphasizes on good tone and action and frequency advertisement have significantly affects beer brand preference as advertisement by local language does due to its simplicity for understanding.

Recommendation

Even though, alcohol beverages TV advertisement is banned in Ethiopia from 6:00 AM in the morning to 9:00 PM in the evening it has positive impact on beer preference. Hence, beer companies have to select the most popular TV for advertisement during permissible hours. In addition, beer companies have to aware that the internet advertisement preference is increasing and internet advertisement will be their future concern. Moreover, the beer companies need to build strong brand by using creative advertisement.

Beer Companies have to develop attractive stories, documentaries, use background music advertisement with good tone and attractive actions and involve the interest of consumers in advertisement message. In addition, advertisement message needs to be attractive and persuasive that emphasizes the merits of their product that promote brand recall and brand preference. During advertisement brewery companies have to use national and mother language in order to advertise their products through the most compelling media and credible sources. In addition, international languages like English need to be used as companies are growing and looking for international markets.

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