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THE EFFECT OF ADVERTISING ON BRAND PREFERENCE: THE CASE OF ANCHOR MILK

BY: BRUKTAWIT AMTATAW

Thesis Submitted to Department of Marketing Management in Partial Fulfillment
of the Requirements for the Degree of Master of Art in Marketing Management

June, 2017

Addis Ababa, Ethiopia

ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT

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DECLARATION

I, Bruktawit Amtataw, hereby declare that this thesis titled, ‘The Effect of Advertising on Brand preference: the case of Anchor milk is my original work. I have carried out the present study independently with the guidance and support of the research advisor, Tewodros Mesfin (Ph. D). Any other research or academic sources used here in this study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other institution.

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Acknowledgment

I would like to thank everyone who helped me throughout the study. I thank God for giving me the courage to undertake this study against all the difficult times. I would like to thank my family for their unconditional love and all rounded support they have given me through the years. I also like to thank my Advisor, Dr. Tewodros Mesfin for the patience he has showed and support he has given me through the process of doing this thesis.

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Abstract

Measuring the impact of advertisement in consumers brand preference is very essential for every marketer. If Advertisement does not create any positive change in consumers' brand preference; all resources such as money, time, and effort spent on advertisement will go in vain. The study aims to explore the impact of advertisement on consumers brand preference in the case of Anchor milk. It followed a deductive form of research approach and the research design was explanatory. Questionnaires were used to collect primary data by using a self-administered data collection system from 384 respondents, out of which 361 valid questionnaires were collected and analyzed. These respondents were selected by using a non probability sampling technique, which is Judgment Sampling method. The data were analyzed using descriptive statistics (frequency, percentage) and inferential statistics like correlation and multiple regressions. The finding revealed that there are positive and significant relationships between media used for advertising, source factor, message factor and brand preference of Anchor milk. Eventually, this study recommends appropriate actions for companies in refining their advertising strategies as a means of overcoming the intense competition that exist in the market, therefore, they can increase their sales volume and market share.

Keywords: *Brand preference, source factor, Media used for advertising, Message factor.*

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Advertising has been a form of glorifying or gaining publicity for goods and merchandise since very early times. In fact, advertising has been around as an informal concept since the beginning of civilizations and former methods were oral advertising or claiming the benefits of products verbally when merchants sold goods to people directly on the streets. However with the advent of paper and writing, advertising took a more formal shape (Shoaff, Available at: <http://ezinearticles.com/>).

Egyptians and Ancient Greeks used papyrus and rock painting for advertising. With the growth of mass media and different forms and avenues of communication like radio, TV, newspapers, magazines, and of course the internet in the 20th century, advertising started becoming an important aspect for commercialization of products. People started understanding the potential of advertisements and it becomes a business with the establishment of advertising agencies with the first advertising agencies in US opened in 1841 (Shoaff, Available at: <http://ezinearticles.com/>).

Today advertising is 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).

Ayanwale, Alimi and Ayanbimipe (2005) describe that conditions to sell product might be hard for the producer but certain activities can be formed by the organization which can create connections between producer and consumer, advertising can influence their choice of selecting product. The way organizations connect with their customers is through advertising where they put their message and try to influence the audience.

Kotler(2010) describes advertising is an integral part of the marketing between product and the market which aid in generating quick sales by reaching beyond geographical boundaries in motivating the purchase of the product. Advertising is the best known and most widely discussed form of promotion, probably because of its

persuasiveness. It is also a very important promotional tool, particularly for companies whose products and service are targeted at mass consumer markets (Kotler, 2002).

Advertising is also a type of communication. It is actually a very structured form of applied communication, employing both verbal and non-verbal elements that are composed to fill specific space and time determined by sponsor. Effective communication through advertisement leads the consumers toward the purchasing of brand (Belch & Belch, 1998).

Advertising is used to persuade and inform people for purchase of product which can include notice, information, and public announcement or for the sale of product. Shah and d' Souza (2009) defines it as “paid form of non-personal presentation and promotion of ideas or products by an identified sponsor”. They further add that purpose of marketing communication is to make buyer to visit a store try a product, purchase it regularly and recommend it to the friends. However, advertising core purpose is not only to persuade and to inform but also to create relationship in order to generate sales.

According to Kotler and Armstrong (2008), advertising media is the vehicle through which advertising messages are delivered to their intended audiences. As advertising becomes more important for businesses, larger companies are able to spend more and more on sophisticated ways to make us buy their products.

Kotler and Keller(2012) state that Modern marketing calls for more than developing a good product, pricing it attractively, and making it accessible. Companies must also communicate with their present and potential stakeholders and the general public. For most marketers, therefore, the question is not whether to communicate but rather what to say, how and when to say it, to whom, and how often. Consumers can turn to hundreds of cable and satellite TV channels, thousands of magazines and newspapers, and millions of Internet pages. They are taking a more active role in deciding what communications they want to receive as well as how they want to communicate to others about the products and services they use.

Kotler and Keller (2012) suggest that Technology and other factors have profoundly changed the way consumer process communications, and even whether they choose to process them at all. The rapid diffusion of multipurpose smart phones, broadband and wireless Internet connections, and ad-skipping digital video recorders (DVRs) have eroded the effectiveness of the mass media. For example in 1960, a company could reach 80 percent of U.S. women with one 30-second commercial aired simultaneously on three TV networks: ABC, CBS, and NBC. Today, the same ad would have to run on 100 channels or more to achieve this

marketing feat. Consumers not only have more choices of media, they can also decide whether and how they want to receive commercial content.

The target audience might like the product but not prefer it to others. The communicator must then try to build consumer preference by comparing quality, value, performance, and other features to those of likely competitors. Communications effectiveness depends on how a message is being expressed, as well as on its content. If a communication is ineffective, it may mean the wrong message was used, or the right one was poorly expressed. (Kotler and Keller, 2012).

The magic of advertising is to bring concepts on a piece of paper to life in the minds of the consumer target. In a print ad, the communicator must decide on headline, copy, illustration, and color. For a radio message, the communicator must choose words, voice qualities, and vocalizations. If the message is to be carried on television or in person, all these elements plus body language must be planned. For the message to go online, layout, fonts, graphics, and other visual and verbal information must be laid out.(Kotler and Keller,2012)

In the marketplace, consumers often face situations of selecting from several options (Dhar,1999). Brand preference represents consumer dispositions to favor a particular brand (Overby and Lee, 2006). It refers to the behavioral tendencies reflecting the extent to which consumers' favors one brand over another (Hellier et al., 2003; Zajonc and Markus, 1980).

Brand preference is close to reality in terms of reflecting consumer evaluation of brands. Purchasing decisions are the behavioral outcome that precedes differentiation between several alternative is the purchasing decision; a subsequent outcome of consumer preferences (Dhar et al.,1999). Preference facilitates consumers' choice by enhancing their intentions towards the favored brand. Actual purchasing behavior is likely to correspond to intentions; the mechanism of intention formation provides evidence of persistent consumer preferences (Van Kerckhove et al., 2012).

According to Ayanwale et, al. (2005) promotion strategies are one of the important tools in developing demand and awareness of the product in the consumer mind when making a purchase consumers are influenced by the advertisement. Further added that advertising is one of the easiest ways to target consumers' and a helping tool in introducing new product in the purchase list of the family and providing the better opportunity for the purchase. Such an argument is defended by Share and Salaimh (2010) that advertising do play a role in shaping life and influence the decision of purchase either it is new product or established one.

In addition, global and emerging markets business war is not only on price and quality but customer attraction, loyalty and relationship matters a lot through advertising (Arenas et.al, 1996). According to (Igbal, 2013) advertising is a part of our everyday life. It is all around us. In business environment marketers' main objectives are getting new consumers and retaining the existing one to increase their market share and sales volume Vivekananthan, (2010). According to, (Reicheld & Sasser, 1990), the cost of getting new customers is five times greater than the cost of retaining the current customer. The importance of sales on business survival and the connection between customers and sales is expedient for organizations to engage in programs that can influence consumers' decision to purchase its products. As a promotional strategy, advertising serves as a major tool in creating product awareness and condition the mind of a potential consumer to take eventual purchase decision (Kotler,P., Keller,K.L, & Koshy,A.,2009).

Partnership between Faffa Foods of Ethiopia and New Zealand dairy giant Frontera introduced processing and packing the Anchor brand of powdered milk in Ethiopia starting in September 2015. Anchor, the new brand will also fully replaced Abay brand, which Faffa had been packing using ingredients supplied by Fonterra. The two entered into partnership forming New Zealand Milk Products Ethiopia with a 10 million dollar capital investment, 30pc equity owned by Faffa Foods Complex S.C. and 70pc by Fonterra. The Anchor brand is known in 140 countries worldwide including Neighboring Sudan and Somalia as well as Egypt. Ethiopia being the second largest population in Africa with close to 90 million people and among the fastest growing economy in the world, the launch in Ethiopia is an exciting opportunity with first real move from a consumer brand perspective into Africa and gives the company an opportunity for a future regional play.(Available. <http://addisfortune.net/>)

As most of the literatures seem to agree that marketers think advertising significantly affect brand preference. They believe that different advertising media tools have their own role and the content of advertising message and source of advertising will have impact on consumers purchase decision. Although there are many research on this area conducted in other countries little is known on the case of Anchor milk in Ethiopia market. Therefore this study will assess the effect of advertising on Anchor milk brand preference in Addis Ababa context.

1.2 Background of the organization

The Anchor brand is created in 1886 when entrepreneurial Cornish farmer, Henry Reynolds established a tiny factory in New Zealand with the goal of making quality butter. From these small beginnings Anchor has grown to become one of the top global brands with a wide range of dairy products sold in 70 countries. It offers a range of powdered milks, ready to drink milks, yoghurts, cheeses and butter in countries across Australia, New Zealand, Asia, Africa and the Middle East (www.fonterra.com).

Using milk powder manufactured in New Zealand, Fonterra's joint venture with local partner Faffa Foods complex produce, pack and distribute the new Anchor product that can be accomplished in the market at a much lower cost. Anchor Fortified Milk Drink is a milk powder specifically formulated to provide families in the emerging Ethiopian market with access to affordable high quality dairy nutrition. "Whether it's a mature or emerging dairy market, Anchor has a place to play and our product innovations allow us to pick the market position where Anchor is most likely to succeed, get early momentum and make a difference in people's lives." (Fonterra's Global Brands and Nutrition Managing Director Rene Dedoncker)

One glass of Anchor milk contains more than 30 nutrients that help a child's growth and development, including protein, calcium, vitamins A and D, iron and zinc. These nutrients are deemed essential by the Food and Nutrition Society of Ethiopia as part of a recommended daily diet for Ethiopian children as they improve bone and tooth health and are important for muscle and nerve functions. (**Interview with fortune**) "Our Anchor Fortified Milk Drink is a highly nutritious product and we want it in the hands of millions of Ethiopian children. Affordability is paramount and we've partnered with local food processor Faffa Foods to ensure we keep costs low and get our product out across the country," said Mr Dedoncker.

Anchor has currently chosen Actress Birtukan Befekadu as its brand ambassador. Ethiopian actress and Anchor Ambassador Birtukan Befekadu said that she's excited to be partner with Anchor and bring the natural goodness of dairy to children all around Ethiopia. "With four young children of my own, I understand the importance of providing children with the very best nutrition to make sure they grow up happy and healthy". "The thing my kids love about Anchor is the taste, which has been made especially to suit the palate of Ethiopian consumers. And as it's made to New Zealand standards which are famous for producing high-quality dairy products, I know that I'm giving my children the best," said Birtukan Befekadu. (interview with new business Ethiopia)

NIDO and COAST MILK are among the main competitors of Anchor milk. These brands are currently being imported to the Ethiopian market. Even though Anchor milk is being produced here these brands were in the domestic market prior to Anchor milk. The brand NIDO was first launched as a whole milk powder in

Switzerland in 1944, and be progressively introduced in other countries thereafter. The brand offers a complete range of milk and milk based products that offer each stage of childhood. The NIDO brand is trusted by mothers, with a taste that kids love. (www.food-faq.com) the brand is currently being imported and distributed in Ethiopia market. Pacific Coast Condensed Milk Company was founded by E.A Stuart in Kent, WA in 1899. The company began manufacturing and marketing canned evaporate for human consumption in the same year. (www.milkproducts.inc.com)

1.3 Statement of the problem

The objective of marketer's principal is to reach their target group and make more than a single sale. However, consumers almost always approach the marketplace with a well-established set of tastes and preferences (Hoyer & Brown, 1990). This makes it difficult for new products to position between the already flooded market demands and this challenge is enhanced by traditional marketing communication.

Advertisements tend to be highly informative and present the customer with a number of important product attribute or features that will lead to favorable attitudes and can be used as the basis for a rational brand preference. People get information from the advertisement through the attractiveness it holds, the attention it create and the awareness it gives (Arens, 1996).

Measuring the effectiveness of advertising has become a hot issue for most companies, especially in the tight economic environment. That makes top management at many companies asking their marketing managers, "How do we know that we're spending the right amount on advertising?" and "what return are we getting on our advertising investment?" (kotler & Armstrong, 2013)

Advertisers should regularly evaluate two types of advertising results: the communication effect and the sales and profit effects. Measuring the communication effect of an advertising or advertising campaign tells whether the advertising and media are communicating the advertising message well. Individual advertisement can be tested before or after they are run. Before an advertisement is placed, the advertiser can show it to consumers, ask how they like it, and measure message recall or attitude changes resulting from it. After an advertisement is run, the advertiser can measure how the advertisement affected consumers recall or product awareness, knowledge, and preference. Pre- and post evaluations of communication effect can be made for entire advertising campaigns as well. (kotler & Armstrong, 2013)

As we know these days companies are advertising their product so much on televisions, radio etc and are spending so much money on the Advertisements of their products. The final aim of every advertisement is to instigate the actual behavior of the targeted audience, whether purchase intention or actual Consumption. For

increasing the sale of their product they are taking film stars or other celebrities in their advertisements of their products which are again very costly.

Various previous studies focused on different factors that affect consumers brand preference. For instance, Yang et al. (2007) used one factor which is social reference group and some others used two factors such as Singh et al.(2012) used that celebrity endorsement and type of advertising media, Adeole et al.(2005) used that types of advertising media and Age of consumers, as the two factors for the study purpose. Furthermore Vivekananthan (2010) used those three factors such as information, communication, and comprehension. Whereas, Tendon (2011) used that four factors such as source of awareness (advertising& sales promotion), Age, Gender, and Education. Gezachew (2012) also used that four factors such as features of advertisement, contents of advertising message, types of advertising media and reference group influence. As the above literatures written by different scholars indicates, studies which were conducted on the impact of advertisement on consumers brand preference by taking two factors; however, some studies were conducted by taking three and four factors or variables. Each study used that only specific factors; they may not comprise all factors that exactly indicate the impact of advertisement on consumers brand preference.

Marketers in Ethiopia are presently confronted with the challenge of developing relevant content and then later finding a medium that will effectively deliver the message to their target audience. This company (Fonterra's joint venture with local partner Faffa) are spending millions birr on advertising their product. If an advertising strategy fails to achieve the objective, the million birr spent are not worth it. Anchor milk being mainly a consumer good, strong advertisement tools are relevant to this market otherwise the company will face actual problem in building a preferable product. Additionally, consumers of anchor milk are exposed to several new products every day followed by marketers' advertising techniques. So this study deals with these aspects that whether Advertising of Anchor milk is having any effect on consumers or not.

There are insufficient studies and no significant research for the knowledge of student researchers that informs about the effect of advertisement on Anchor milk brand preference in Addis Ababa context. Hence the research will try to determine the effect of advertising on brand preference in Addis Ababa using Anchor milk as a case study. In fact, this study will help to know the effectiveness of advertising on Anchor milk brand preference in Addis Ababa. And will pave a way for other researchers to conduct further survey on this area and serve as a reference material for students and marketing practitioners. Also the result of advertising effect on Anchor milk brand preference will help the company to develop effective media ads strategies.

1.4 Research questions

Main question

How does advertising influence consumer brand preference of Anchor milk?

Sub questions

- ✓ How does the media used by the company influence consumers brand preference of Anchor milk?
- ✓ How does a source factor influence consumer brand preference?
- ✓ How does the advertising message structure and appeal influence consumer brand preference of Anchor milk?

1.5 Objectives of the Study

The general objective of this study is to examine the effect of advertising on consumer brand preference of Anchor milk. This research will also achieve the following specific objectives:

- To investigate the effect of media on consumer brand preference of Anchor milk.
- To examine the effect sources factor on consumer brand preference.
- To determine the influence of message structure and appeal on consumer brand preference of Anchor milk.

1.6 Significance of the study

The Research paper will facilitate to examine the quality of the advertisement of Anchor milk and their effects on brand preference. It also determines which advertisement media are most effective and the media which must be used in order to crate brand awareness and influence customers purchase decision. All in all it helps the company (Fonterra's joint venture with local partner Faffa) to figure out the existing gaps and possible solutions in advertisement and the effect of Anchor milk. This paper will have a practical significance to the company if there is a willingness to use the data and the findings accordingly. It can also help the company to gain insight of the importance of advertisement on building up brand preference. It will also help the company to improve their advertisement and to select the most effective media so that they can build up positive effect on brand awareness and preferable brand. Therefore, this study can help marketers to design a better advertisement by identifying the most powerful media in consumers brand preference.

Research about this issue in Fortified Milk Drink market in Ethiopian context is scarce. Thus, this study will have a theoretical contribution in the area of advertisement and its effect on product purchase decision and

consumers brand preference of Ethiopian market. Furthermore, the study will give insight for other researchers to explore and investigate more in the area, in a broader scope and wider context.

1.7 Scope and Delimitation of the study

The study focused in exploring the effect of advertisement on brand preference using Anchor milk as a case study. The general definition of advertisement spans to cover a wide spectrum of media tools. But this research strictly concerned itself with investigating three advertisement Medias (TV, radio, print media and outdoor advertisement) and their effect on brand preference.

In order to achieve a more focused study and in light of limited financial resource the scope of the study was limited to Addis Ababa city only.

1.8 Limitation of the study

- ✓ The absence of adequate studies and organized data especially empirical literatures, both qualitative and quantitative data regarding the study variables (especially in Anchor milk), which would be useful to lay a more relevant factual base for the study.

- ✓ One of the major limitations of this study was the sample coverage. The sampling technique used for this study was judgmental sampling. The target populations of the study were 25 supermarkets in Addis Ababa. Sampling units were the purchasers of Anchor milk available for selection during the sampling process. Taking only the 25 supermarket out of the whole shops who sell Anchor milk in Addis Ababa city might not be true or exact representative of the population under consideration, it is excluding other consumers who buy Anchor milk other place. So this might lowers the quality of the data. However, due to time and financial limitations other supermarkets and shops were not included in this study.

1.9 Organization of the Study

This study was organized into five chapters. The five chapters were comprised of the Introduction, Review of Related Literature, Research Design & Methodology, Result & Discussion and Summary, Conclusions & Recommendations.

The first chapter will provide a general introduction of the study including background of the study, statement of the problem, basic research questions, objectives of the study, hypothesis of the study, and significance of the study and scope of the study.

Chapter two will cover the literature relevant to the study. It will include concepts and theoretical framework as well as the conceptual framework.

Chapter three will elaborate the type and design of the study. It will include research method, sampling technique, data collection method and method of data analysis that will be used in the study.

Chapter four will summarize the findings of the study and discuss the findings.

Finally chapter five will comprise of four sections which include summary findings, conclusions, recommendations and limitations & suggestion for further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter aims to provide a review of related literature. In line with the objectives of this study, this chapter covers concepts related to advertising, importance of advertising, brand, and concept of brand preference. In addition to these the findings of previous research from different authors as well as the theoretical framework of this study is also included.

Marketing communications are the means by which firms attempt to inform, persuade, and remind consumers—directly or indirectly—about the products and brands they sell. In a sense, marketing communications represent the voice of the company and its brands; they are a means by which the firm can establish a dialogue and build relationships with consumers. (Kotler and Keller, 2012)

Advertising, in the 1980s, is inescapable, vital and changing part of our lives. But it in one form or another has been with mankind ever since trading began. Certainly it was well established in ancient Greece and some actual examples were recovered from under the volcanic ash that preserved the ruins of Pompeii (Wilmshurst, 1985).

Advertising is a non-personal paid form where ideas, concepts, products or services, and information, are promoted through media (visual, verbal, and text) by an identified sponsor to persuade or influence behavior. The non-personal component means that advertising involves mass media (e.g., TV, radio, magazines, newspapers) that can transmit a message to large groups of individuals, often at the same time and there is generally no opportunity for immediate feedback from the message recipient (except in direct-response advertising) (Kotler & Keller, 2012). Advertising is best-known and most widely discuss form of promotion and a way of communication to convince an audience for taking purchase decision about a product or service and delivering information to viewers (Niazi *et al*, 2012).

Advertising is an unavoidable component of our everyday lives. No matter where we are, advertising is with us—educating us, enticing us to buy new products and services, begging us to stop activity such as drug use, and persuade us to support some worthy cause or political candidate.

Marketers use advertising for its cost-effectiveness with large audience. It has been established that customers are more likely to consider buying and using certain brand of what they can remember the brand name and something about its attributes or benefits (Kotler and Armstrong, 2003; Belch & Belch 2009)

2.1.1 Concept of Advertising

Today, we all have strong concepts of what advertising is, and we also tend to have very strong opinions and prejudices about it. Definitions of advertising are many and varied. It may be defined as a communication process, a marketing process, an economic and social process, a public relations process, or an information and persuasion process, depending on the point of view (Bov'ee and Arens, 1989).

According to Wijaya (2012) a modern definition of advertising includes other important factors, such as media, audience, and goals. Advertising was defined in the journal as a paid form of persuasive communication that uses mass and interactive media to reach broad audiences in order to connect an identified sponsor with buyers (a target audience) and provide information about product (goods, service, and ideas). This definition has five basic factors: is usually paid by the advertiser, the sponsor is identified, generally reaches a broad audience of potential consumers, seeks to inform and also persuade or influence consumers, and the message is conveyed through many different kinds of mass media and also now interactive types of media.

Advertising is the use of paid-for space in a publication, for instance, or time on television, radio or cinema, usually as a means of persuading people to take a particular course of action, or to reach a point of view. It may also be taken to include posters and other outdoor advertising (Wilmshurst, 1985)

According to Kotler and Keller(2012) Advertising is Any paid form of non personal presentation and promotion of ideas, goods, or services by an identified sponsor via print media (newspapers and magazines), broadcast media (radio and television), network media (telephone, cable, satellite, wireless), electronic media (audiotape, videotape, videodisk, CD-ROM, Web page), and display media (billboards, signs, posters).

2.1.2 Objectives of Advertising

The nature and purpose of advertising differ from one industry to another and/or across situations. The targets of an organization's advertising efforts often vary, as do advertising's role and function in the marketing program. One advertiser may seek to generate immediate response or action from the customer; another may want to develop awareness or a positive image for its product or service over a longer period. (Belch & Belch, 2009)

An advertising objective (or goal) is a specific communications task and achievement level to be accomplished with a specific audience in a specific period of time. (Kotler and Keller ,2012) classify advertising objectives according to whether their aim is to inform, persuade, remind, or reinforce.

- Informative advertising aims to create brand awareness and knowledge of new products or new features of existing products.
- Persuasive advertising aims to create liking, preference, conviction, and purchase of a product or service. Some persuasive advertising uses comparative advertising, which makes an explicit Comparison of the attributes of two or more brands.
- Reminder advertising aims to stimulate repeat purchase of products and services.
- Reinforcement advertising aims to convince current purchasers that they made the right choice.

The advertising objective should emerge from a thorough analysis of the current marketing situation. If the product class is mature, the company is the market leader and if brand usage is low, the objective is to stimulate more usage. If the product class is new, the company is not the market leader, but the brand is superior to the leader, then the objective is to convince the market of the brand's superiority. (Kotler and Keller, 2012)

An advertisement is one of the topical strategies of many brands for the promotion of their product. The purpose of mass advertisements is to gain attention for the product, ensuring prolonged association with consumers, or for the purpose of recall of their product in customers' mind (Rai, 2013).

To create a demand for new products by explaining its utility, to announce a new product or service, to increase its sales by attracting new customers, to create brand preferences, to expand the market for new buyers, to assist the salesmen in their selling efforts, to warn the public against imitation of the product of the firm, to prepare ground for new products, barring new entrance, make special offers through sales promotion, to neutralize competitors advertising, and to enhance goodwill of the firm. Objective of any advertising is to communicate about the product and services to the prospective customers. General objectives of advertising are to inform the customers about the attributes and uses of the product (Helina, 2012).

Advertising is related and begins with a base of creating awareness and strengthening a company's position and build brand preference. It is advertising that makes the companies known. The second role is to create favorable climate for salespeople. In some instances, customers will order directly from the advertising, so the final purpose of advertising is to generate sales (Dwyer and Tanner, 2002).

According to David et al.(2009), advertisement do have various objectives these include need recognition, identifying buyers, brand building, evaluations of alternatives , exposure, awareness, attitude change, profit, decision to purchase, and customer retention. Advertising plays a vital role in marketing consumers' purchasing decision. Some of them are, to introduce new product: one of the roles of advertising is to inform consumers about the existence of a new product in the market i.e. creation of awareness.

Keller (2003,p.76) defines awareness as “the customers ‘ability to recall and recognize the brand as reflected by their ability to identify the brand under different conditions and to link the brand name, logo, symbol, and so forth to certain associations in memory”. Aaker (1996) identifies other higher levels of awareness besides recognition and recall (aaker1991). He includes top-of-mind, brand dominance, brand knowledge and brand opinion. Brand knowledge is the full set of brand associations linked to the brand (keller,1993).

In today's market the range of products and services is especially large, they are all impossible to remember or purchase. The main goal of advertising a certain product or service is to attract the customer's attention and analyze the impact of advertising on the customers' behavior, which is determined by a number of cognitive, emotional and behavioral aspects. In the centre of advertising is the customer, whose psychology is determined by numerous aspects and advertising itself, which aims at arousing the customers wish to acquire the product advertised, and most importantly, at achieving the act of purchasing the product (Jakštien, Susnien and Narbutas, 2008). All the efforts to make an advertisement are centered on the sole aim of making it so effective and persuasive in a natural way so as to serve the motto of meeting the consumer psyche in a positive manner (Rai, 2013).

Determining the Communication Objectives

According to (Kotler and Keller, 2012) once the target audience has been defined, marketers must determine the desired response. Of course, in many cases, they will seek a purchase response. But purchase may result only after a lengthy consumer decision-making process. The marketing communicator needs to know where the target audience now stands and to what stage it needs to be moved. The target audience may be in any of six buyer-readiness stages, the stages consumers normally pass through on their way to making a purchase. These stages include awareness, knowledge, liking, preference, conviction, and purchase (see Figure 2.1).

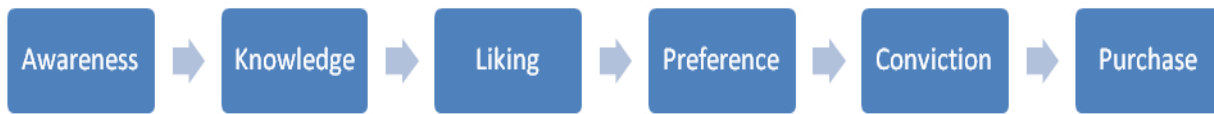


Figure.1. Buyer-Readiness Stages

2.1.3 Importance of Advertising

Advertising has become increasingly important to business enterprises –both large and small. Outlay on advertising certainly is the voucher. Non-business enterprises have also recognized the importance of advertising. The attempt by army recruitment is bases on a substantial advertising campaign, stressing the advantages of a military career. The health department popularizes family planning through advertising and Labor organizations have also used advertising to make their viewpoints known to the public at large (singh, 2012)

According to Rahman (2012) advertising plays an important role in the process of moving the goods/services from the producers to the consumers. With mass marketing to distribute the output of production, the GDP (Gross Domestic Product) may increase to a considerable extent. Advertising helps to increase mass marketing while aiding the consumer to choices and preferences from amongst the variety of products and services offered for his selection and option. It was only in the latter half of the 19th century, that mass advertising, as we know it today, came into being. Mass production became a reality, and channels of distribution had to be developed to cope with the physical movement of goods, creating a need for mass communication to inform consumers of the choices available to them. We are all influenced with advertisements in our day to day life. Its forms and contents both are well liked amongst consumers. In other words advertising is simply an economic movement with only one objective behind to increase the consumer demand of the product as well as to enhance the sales volumes.

Advertising is to stimulate market demand. While sometimes advertising alone may succeed in achieving buyer acceptance, preference, or even demand for the product, it is seldom solely relied upon. Advertising is efficiently used with at least one other sales method, such as personal selling or point-of-purchase display, to directly move customers to buying action. (singh, 2012)

For any business, advertising may perform a variety of functions when implemented correctly, and its effect may be dramatic. It helps to identify products and their sources and to differentiate them from others, and it communicates information about the products, its features, and its location of sale; it helps to try to induce new products and to suggest reuse. It can stimulate the distribution of products or services on local or global level (Arens, Schaefer & Weigol, 2009).

According to Singh (2012) advertising is a relatively low-cost method of conveying selling messages to numerous prospective customers. It can secure leads for salesmen and middlemen by convincing readers to request more information and by identifying outlets handling the product. It can force middlemen to stock the product by building consumer interest. It can help train dealers salesmen in product uses and applications. It can build dealer and consumer confidence in the company and its products by building familiarity.

Advertising strategies that increase the number of units sold stimulate economies in the production process. The production cost per unit of output is lowered. It in turn leads to lower prices. Lower consumer prices then allow these products to become available to more people. Similarly, the price of newspapers, professional sports, radio and TV programmed, and the like might be prohibitive without advertising. In short, advertising pays for many of the enjoyable entertainment and educational aspects of contemporary life. Advertising has become an important factor in the campaigns to achieve such societal-oriented objectives such as the discontinuance of smoking, family planning, physical fitness, and the elimination of drug abuse. (singh, 2012)

The role of advertisement changes unto what the organization wants them to do. An organization uses the advertising to help them survive from the impacts of economic trends. Still, the economists views that the advertising plays a significant effect on the consumer behavior and in a long process, the advertising can lead the organization to competition. Based on the understanding regarding the advertising, the approach rooted in the organization's search for the right answer on the effect of the competition. Consequently, the accepted basic role of the advertising is to provide the consumers with the right amount of information regarding the product or services, which is related to the objective of the competition and that is to deliver the consumer satisfaction. In this view, the level of advertising affects the consumer who is the focus of the organization (Park, 1996), as cited by Vivekananthan, (2010).

2.1.4 Negative Effect of Advertising

Advertising is the most visible activity of business. What a company may have doing privately for many years suddenly becomes public the moment it starts to advertise. Advertising is widely criticized not only for the role it plays in selling products or services but also for the way it influences our society. As a selling tool, advertising is attacked for its excesses. Some critics charge that, at its worst, advertising is downright untruthful, and at best, it presents only positive information about products. Others charge that advertising manipulates people psychologically to buy things they can't afford by promising greater sex appeal or improved social status. Still others attack advertising for being offensive, in bad taste, or simply too excessive (Bov'ee & Arens, 1989).

According to American humorist Will Rogers, advertising is "the art of convincing people to spend money they do not have for something they do not need." Like Rogers, modern critics of advertising highlight its negative effect, claiming that ads foster impulse buying. However, advertising also provides consumers with valuable information about products being offered for sale (Lindblad, 2013).

Advertising is superficial. The basic criticism of advertising here is that it frequently carries little, if any, actual product information. What it does carry is said to be hollow ad-speak. Ads are rhetorical; there is no pure "information." All information in ads is biased, limited, and inherently deceptive. Advertising wastes resources and only raises the standard of living for some. One of the traditional criticism of advertising is that it represents an inefficient, wasteful process that channels monetary and human resources in a society to the "reshuffling of existing total demand," rather than to the expansion of total demand. Advertising thus brings about economic stagnation and a lower standard of living (O'Guinn, Allen and Semenik, 2000).

Advertising Creates Needs. A common cry among critics is that advertising creates and makes people buy things they do not really need or even want. The argument is that consumers are relatively easy to seduce into wanting the next shiny bauble offered by marketers. Advertising Promotes Materialism. It is also claimed that individuals' wants and aspirations may be distorted by advertising. The longstanding argument is that in societies characterized by heavy advertising, there is a tendency for conformity and status-seeking behavior, both of which are considered as materialistic and superficial. Advertising Perpetuates Stereotypes. Advertisers often portray their target customer in advertisements, with the hope that individuals will relate to the ad and attend to its message. Critics charge that this practice yields a very negative effect-it perpetuates stereotypes (Arens, Schaefer & Weigol, 2009).

The most painful negative effect of advertising is the complete and utter degradation of some forms of art. Almost nothing you see on television or hear on the radio is done for the sake of creativity. Everything you see or hear now is meant to sell you something. All the singers are singing about something you should buy, all the dancers are dancing around a new perfume, all the cartoons are telling you what to get your kids for Christmas (Nartey, 2010).

Advertising has often taken the route of causing “shock and awe” to gain the attention of a consumer; these campaigns occasionally backlash which has an immense negative effect on a business. Shock and awe marketing campaigns cause discomfort within a marketplace in which users may take to talking with others to denounce a business and their practices (Lunn, 2011).

2.1.5 Media selection

In developing an advertising program, marketing managers must always start by identifying the target market and buyer motives. Then they can make the five major decisions, known as “the five Ms”: Mission: What are our advertising objectives? Money: How much can we spend and how do we allocate our spending across media types? Message: What message should we send? Media: What media should we use? Measurement: How should we evaluate the results? (Kotler and Keller, 2012)

According to (Keller and Kotler) 2012 Media selection is finding the most cost-effective media to deliver the desired number and type of exposures to the target audience. The effect of exposures on audience awareness depends on the exposures’ reach, frequency, and impact:

- **Reach (R).** The number of different persons or households exposed to a particular media schedule at least once during a specified time period
- **Frequency (F).** The number of times within the specified time period that an average person or household is exposed to the message
- **Impact (I).** The qualitative value of an exposure through a given medium.

Types of Media Advertising

There are many advertizing ‘media’ such as newspapers (local, national, free trade), magazine and journals, television (Local, national, Terrestrial, Satellite) cinema, outdoor advertizing (Such as posters, Billboards bus sides) Armstrong and Kotler (2003)

Print Media Advertising – Newspaper, Magazine, Brochures, and Fliers. The print media have always been a popular advertising medium. Advertising products via newspapers or magazines is a common practice. The print media must be able to attract large numbers of readers or a very specialized audience to be of interest to advertisers. Magazines and newspapers have been advertising media for more than two centuries; for many years, they were the only major media available to advertisers. With the growth of the broadcast media, particularly television, reading habits declined. More consumers turned to TV viewing not only as their primary source of entertainment but also for news and information. But despite the competition from the broadcast media, newspapers and magazines have remained important media vehicles to both consumers and advertisers (Button, Available at;<http://www.ehow.com/info>).

Outdoor advertising: It has probably existed since the days of cave dwellers. Both the Egyptians and the Greeks used it as early as 5,000 years ago. Outdoor is certainly one of the more pervasive communication forms, particularly if you live in an urban or suburban area (Belch & Belch, 2003).

Outdoor advertising is also a very popular form of advertising, which makes use of several tools and techniques to attract the customers outdoors. The most common examples of outdoor advertising are billboards, kiosks, and also several events and tradeshows organized by the company. The billboard advertising is very popular; it however has to be really terse and catchy in order to grab the attention of the passersby. The kiosks not only provide an easy outlet for the company products but also make for an effective advertising tool to promote the company's products. Organizing several events or sponsoring those makes for an excellent advertising opportunity. The company can organize trade fairs, or even exhibitions for advertising their products. If not this, the company can organize several events that are closely associated with their field. For instance a company that manufactures sports utilities can sponsor a sports tournament to advertise its products (Omcreddy, 2010).

Broadcast Advertising – Television, radio and the internet. Broadcast advertising is a very popular advertising medium that constitutes of several branches like television, radio or the Internet. Television advertisements have been very popular ever since they have been introduced. The cost of television advertising often depends on the duration of the advertisement, the time of broadcast (prime time/peak time), and of course the popularity of the television channel on which the advertisement is going to be broadcasted. The radio might have lost its charm owing to the new age media; however the radio remains the choice of small-scale advertisers. The radio jingles have been very popular advertising media and have a large impact on the audience, which is evident in the fact that many people still remember and enjoy the popular radio jingles (Merugu, 2009).

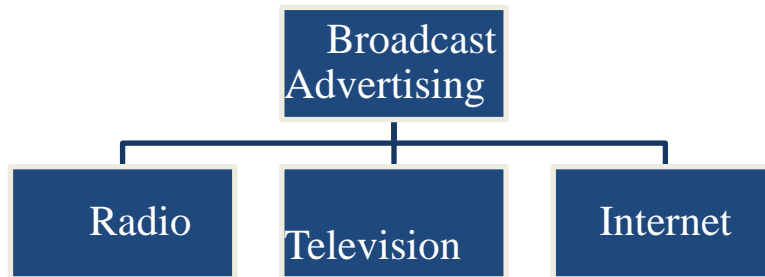


Figure .2. Broadcast Advertising

Television Advertising: According to Keller (2008), Television is generally acknowledged as the most powerful advertising medium as it allows for sight, Sound and motion and reaches a broad spectrum of consumers. The wide reach of TV advertising translates to low cost per exposure.

Radio Advertising: Radio advertising is available on national network and on local markets. Radio advertising specifically has been considered important in the following regards namely cheapness, penetration, transmission times, human voice and that it does not enforce serious attention (Jefkins and Yadin 2000). Thus radio advertising is cost effective as it appeals to the mass market which results in cost economics. The ability to reach multitudes of targeted audience makes this broad cast method economic and above all its application of the human voice has given it leverage over other passive and static media for advertising which include print, outdoor and other form of direct mail advertising. O'Guinn, Allen and Semenik (2000) argue that radio advertising has the greatest reach and frequency as it can reach customers in their homes, vehicles, offices and even when they are outside their homes. They also realized that beyond its being cheap this broadcast method has a high degree of audience selectivity which may be based on geography, demography and other socio-economic classification parameters. So as one type of advertising radio advertising has also impact on brand preference.

2.1.6 Creating the Advertising Message

No matter how big the budget, advertising can succeed only if advertisements gain attention and communicate well. Good advertising messages are especially important in today's costly and cluttered advertising environment. (Kotler and Armstrong, 2012)

Message Strategy Kotler and Armstrong (2012) suggest that the first step in creating effective advertising messages is to plan a message strategy, the general message that will be communicated to consumers. The purpose of advertising is to get consumers to think about or react to the product or company in a certain way. People will react only if they believe they will benefit from doing so. Thus, developing an effective message strategy begins with identifying customer benefits that can be used as advertising appeals.

Ideally, the message strategy will follow directly from the company's broader positioning and customer value strategies. Message strategy statements tend to be plain, straightforward outlines of benefits and positioning points that the advertiser wants to stress. The advertiser must next develop a compelling **creative concept** or "big idea" that will bring the message strategy to life in a distinctive and memorable way. At this stage, simple message ideas become great ad campaigns. Usually, a copywriter and an art director will team up to generate many creative concepts, hoping that one of these concepts will turn out to be the big idea. The creative concept may emerge as visualization, a phrase, or a combination of the two. The creative concept will guide the choice of specific appeals to be used in an advertising campaign (Kotler and Armstrong, 2012)

Advertising appeals should have three characteristics. First, they should be meaningful, pointing out benefits that make the product more desirable or interesting to consumers. Second, appeals must be believable. Consumers must believe that the product or service will deliver the promised benefits. However, the most meaningful and believable benefits May not be the best ones to feature. Appeals should also be distinctive. They should tell how the product is better than competing brands (Kotler and Armstrong, 2012)

Designing a Message

Having defined the desired audience response, the communicator then turns to developing an effective message. Ideally, the message should get attention, hold interest, arouse desire, and obtain action (a framework known as the AIDA model). In practice, few messages take the consumer all the way from awareness to purchase, but the AIDA framework suggests the desirable qualities of a good message. When putting the message together, the marketing communicator must decide what to say (message content) and how to say it (message structure and format) (Kotler and Armstrong, 2012)

Message Content

Message Appeals Kotler and Keller (2012) state that Creative strategies are the way marketers translate their messages into a specific communication. Communicators use negative appeals such as fear, guilt, and shame to get people to do things (brush their teeth, have an annual health checkup) or stop doing things (smoking, abusing alcohol, overeating). Fear appeals work best when they are not too strong, when source credibility is high, and when the communication promises, in a believable and efficient way, to relieve the fear it arouses. Messages are most persuasive when moderately discrepant with audience beliefs. Stating only what the audience already believes at best just reinforces beliefs, and if the messages are too discrepant, audiences will counter argue and disbelieve them.

Communicators also use positive emotional appeals such as humor, love, pride, and joy. Motivational or “borrowed interest” devices, such as the presence of cute babies, frisky puppies, popular music, or provocative sex appeals are often employed to attract attention and raise involvement with an advertisement. These techniques are thought necessary in the tough new media environment characterized by low-involvement consumer processing and competing ad and programming clutter. Attention-getting tactics are often too effective. They may also detract from comprehension, wear out their welcome fast, and overshadow the product. Thus, one challenge is figuring out how to “break through the clutter” and deliver the intended message (Kotler and Keller, 2012)

The marketer has to figure out an appeal or theme that will produce the desired response. There are three types of appeals: rational, emotional, and moral.

Rational appeals relate to the audience’s self-interest. They show that the product will produce the desired benefits. Examples are messages showing a product’s quality, economy, value, or performance. **Emotional appeals** attempt to stir up either negative or positive emotions that can motivate purchase. Communicators may use emotional appeals ranging from love, joy, and humor to fear and guilt. Advocates of emotional messages claim that they attract more attention and create more belief in the sponsor and the brand. The idea is that consumers often feel before they think, and persuasion is emotional in nature. **Moral appeals** are directed to an audience’s sense of what is “right” and “proper.” They are often used to urge people to support social causes, such as a cleaner environment or aid to the disadvantaged. For example, the An Earth Share ad urges environmental involvement by reminding people that “We live in the house we all build. Every decision we make has consequences. . . . We choose the world we live in, so make the right choices. . . .” (Kotler and Keller, 2012)

One of the advertiser's most important creative strategy decisions involves the choice of an appropriate appeal. Some ads are designed to appeal to the rational, logical aspect of the consumer's decision-making process; others appeal to feelings in an attempt to evoke some emotional reaction. Many believe that effective advertising combines the practical reasons for purchasing a product with emotional values. In this section we will examine several common types of message appeals, including comparative advertising, fear, and humor (Belch & Belch, 2009)

Comparative Advertising

Comparative advertising is the practice of either directly or indirectly naming competitors in an ad or comparing one or more specific attributes. Comparative advertising may be particularly useful for new brands, since it allows a new market entrant to position it directly against the more established brands and to promote its distinctive advantages. Direct comparisons can help position a new brand in the evoked, or choice, set of brands the customer may be considering (Belch & Belch, 2009).

Fear Appeals

Fear is an emotional response to a threat that expresses, or at least implies, some sort of danger. Ads sometimes use fear appeals to evoke this emotional response and arouse individuals to take steps to remove the threat. Some, like the antidrug ads used by the Partnership for a Drug-Free America, stress physical danger that can occur if behaviors are not altered. Others like those for deodorant, mouthwash, or dandruff shampoos threaten disapproval or social rejection (Belch & Belch, 2009).

Humor Appeals

Humorous ads are often the best known and best remembered of all advertising messages. Humor is usually presented through Radio and TV commercials as these media lend themselves to the execution of humorous messages. However, humor is occasionally used in print ads as well. Advertisers use humor for many reasons. Humorous messages attract and hold consumers' attention. They enhance effectiveness by putting consumers in a positive mood, increasing their liking of the ad itself and their feeling toward the product or service. And humor can distract the receiver from counter arguing against the message (Belch & Belch, 2009)

Message Format

Kotler and Armstrong (2012) suggest that the marketing communicator also needs a strong format for the message. In a print ad, the communicator has to decide on the headline, copy, illustration, and colors. To attract attention, advertisers can use novelty and contrast; eye-catching pictures and headlines; distinctive formats; message size and position; and color, shape, and movement. If the message is to be carried over the radio, the

communicator has to choose words, sounds, and voices. The “sound” of an ad promoting banking services should be different from one promoting an iPod. If the message is to be carried on television or in person, then all these elements plus body language must be planned. Presenters plan every detail facial expressions, gestures, dress, posture, and hairstyles. If the message is carried on the product or its package, the communicator must watch texture, scent, color, size, and shape. For example, color alone can enhance message recognition for a brand. One study suggests that color increases brand recognition by up to 80 percent, think about Target (red), McDonald’s (yellow and red), John Deere (green and yellow), IBM (blue); or UPS (brown). Thus, in designing effective marketing communications, marketers must consider color and other seemingly unimportant details carefully.

Message Structure

According to Kotler and Armstrong (2012) Marketers must also decide how to handle three message structure issues. The first is whether to draw a conclusion or leave it to the audience. Research suggests that, in many cases, rather than drawing a conclusion, the advertiser is better off asking questions and letting buyers come to their own conclusions. The second message structure issue is whether to present the strongest arguments first or last. Presenting them first gets strong attention but may lead to an anticlimactic ending. The third message structure issue is whether to present a one-sided argument (mentioning only the product’s strengths) or a two-sided argument (touting the product’s strengths while also admitting its shortcomings). Usually, a one-sided argument is more effective in sales presentations, except when audiences are highly educated or likely to hear opposing claims or when the communicator has a negative association to overcome. In this spirit, Heinz ran the message “Heinz Ketchup is slow good,” and Listerine ran the message “Listerine tastes bad twice a day.” In such cases, two-sided messages can enhance an advertiser’s credibility and make buyers more resistant to competitor attacks.

2.1.7 Selecting the Message Source

Theoretical Background for source credibility

The source component is a multifaceted concept. Consumers get information from friends, relatives, and neighbors. The term source to mean the person involved in communicating a marketing message directly or indirectly. A direct source is a spokesperson that delivers message and/or demonstrates a product or service. An indirect source is, say, a model doesn’t actually deliver a message but draw attention to and/or enhances the appearance of the advertisement (Belch and Belch, 2003 p.168)

In personal or nonperson communication, the message’s impact also depends on how the target audience views the communicator. Messages delivered by highly credible sources are more persuasive. Thus, many food

companies promote to doctors, dentists, and other health-care providers to motivate these professionals to recommend specific food products to their patients. And marketers hire celebrity endorsers, well-known athletes, actors, musicians, and even cartoon characters to deliver their messages. Sarah Jessica Parker speaks for Garnier and Keith Richards endorses Louis Vuitton. A host of NBA superstars lend their images to brands such as Nike, McDonald's, and Coca-Cola. But companies must be careful when selecting celebrities to represent their brands. Picking the wrong spokesperson can result in embarrassment and a tarnished image. For example, the Kellogg Company dismissed Olympic swimmer Michael Phelps after he was caught on video smoking marijuana. And more than a dozen big brands faced embarrassment when golfer Tiger Woods' personal problems were publically exposed, tarnishing his previously pristine image. Gatorade, AT&T, and Accenture abruptly ended their associations with Woods; Nike, Gillette, EA Sports, and others stayed with the troubled golf superstar in hopes that the public would forgive his indiscretions. "Arranged marriages between brands and celebrities are inherently risky," notes one expert. "Ninety-nine percent of celebrities do a strong job for their brand partners," says another, "and 1 percent goes off the rails." (Kotler and Armstrong, 2012).

Many firms spent huge sums of money for a specific person to endorse their product or company. They also spend millions recruiting, selecting and training salespeople to represent the company and deliver sales presentations. They recognize that the characteristics of the source affect the sales and advertising message. (Belch and Belch 2003, p.168) marketers try to select individuals whose traits maximize message influence. The source maybe knowledgeable, popular and/or physically attractive. Attractiveness and credibility are among the three key dimensions Herbert kelman's source attributes which influences the recipient's attitude or behavior through a different process.

2.1.7.1 Source Models

What is important is the spokesperson's credibility. The three most often identified sources of credibility are expertise, trustworthiness, and likability. Expertise is the specialized knowledge the communicator possesses to back the claim. Trustworthiness describes how objective and honest the source is perceived to be. Friends are trusted more than strangers or salespeople, and people who are not paid to endorse a product are viewed as more trustworthy than people who are paid. Likability describes the source's attractiveness. Qualities such as candor, humor, and naturalness make a source more likable. The most highly credible source would score high on all three dimensions expertise, trustworthiness, and likability. Pharmaceutical companies want doctors to testify about product benefits because doctors have high credibility (Kotler and Keller, 2012).

The source credibility model and the source attractiveness model are categorized under the generic name of source models since these two models basically inform and reflect research of social influence theory/source effective theory which argues that various characteristics of a perceived communication source may have a beneficial effect on message receptivity (Erdogan, 1999)

2.1.7.1.1 The source credibility model

The source credibility model stated that the efficacy of the message as communicated by an endorser would depend on the endorser's expertise, trustworthiness, and attractiveness as perceived by the consumers (Hovland and Wiess, 1951; McGuire, 1969; Ohanian, 1991) The source credibility model is proposed by Hovland, Janis and Kelley (1953), contend that expertise and trustworthiness are the essential factors leading to the perceived credibility of a message. Expertise is defined as the extent to which a communicator is perceived to be a source of valid assertions about the object or issue, and trustworthiness is referred to as the degree of consumer's confidence in the communicator's intent to communicate the assertions she or he considers most valid. as cited by (Roy et al.,2013).

Applying expertise

As Hoyer and MacInnis (2010) stated in their book of consumer behavior, we are more likely to accept a message from someone perceived as knowledgeable or as an expert about the topic than from someone who has no experience with it. A salesperson who demonstrates extensive product knowledge will be more credible than an unformed one. Because attitudes and opinions developed through an internalization process become part of the individual's belief system, marketers want to use communicators with high credibility. Companies use a variety of techniques to convey source expertise. Sales personnel are trained in the product line, which increase customers' perceptions of their expertise. Marketers of highly technical product recruit salesperson with specialized technical backgrounds in engineering, computer science, and other areas to ensure their expertise.

Spokespeople are often chosen because of their knowledge, experience, and expertise in a particular product or service area. Endorsements from individuals or groups recognized as expertise, such as doctors or dentists, are also common in advertising (Belch and Belch 2003, p. 169).

The importance of using expert sources was shown in a study by (Ohanian, 1990), who found that the perceived expertise of celebrity endorser was more important in explaining purchase intentions than their attractiveness or trustworthiness. She suggests that celebrity spokespeople are most effective when they are knowledgeable, experienced, and qualified to talk about the product they are endorsing.

Applying trustworthiness

Source trustworthiness is the attribute of dignity, believability and honesty possessed by the endorser and observed by the customers. Trustworthiness was found to be an important forecaster of source credibility (Friedman et al.,1976).

The trust paradigm in communication is the listener's degree of confidence in, and level of acceptance of, the speaker and the message (Ohanian, 1990). While expertise is important, the target audience must also find the source believable. Someone perceived as trustworthy is more likely to be believed than someone who is not (Hoyer and Macinnis, 2010 p. 131). Finding celebrities or other figures with a trustworthy image is often difficult. Many trustworthy public figures hesitate to endorse products because of the potential impact on their reputation and image. Advertisers use various techniques to increase the perception that their sources are trustworthy. Marketer can also deal with the source-trustworthiness issue by using other IMC tools such as publicity. Information received from sources such as newscasters is often very influential because these individuals are perceived as unbiased and thus more credible, even though they are often presenting stories that stem from press releases. In some situations celebrities may appear on news programs or talk shows and promote an upcoming cause or event such as the release of a new movie or music CD. With the increase in stealth marketing techniques, many consumers are becoming wary of endorsements made by celebrities on news programs and talk shows (Belch and Belch, 2003 p. 169-171)

2.1.7.1.2 The Source Attractiveness Model

The source attractiveness model originates from McGuire's source valence Model (McGuire, 1985). It has attractiveness as the third component of source credibility. Attractiveness refers to the perceived attractiveness of the source. Source attractiveness in the context of message effectiveness (and communication) is said to depend on source's familiarity, likeability, similarity and overall attractiveness to the receivers (McGuire, 1985; Ohanian, 1990).

Applying Source Attractiveness

The last element of source credibility is attractiveness. As Roy, Jain and Rana (2013) stated this element was added to source credibility literature a little later than the other two (McGuire, 1969). Attractiveness was related to three attributes namely, similarity, likeability and familiarity of the endorser. Similarity represented the resemblance that was perceived between the endorser and the consumer. Familiarity was the knowledge about the source that the consumer gained through the repeated coverage about the celebrity. And likability is the affection for the source as a result of physical appearance, behavior, or other personal traits.

Applying Likability: Using Celebrities

Everyday consumers are exposed to thousands of voices and images in magazines, newspapers, and on billboards, websites, radio and television. Every brand attempts to steal at least a fraction of a person's time to inform him or her of the amazing and different attributes of the product at hand. The challenge of the marketer is to find a hook that will hold the subject's attention. In helping to achieve this, use of celebrity endorsers is a widely used marketing strategy. (singh, 2012)

Advertisers recognize the value of using spokespeople who are admired TV and movie stars, athletes, musicians, and other popular public figures. It is estimated that nearly 20 percent of all TV commercials feature celebrities. Celebrities have stopping power, that is, they draw attention to advertising messages in a much cluttered media environment. Marketers think a popular celebrity will favorably influence consumers' feelings, attitudes, and purchase behavior. And they believe celebrities can enhance the target audience's perceptions of the product in terms of image and/or performance. For example, a well known athlete may convince potential buyers that the product will enhance their own performance (Ibid).

According to Kotler and Keller (2012) Messages delivered by attractive or popular sources can achieve higher attention and recall, which is why advertisers often use celebrities as spokespeople. Celebrities are likely to be effective when they are credible or personify a key product attribute.

Advertisers often draw attention to their ads by featuring a physically attractive person who serves as a passive or decorative model rather than as an active communicator, research suggests that physically attractive communicators generally have a positive impact and generate more favorable evaluations of both ads and products than less attractive models. The gender appropriateness of the model for the product being advertised and her/his relevance to the product are also important considerations. Products such as cosmetics or fashionable clothing are likely to benefit from the use of an attractive model, since physical appearance is very relevant in marketing these items. Some models draw attention to the ads but not to the product or message (Belch and Belch, 2003 p.177).

2.1.8 What is Brand?

The definition of brand in various marketing literature is given from different perspective. Therefore it is difficult to find a concise definition. The word Brand is derived from the old Norse word brand, which means "To burn" as brands were and still are a means by which owners of livestock mark their animal to identify them (Keller 2004).

According to American marketing association (AMA) a brand is a name, term, sign, symbol, or design or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition. According to Choudhury (2001) a brand is essentially the sum total of the particular satisfaction that it delivers to the customer who buys that specific brand, the sum total being its name, ingredients, price, packaging, distribution, reputation and ultimately to its performance.

2.1.9 The Concept of Brand Preference

The notion of preference has been considered in different disciplines such as economists, psychologists, sociology. However there is no commonly agreed definition of preference among these disciplines. For example, economists believe that preferences are exogenous, stable, and known with adequate precision and are revealed through choice behavior. The economic view of preference had been criticized for assuming that preferences are stable and endogenous. An individual's preferences are not stable and can be endogenous or exogenous. (Ebrahim, 2011)

In marketing literature, the word preference means the desirability or choice of an alternative. Preferences are above all behavioral tendencies (Zajonc and Markus, 1982). Brand preference is defined variously as the consumer's predispositions toward a brand that varies depending on the salient beliefs that are activated at a given time; the consumer biasness toward a certain brand; the extent to which a consumer favors one brand over another. For this study a working definition for brand preference is offered: "the biased behavioral tendencies reflecting the consumer's predisposition toward a brand". (Ebrahim, 2011)

The term "Brand Preference" means the preference of the consumer for one brand of a product in relation to various other brands of the same product available in the market. The choice of the consumers is revealed by brand preference. Brand preference is the extent that respondents preferred and intended to stay with their service provider (Holbrook, 2001).

Rossiter and Bellman, (2005) suggest different levels of preferences and their corresponding states of loyalty. There is strong brand preference for single or multiple brands; the state at which consumers can be loyal to a certain brand. Moderate brand preference refers to the state of brand switching, where there is no inclination towards a certain brand and consumers are more likely to switch from one brand to another. Neutral preference refers to how consumers can be unaware of the brand or loyal to other brands. Negative brand preference occurs when consumers are not, and will not become, loyal. Each brand preference level represents a market segment; therefore, marketing managers design strategies, targeting consumers at each segment, based on the level of preference. Consumers' moderate or neutral brand preferences can be stimulated to become strong. However, consumers with a negative brand preference cannot be loyal; rather, they can end up with a weak or moderate preference level.

There has been a long standing interest from marketers to understand how consumers form their preferences toward a specific brand. Brand preference is closely related to brand choice that can facilitate consumer decision making and activate brand purchase. Knowing the pattern of consumer preferences across the population is a critical input for designing and developing innovative marketing strategies. It also uncovers the heterogeneity of consumer choices leading to efficient market segmentation strategies. However, forecasting consumer's preferences between brands is not an easy task. Most of the early models focused on brand attributes in preference construction (e.g. Fishbein, 1965). Thus the evolving marketing strategies focus on analyzing and communicating information about product attributes. (Ebrahim, 2011)

According to Aaker(1996), for new or nich brands, recognition can be important. For well known brands recall and top-of-mind are the most sensitive and meaningful. Brand knowledge and brand opinion can be used in part to enhance the measurement of brand recall. Consumer tastes and preferences for a product or brand might be built through one or more of the following distinct modes:

- Need association: the product or brand is linked to one need through repeated association.
- Mood association: the mood is attached to the product or brand through repeated association.
- Subconscious motivation: suggestive symbols are used to excite consumers' subconscious motives.
- Behavior modification: consumers are conditioned to buy the brand by manipulating cues and rewards.
- Cognitive processing: perceptual and cognitive barriers are penetrated to create favorable attitudes, and finally
- Model emulation: idealized social lifestyle models are presented for consumers to emulate (Katke, 2007).

2.1.10 AIDA Model

The perception of advertising as a strong force originates from a long-held view (Barry, 1987) that advertising works via a 'hierarchy of effects'. This concept originated a century ago and envisages consumers moving through a series of stages from initial awareness of a product (A), through exposure to its advertising, to interest in the product (I), desire for the product (D), and finally action (A) in terms of purchase behaviour (the AIDA model). AIDA is criticized as unproven and too simplistic, yet it remains a central tenet of many marketing texts. It has maintained its dominance in spite of challenges launched over almost thirty years (Ehrenberg *et al.*, 1997). The lengthy battle for recognition that the 'strong force' does not apply to all market sectors is well documented by Jones (1990) Heath (2001) endorses this, suggesting that, for low involvement products, there is an expectation that familiar brands in a product category will be similar in performance to each other and that there is therefore minimal incentive for consumers to pay attention to advertising for these brands. Ambler (2000) also criticizes both the traditional hierarchy of effects models such as AIDA. His primary criticism is

that these models assume that even advertisements that are ‘virtually unnoticed’ (Ambler, 2000: 304) receive low levels of rational conscious processing by viewers. He further criticizes these models for assuming that advertisements that may be perceived as irrelevant are processed in the same way as those that are considered to have some degree of relevance to the receiver.

Both Heath and Ambler suggest that advertising passively builds associations between brand names and attributes. These associations may then influence decision making, but at an intuitive rather than conscious level. Their views are supported by Ehrenberg (2001), who asserts that competitive products are seen as substitutable and that consumers frequently are not exclusively loyal to one single brand but will usually have repertoires of brands to which they will have split loyalty. In such situations, the role of advertising focuses on: reinforcement of existing propensities to buy it as one of several acceptable brands – nudging such consumers to buy it more often. (Barnard and Ehrenberg, 1997: 22)

Further support for the concept of a weak force theory of advertising’s influence is provided by Ambler (2000) who suggest that product preferences are often formed after an initial trial and that, in low involvement purchasing, experience with a product is a stronger influence on future purchasing decisions than is advertising, which they regard as primarily reinforcing existing preferences and helping to defend the consumers’ perceptions of a brand. Thus, advertising in mature markets may be substantial but focused on protecting existing market share or obtaining share from other competitors. Failure to maintain presence in the market and awareness among purchasers may result in a loss of market share to competitors.

AIDA was created by Strong in 1925 and is a behavioral model that has as purpose to make sure that an advertisement raise awareness, stimulate interest, and leads the customer to desire and eventually action (Hackley, 2005).The model is seen as a highly persuasive and is said to often unconsciously affect our thinking (Butterfield,1997).

With the AIDA model Strong suggests that for an advertisement to be effective it has to be one that:

1. Commands *Attention*
2. Leads to *Interest* in the product
3. And thence to *Desire* to own or use the product
4. Finally leads to *Action*

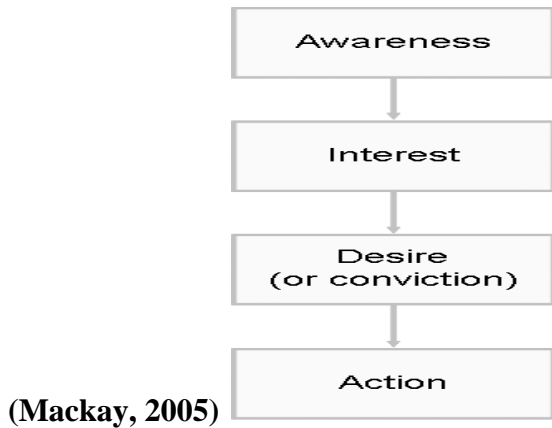


Figure.3. AIDA Model

2.2 Empirical Literature review

Advertising is more than a tool for selling foods and services. It has one overriding task, to position a brand in the prospectus perception or perceptual space in relation to competitors, so as to created distinctiveness and preference. (singh, 2012)

Thomas Michael: Impact of Media on Consumers' Brand Preference - A Study on Carbonated Beverage Market with Reference to Coca-Cola

The collected data from the survey shows that brand preference exists in the carbonated beverage market and the media efforts affects consumer preferences and their brand choice. Out of 8 different carbonated beverage brands which featured in this study, Coca-Cola topped the brand preference table in carbonated beverage industry. Hence it is clear that Coca-Cola is the favorite carbonated beverage among consumers. Based on this study, advertisement and taste are the major factors responsible for the success of Coca Cola. The implication of this is that, other variables does not influence much when brand is supported by heavy advertisements and appeals to consumers' taste buds which persuades them to continue buying.

Majority of the respondents claimed to have known Coca-Cola over 15 years and Coca-Cola having been in existence for more than 20 years still remain the delight of many consumers of carbonated beverage. It is evident that the brand has enjoyed a relatively prolonged life cycle. The study also showed that advertisement is the major source of awareness of Coca-Cola and Television is the most effective medium as cited by most of the respondents.

Adeole et al. (2005) examined that the impact of advertisement on consumers brand preference in different areas, the results showed that from five different media used in advertising Bournivita and how consumers viewed them in order of preference, for most consumers their preference is television advertising while newspaper and magazine shared 4.44% each and similarly Gezachew (2012) conducted with same topic with reference to electronics product and found that from advertising media perspective television advertising is the most preferred by consumers to have awareness. To convey advertising message experts, celebrities, and common man were preferred by consumers to get reliable information of the brand. Chandrima (2009) had conducted the research on "The impact of electronic and print media on consumers brand preference." Customers prefer television in comparison to other media since they get both the audio and visual effects. This also proved that customer's rely on advertisements shown in media.

H1: There is positive and significant relationship between media used for advertising and brand preference.

Tendon (2011) assessed that the "Impact of advertising on the brand preference of tea." variables of the study are advertising, sales promotion, they are source of awareness and income, age, gender, and education are also independent variables. The study revealed with the perspective of source of awareness of tea brand, advertising accounts for 72.4% of the respondents while 2.2% respondents feel that sales promotion schemes create awareness of the brands. In the side of parameters for the parameters of tea brand, 63.8% of respondents considered quality of the product (tea) as the most important parameter and only 12.9% of respondents considered advertising as the most important reason for the preference of tea. Again the study revealed that age, income, and education have great impact on the brand preference of tea whereas gender has no impact on the brand preference of consumers.

Strout R (2008) in his case material "Pepsi and Madonna" examines the use of entertainment personalities in advertising commercial products through the example of Pepsi's use of Madonna. It illustrates how companies try to tie the success of the artist to their product. The paper demonstrates the need for clear evaluation of the celebrity endorser, their public image, and if the relationship between the artist and the product applies to the advertising rules. When Pepsi picked Madonna, the choice turned out to be too hot to handle. The \$5 million campaign featuring the extravagant vocalist had to be scrapped because of its links to Madonna's highly controversial "Like a Prayer" music video."

David H. Silvera, Austad B (2009) in their research topic have examined whether consumers infer that celebrity endorsers like the products they endorse, and presents a model using these inferences and other characteristics

of the endorser to predict attitudes toward the endorsed product. Participants in two experiments examined written endorsement advertisements and were asked to infer the extent to which the endorser truly liked the advertised product and to rate the endorser's attractiveness, similarity to themselves, and knowledge of the product. Attitudes toward the advertisement, the endorser and the product were also measured. The resulting model indicated that product attitudes were predicted by inferences about the endorser's liking for the product and by attitudes toward the endorser.

Goddard L, Wilbur N (2009) in their study provides a starting-point for further research on negative information transference in the celebrity endorsement relationship. It is crucial that organizations be aware of the risks associated with using celebrities to endorse their stores and products. Given that these results provide tentative support for the commonly held belief that a decline in the celebrity's image can impact the image of the brand, it is important that retailers carefully choose an endorser who currently has a good image and will likely be able to uphold this image in the future.

Biswas S, Hussain M, O'Donnell K say that here is a positive, although moderate, impact of celebrity endorsements on attention and exposure of consumers. Implications for marketers as well as suggestions for future research are discussed. The article is of the view that although there is considerable risk in endorsing celebrities for products and services, the firms need to analyze the various factors that can reduce such risks and hence increase the likeability of transfer of leverage of the brand image from the celebrity to the products and services.

H2: There is a positive and significant relationship between source factors and brand preference.

John Deighton : The Effect of advertising on brand switching and repeat purchasing,

The authors examine switching and repeat purchase effects of advertising in mature, frequently purchased product categories. They draw on consumer behaviour theories of framing and usage dominance to formulate a logic choice model for measuring these effects. They estimate the model using single-source scanner data. Their results suggest that advertising induces brand switching but does not affect the repeat purchase rates of consumers who have just purchased the brand, a result consistent with usage dominance rather than framing. They find the switching influence to be largely confined between the current and previous purchase occasions. They illustrate the magnitude of this effect and explore potential profitability.

Lalitha Balakrishnan* and C.Shalini Kumar: Effect of Celebrity Based Advertisements on the

Purchase Attitude of Consumers towards Durable Products (A study with reference to the city of Chennai) Celebrity Endorsements act as a credible means of spending money. This is because this is a world of products for which the value a consumer obtains from purchasing any given variety. This could be for reasons of social standing—People want to wear the “right” clothes, drink the “right” beverages and use the “right” fragrances. Specifically a consumer that observes messages for two different firm’s products, one product’s message containing a celebrity endorsed and the other not, believes the celebrity endorsed product will have more purchases and so be of higher value. (Clark & Horstman, 2003) Celebrity endorsement is more likely to be observed for those products having a high price-production cost margin and on a large customer base. In short, celebrity endorsements are more typical for nationally marketed products than for local or niche market products and for products such as running shoes, soft drinks and the like for which the price cost margins are apparently large.

Michael (2012) had conducted a study on the Impact of Media on Consumers’ Brand Preference” A Study on Carbonated Beverage Market with Reference to Coca-Cola. The finding shows that brand preference exists in the carbonated beverage Market and the media efforts affect consumer preferences and their brand choice. The research conducted by taking three main variables, namely Information, communication, and comprehension. This research revealed that the variable information has high influence in advertisement in consumers brand preference. Here the variable information is measured by three dimensions; they are attractiveness, attention, and awareness. These three dimensions account for about 56% of respondents that are highly influenced by information in advertisement (Vivekananthan, 2010).

H3: There is positive and significant relationship between message factors and brand preference.

2.3 Conceptual frame work

The following conceptual frame work is developed for this study. In developing the conceptual model, the concepts were taken from various conceptual frame works developed by different researchers. Media used for advertising is adopted from Adeolu (2005), Singh et al.; Michael (2012), and Chandrima (2009). Source factor is also adopted from Gezachew (2012) and Yang et al. (2007). Finally, messages factor is adopted from Vivekananthan (2010), Haghirian and Madlberger (2005) and Ling (2010) by modifying factors; communication, informative, comprehension, hedonic/pleasure, and credibility of advertisement. The frame work shows that the independent variables such as media used for advertising, source factors, and messages factors. And brand preference as dependent variable.

Independent variables

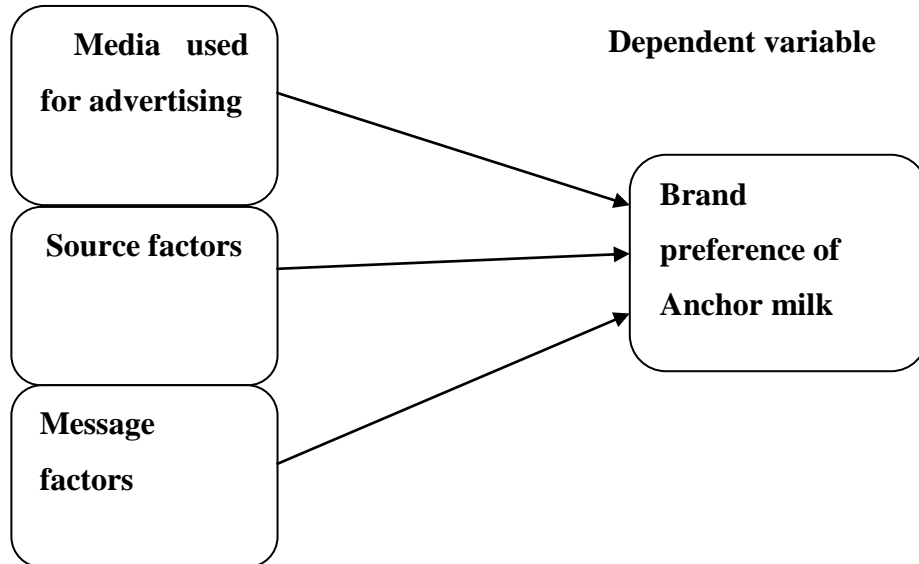


Figure .4. Conceptual frame work of the research

Source: Adopted from (Adeolu, Haghirian, and Madlberger, 2005; Gezachew, Singh et al., and Michael, 2012) and (Chandrima, 2009; Vivekananthan, 2010).

CHAPTER THREE

RESEARCH METHODOLOGY

In this section research approach, research design and research strategy, approaches to research methods, sources of data, data collection method & instruments, sampling methodology and data analysis techniques will be discussed.

3.1 Research Approach

It is the human process of going from one thing to another, i.e., of moving from the known to the unknown (Spangler, 1989). Deductive reasoning happens when working from the more general information to the more specific, thus using what is already known to move to what is not directly seen. Sometimes this is called the “top-down” approach. Here, conclusion is based on available facts. The deductive approach begins with theories and moves to hypothesis then to observation and finally confirmation. According to (Bhattacharjee, 2012), the goal of deductive research is to test concepts and patterns known from theory using new empirical data. Hence deductive research is theory-testing research which is the objective of the research under consideration. The goal of theory-testing is not just to test a theory, but also to refine, improve, and possibly extend it (Bhattacharjee, 2012). Therefore the study followed a deductive form of scientific research to test the effect of Anchor milk advertising on brand preference in Addis Ababa context.

3.2 Research Method

Quantitative research method examines the relationship between variables and tests the hypothesis. It places greater emphasis on the numerical data and statistical test to achieve conclusion that can be generalized (Saunders, 2012). In quantitative introductions, researchers sometimes advance a theory to test, and they will incorporate substantial reviews of the literature to identify research questions that need to be answered. In quantitative research, some historical precedent exists for viewing a theory as a scientific prediction or explanation. In this definition, a theory is an interrelated set of constructs (or variables) formed into propositions, or hypotheses, that specify the relationship among variables (typically in terms of magnitude or direction). Therefore, the researcher preferred the quantitative research strategy because the study needs to address the effect of advertising on brand preference. This could be based on theories and reviews of literatures that could identify the research problems and could able to give solutions.

3.3 Research Design

The research design for this study is explanatory in nature. According to Saunders et al. (2003), explanatory studies are studies with the emphasis to study a situation or problem in order to explain the cause and effect relationship between given variables. In order to accomplish that well defined research problem has to be done and hypotheses need to be stated. Explanatory research seeks explanations of observed phenomena, problems, or behaviors (Kothari, 2004; Bhattacharjee, 2012; Creswell, 1994). Explanatory research seeks answers to why and how types of questions. Explanatory research is mostly used within areas where extensive research has already been done. In line with this reasoning and purpose of the research the current study is explanatory type.

3.4 Sampling Methodology

3.4.1 Target Population- People, products, firms, markets that is of interest to the research are called population. To be precise, a population must be defined in terms of elements, units and time (Dillon, 1993). The target population for this study was supermarkets (25) in Addis Ababa. The elements that make up the population are called the sampling units. Sampling units were the target population elements available for selection during the sampling process. The Sampling units for this study were all purchasers of Anchor milk of the twenty five supermarkets. The reason was that the researcher believed that the consumers of Anchor milk knew or experienced the product due to some reasons, so that they have been exposed to the advertising of Anchor milk.

3.4.2 Sampling Frame

The sampling frame refers to the list of all units of population from which the sample will be selected (William, 1991). The sampling frames for this research was infinite or undefined because there is no statistical data that list or even estimate the number of Anchor milk consumers in Addis Ababa and it is impossible to identify and list from this research perspective. Therefore the sampling frame of this research were consumers of Anchor milk product in Addis Ababa city.

3.4.3 Sample Design and Sampling procedure

A non probability sampling technique, which is Judgment Sampling, was used to undertake the study and to complete the structured questionnaire on voluntary basis. It is typically not practical to include every member of the population of interest in a research study. Time, money, and resources are three limiting factors that make this unlikely. Therefore, most researchers are forced to study a representative subset, a sample of the population of interest (Marczyk, DeMatteo, and Festinger, 2005). In order to use this survey, one criterion that needs to be met in defining the qualified respondent is: respondents who have had purchased or experienced Anchor milk at least once. The following two reasons can be put forward in favor of using Judgment sampling:

First: there is no complete listing of our target population; no formal sampling frame. Second: this gives a better result within a small budget and time constraints. Farhana &Islam,(2012)

In addition this method was selected because it is not realistic to use a probability sampling techniques, as it is difficult to take in to account all fortified milk drink consumers in Addis Ababa who tried Anchor milk at least ones.

3.4.4 Sample Size

This refers to the number of items to be selected from the universe to constitute a sample. The size of sample should neither be excessively large, nor too small. According to Sekaran (2003) sample size 30-500 is already adequate for most of the research. There are several approaches to determining the sample size (Kothari, 2004; Ruane, 2005 and Marczyk, DeMatteo, and Festinger, 2005). These include using a census for small populations, imitating a sample size of similar studies, using published tables, and applying formulas to calculate a sample size (Israel, 1992). Determining sample size is very complex as it depends on other factors such as margins for errors, degree of certainty and statistical technique. Sample size is therefore directly proportional to the desired confidence level of the estimate (z) and to the variability of the phenomenon being investigated, and it is inversely proportional to the error that the researcher is prepared to accept (Corbetta, 2003). When the size of population is unknown and previous researches are unavailable to determine the variability of an estimate over all possible samples, thus the sample size is calculated for the list favorable case $p = q = 0.5$ (Corbetta, 2003). Indeed, as the variability is measured by \sqrt{pq} , it is easy to see that this index assumes its highest value when $p = q = 0.50$ (Corbetta, 2003).

Since the total population is unknown, to determine the estimate of p and q . I used the recommendation by Corbetta (2003) in determining the standard deviation, 95% confidence interval and 5% sampling error in calculating the sample size.

The sample size for this study was determined with the use of Topman formula as presented below (Dillon, 1993).

Where: n = required sample size

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

Z = Degree of confidence (i.e. 1.96)²

P = Probability of positive response (0.5)

Q = Probability of negative response (0.5)

$$E = \text{Tolerable error } (0.05)^2$$

$$n = (1.96)^2 \times 0.5 \times 0.5 / (0.05)^2$$

$$n = 3.8416 \times 0.5 \times 0.5 / 0.0025$$

$$n = 384.16 \approx 384 \text{ Respondents}$$

3.5 Sources of Data and Data Collection Techniques

Both primary and secondary data source were used. The primary data was collected through questionnaires and on the other hand Secondary data was collected from books, journals, articles, research papers and internet sources.

Procedures of Data Collection

Yoo et al. (2000) stated that respondents who are exposed to or had experience with a particular brand are better suited to provide a reliable and valid response to questionnaire. In this study, respondents were consumers of Anchor milk located in various area of Addis Ababa city. The respondents were asked if they have tried Anchor milk and if they are willing to participate in the survey. Then they were given questionnaires to fill in their thoughts based on their perceptions, experience and prior exposures.

3.6 Data Analysis Techniques

Before analyzing, the data that was collected using structured survey/quantitative approach was edited, coded, cleaned and entered into the computer. This process is essential and saved a lot of headache later, according to Pallant,(2005). The data screening process involved a number of steps:

Step 1: checking for errors. First, one needs to check each of the variables for scores that are out of range (i.e. not within the range of possible scores).

Step 2: Finding the error in the data file. Second, one needs to find where in the data file this error occurred (i.e. which case is involved)

Step 3: correcting the error in the data file. Finally, one needs to correct the error in the data file itself.

Then, the screened data was analyzed and interpreted using Software package for social science (SPSS). As result, descriptive and inferential analyses were conducted by employing different methods. In descriptive statistical analysis such as frequency and percentage was used to analyze the data that was collected from sample respondents in the survey in relation to their attitudes, knowledge, and opinions toward advertising. In inferential Cronbach's Alpha test took place to assure reliability of the items. Regressions and correlation

analysis were also used to analyze the impact and the relationship between the dependent and independent variables.

Descriptive statistics

The demographic profile of the respondents was analyzed using descriptive statistics with frequency and mean since mean is the most widely used and reported measure of central tendency (Marczyk, 2005). They were summarized and be presented using tables.

Inferential statistics

The second part of questionnaire developed contains five point Likert scale questions under the three selected variables factors affecting brand preference. The relationship between the independent variables (advertising) and the dependent variable (Anchor milk brand preference) was analyzed using correlation ad regression analysis.

3.7 Validity and Reliability

Validity: - is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. It can also be thought of as utility. In other words, validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested (Kothari, 2004).

Numbers of different steps took place to ensure the validity of the study:

- The study was tested the validity of the questionnaire by taking 10% of its sample size.
- Data was collected from the reliable sources, from respondents who have experiences in using Anchor milk product.
- Survey questions were used based on literature reviews and frame of references to ensure result validity.

In addition to asking if a measure is valid, we should also ask if it is reliable. A measure is considered reliable if it yields the same results each time it is used. In other words, reliable measures do not fluctuate- they yield consistent results (Ruane, 2005).

Reliability: - is the extent to which a measurement reproduces consistent results if the process of measurement were to be repeated (Malhotra & Birks, 2007). In order to check the internal consistency of the instrument, a pilot study was conducted on respondents and reliability test was conducted using Cronbach-Alpha. Cronbach-alpha is widely used in educational research when instrument for gathering data have items that are scored on a range of values, i.e. different items have different scoring points or attitude scales in which the item responses

are in continuum (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).

3.8 Ethical Consideration

In the context of research, ethics is defined as the appropriateness of the researcher's behaviour in relation to the rights of the participants or subjects of the research work (Saunders, Lewis, & Thornhill, 2009). Respondents were requested to provide information on voluntary basis, there was prior communication about the purpose of the study, and confidentiality of the information was guaranteed. And the purpose of the study was disclosed in the introductory part of the questionnaire. Furthermore, misleading or deceptive statements were avoided, in the questionnaires.

CHAPTER FOUR

RESULTS AND DISCUSSION

In this chapter, the collected data from consumers of Anchor milk are summarized and analyzed in order to realize the ultimate objective of the study. The purpose of this study is to investigate the effect of advertising on brand preference in the case of Anchor milk brand. A total of 384 sets of questionnaires were distributed to the potential respondents and a total of 361 questionnaires were collected. Out of this, 23 sets of the questionnaires were considered unusable because over 25 percent of the questions in part three of the questionnaires were not answered (Sekaran, 2003). It was assumed that the respondents were either unwilling to cooperate or not serious with the survey. Therefore, only 361 usable sets of collected questionnaires were used for the data analysis. Thereby, the response rate was 94 percent.

To observe what demographic trend the sample population has, the questionnaire begins with demographic characteristics of respondents. Accordingly, the following variables about the respondents were summarized and described in table 4.1.

4.1 Demographic profile of respondents

In the following table the respondents' demographic profile is presented with their respective frequency of occurrence and percentage.

Table 4.1 demographic profile of respondents

Measure	Category	Frequency	Percentage %
Gender	Male	116	32.1
	Female	245	67.9
	Total	361	100
Age	18-30	234	64.8
	31-40	95	26.3
	41-50	32	8.9
	Total	361	100
Educational qualification	Primary	51	14.1
	Secondary	59	16.3
	Diploma	204	56.5

	Degree	40	11.1
	Master degree and above	7	1.9
	Total	361	100
Occupation	Business person	53	14.7
	Student	56	15.5
	Employee	252	69.8
	Total	361	100

Source: Own survey result, 2017

Table 4.1.1 Basic Information about the Study

Respondents who rely on Advertisement to make purchase decision	Yes	140	38.8
	No	76	21.1
	Sometimes	145	40.2
	Total	361	100
Respondents reason in the choice of fortified milk brands?	Easy availability	14	3.9
	Advertisement	207	57.3
	Quality of the product	42	11.6
	Price	10	2.8
	Easy availability and advertisement	12	3.3
	Easy availability and quality of the product	9	2.5
	Easy availability and price	3	0.8
	Advertisement and quality of the product	34	9.4
	Advertisement and price	17	4.7
	Quality of the product and price	13	3.6
	Total	361	100

Source: Own survey result, 2017

Gender

Based on the survey, out of the 361 valid respondents, there were 116(32.1%) male and the remaining 245(67.9%) were female. This imply that the number of female respondents were greater than the male counter parts.

Age

When it comes to age distribution of respondents of the total, the majority 234(64.8%) of respondents lies in the age range of 18-30 years and the age group 31-40 of respondents followed the previous group with a percent share of 95(26.3%). The age group 41-50 contributed 32(8.9%). The study indicates that majority of milk consumers in the area under study were in the age range from 18-30 years old, which accounts 64.8% that means young adult consumers were frequent users than other age groups did.

Education

From the 361respondent, the majority 204(56.5%) of the respondents have diploma. Followed by 59(16.3%) and 51(14.1%) of the respondents have accomplished secondary school and primary school respectively. And 40(11.1%) of the respondent were bachelor degree holders, and only 7(1.9%) of the respondents had Masters Degree and above. As shown in the table majority of respondents had diploma. And all of the respondents were able to read and write.

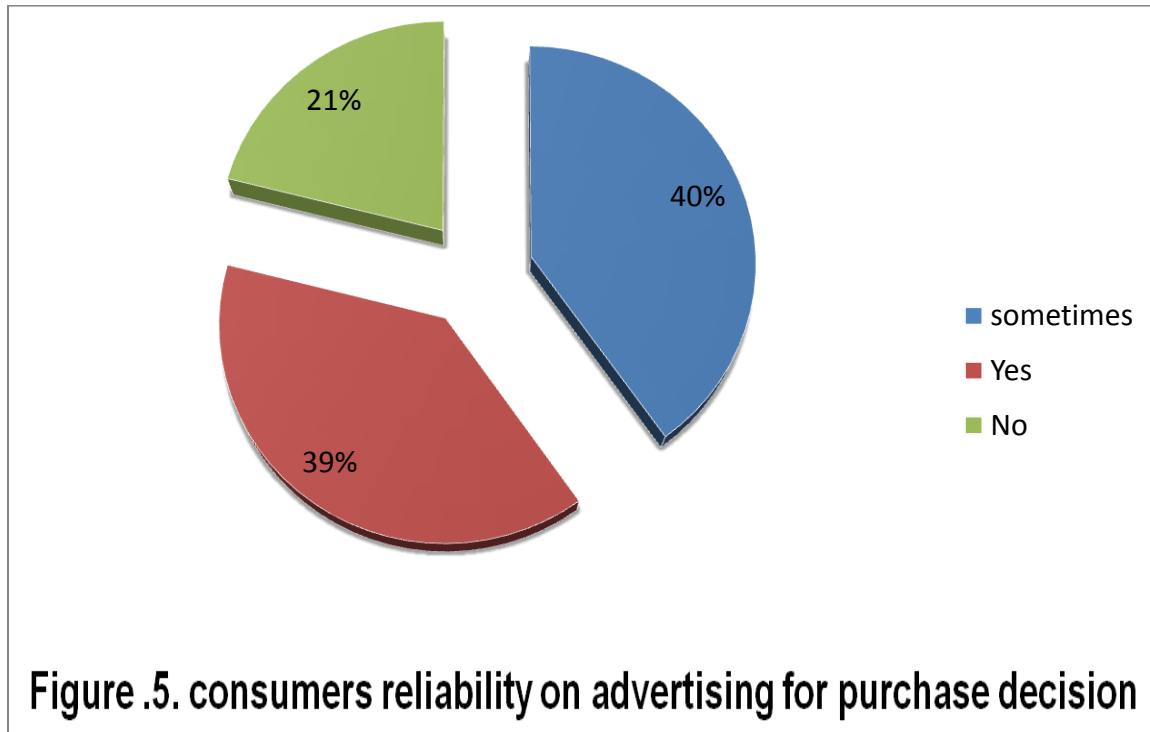
Occupation

Out of the 361 respondents, 252(69.8%) of them were employees, 56(15.5%) of them were student and 53(14.7%) of the respondent were business persons. So this study implies that most consumers of Anchor milk are employees.

Reliability on Advertising for purchase decision

Table 4.1 shows the responses of participants about taking advertising in to consideration to make purchase decision. 145(40.2%) respondents sometimes rely on advertising. And 140 (38.8%) respondents took advertising in to consideration to make purchase decision. The rest 76 (21.1%) respondents replied that they did not rely on advertising to make purchase decision, this

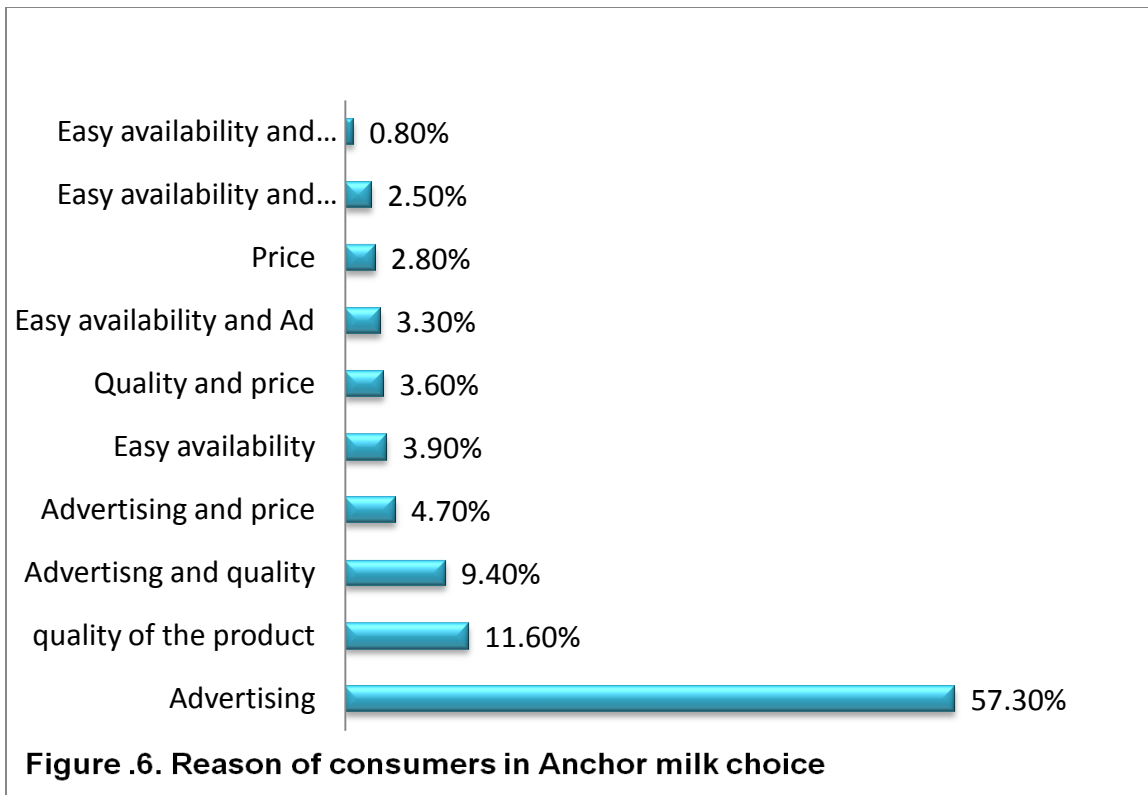
implies that most consumers sometimes focus on advertising before making their purchase decision regarding Anchor milk product.



Source: SPSS data output

Consumers reason for brand choice

Figure 6 shows the reasons of consumers in the choice of Anchor milk brands. According to the figure 6 207(57.3%) of respondents choose the brand because of advertisement campaign, 42(11.6%) of the total respondents preferred the brand (Anchor milk) because of its quality. And 34(9.4%) of them preferred the brand because of advertisement and quality of the product. And 17(4.7%), 14(3.9%), 13(3.6%), 12(3.3%) and 10(2.8%) of the respondents account for advertisement and price, easy availability, quality of the product and price, and easy availability and advertisement, and price respectively. whereas 9(2.5%) of respondents replied due to easy availability and quality of the product, and the rest 3(0.8%) said because of easy availability and price of the brand in the market. This implies that without any compromise in the quality of Anchor milk, advertising became mandatory for the success of the company.



Source: SPSS data output

4.2. Measures of Normality, Validity and Reliability

4.2.1 Reliability of the Measurement Scale

The most common measure of the reliability of a measurement scale is Cronbach's alpha which is often considered as the lower bound estimate of reliability (Raykov, 1997). Most researchers consider a Cronbach's alpha value of more than 0.7 and above as an indicator of high internal consistency of the measurement scales (Hair et al., 1998). Other researchers consider a Cronbach's alpha of 0.8 and higher as a signal for internal consistency and urge a low alpha score warns the existence of a measurement item which is unreliable (Ho, 2006).

Reliability is concerned with the consistency of measures, thus, the level of an instrument's reliability is dependent on its ability to produce the same score when used repeatedly (Bryman & Bell, 2003). This research used Cronbach's alpha to test the reliability of the questionnaire on a small sample of respondents. Table 4.2.1 below shows the reliability of the constructs tested using Cronbach's alpha.

Table 4.2.1. Reliability Statistics

Construct	Cronbach's alpha	No. of items
Media used for advertising	0.711	5
Source factor	0.784	3
Message factor	0.835	7
Brand preference	0.846	4

Source: SPSS data output

The Cronbach's alpha value for all the constructs shows higher internal consistency since their value is closer to 1.0.

4.2.2. Validity

According to Kothari (2004) Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it. Based on this definition the content validity was verified by the advisor of this research and other instructors in the department, looked into the appropriateness of the questions and the scales of measurement prior to final administration, in order to make sure that the questionnaire is in alignment with the research objective.

4.2.3. Normality

The normality of the population distribution is the basis for making statistical inferences about the sample drawn from the population (Kothari, 2004). Most studies, which involve statistical procedure, work under the assumption that observations have normal distribution. Any violation of the normality rule may lead to overestimation or underestimation of the inference statistic. In order to examine normality one has to measure each variable's skewness, which looks at lack of symmetry of distribution, and kurtosis, which looks at whether data collected, are peak or flat with relation to normal distribution (Marczyk *et al.*, 2005).

Paurav Shukla (2009) stated that skewness and kurtosis test, and the low difference between mean and median is the basic way to check the normality of the data. Accordingly positive

skewness values suggest clustering of data on the low value (left hand side of the bell curve) and negative skewness values suggest that clustering of data points on the high values (right hand side of the bell curve). Positive kurtosis values suggest that the data points gathered in center with long thin tails. Kurtosis values below zero suggest the distribution of data point is relatively flat.

Table 4.2.2 below describes the level of skewness and kurtosis for the four constructs. The general rule-of-thumb for test of normality varies depending on the nature of the research. The common one mostly suggested mentioned in literature for both kurtosis and Skewness to be between -2 and +2 (George & Mallery, 2010). As indicated in the table below, skewness and kurtosis measures for this study are well within that range between -2 and +2 values. Therefore, the data for this study is normally distributed.

Table 4.2.2 Normality measurement table

Constructs	Skewness	Kurtosis
Media used for Advertising	0.11	-1.87
Source factor	-0.09	0.64
Message factor	-0.19	1.35
Brand preference	-0.26	1.02

Source: SPSS data output

4.3 Descriptive analysis

The first part deals with Anchor milk consumers' results of advertising dimensions which include: media used for advertising, source factor, message factor. The second part is brand preference. In order to compare the advertising factors effect on brand preference descriptive statistics, mean and standard deviation is used. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. Mean value shows the average of all customers' responses on each dimension, the higher the mean the more the respondents agree with the statement while the lower the mean the more the respondents disagree with the statement. While standard deviation shows how diverse the responses of customers are for a given construct (SPSS, version 21). For instance, high standard deviation shows that the data is

wide spread meaning customers gave variety of opinion and low standard deviation means customers have close opinion.

Table 4.3.1 Media used for advertising analysis

Items of Media used for Ad	Mean	Std. Deviation
Television Advertising significantly contributes to my brand preference.	4.51	.500
Radio Advertising significantly contributes to my brand preference.	4.47	.512
Newspaper Advertising significantly contributes to my brand preference.	4.47	.500
Magazines Advertising significantly contributes to my brand preference.	4.44	.497
Outdoor Advertising significantly contributes to my brand preference.	4.44	.519
Media used for the Ad	4.47	.469

Source: Own survey result, 2017

Television Ads scored the highest with mean value of 4.51 meaning consumers of Anchor milk are highly influenced by Advertisement on television for making brand preference. Radio and news paper advertisement also scored well with mean values of 4.47. Magazine and outdoor ad scored mean value of 4.44 as perceived by the respondents. All items of media used for advertising scored above the cut of point 3.00 this implies consumers are highly influenced by media used for advertisement.

Table 4.3.2 Source factor analysis

Items of source factor	Mean	Std. Deviation
Advertising undertaken by trained experts has effect on my brand preference.	4.36	.546
Advertising undertaken by celebrities influence my brand preference.	4.30	.613
Peer groups and family influence have effect on my brand preference.	4.30	.518
Source factor	4.32	.507

Source: Own survey result, 2017

Advertisement by experts scored the highest with mean value of 4.36, meaning consumers of Anchor milk are highly influenced when Advertisement are undertaken by trained experts. Advertising undertaken by celebrities and peer groups and family influence also scored well with mean values of both 4.30. All item of source factor scored above the cut of point 3.00 this implies that source factor influence Anchor milk preference.

Table 4.3.3 Message factor analysis

Items of Message factors	Mean	Std. Deviation
During advertising using background music contributes to my brand preference.	4.21	.722
Developing stories and documentaries in advertising have effect on my brand preference.	4.24	.649
Advertising about quality of the product influence my brand preference.	4.29	.593
Credibility of advertiser and the company have effect on my brand preference.	4.32	.555
Fulfilling both the company and the consumer interest in the advertising message has effect on my brand preference.	4.27	.560
The frequency of advertisement has effect on my brand preference.	4.23	.668
Advertising tells me which brands have the features I am looking for.	4.24	.603
Message factor	4.26	.537

Source: Own survey result, 2017

Credibility of the advertiser and Advertising about quality of the product scored the highest mean value of 4.32 and 4.29 respectively. And the rest items of message factors scored above the mean value 3.00 which means message factor is important and it influence consumers Anchor milk preference.

Table 4.3.4 Brand preference analysis

Items of Brand preference	Mean	Std. Deviation
The recent Anchor milk advertisement campaign has helped me to develop awareness of the product.	4.38	.508
The recent Anchor milk advertisement campaign has helped me to develop interest in the milk.	4.31	.599
The recent Anchor milk advertisement campaign has helped me desire the product.	4.26	.643
The recent Anchor milk advertisement campaign made me purchase or use the product.	4.28	.608
Brand preference	4.31	.531

Source: Own survey result, 2017

The recent Anchor milk Advertisement campaign has helped consumers to be aware of the product with mean value of 4.38 and the ad has also helped consumers to develop interest in the product with mean value of 4.31. And finally the recent advertisement helped consumers purchase or use and desire Anchor milk with mean value of 4.28 and 4.26 respectively.

4.4 Relationship between advertisement and brand preference

Correlation analysis

The Pearson correlation coefficient (r) is used to test if a linear relationship exists between two variables. The correlation coefficient is a statistical measure of the association between two numerical variables (Zikmund, 2003). The value of " r " ranges from +1.0 to -1.0, where a positive " r " value indicates a direct relationship and a negative " r " value represents an inverse relationship between two variables. When " $r=0$ " it implies that there is no relationship between the two variables. When " $r=+1$ " it implies that there is a perfect direct relationship between the variables. When " $r=-1$ " it implies that there is a perfect negative/inverse relationship between the variables. When " r " is in between 0.10-0.29, it implies that variables have weak relationships and when " r " value is in between 0.3-0.49, it implies that the variables have moderate relationship. When " r " value becomes greater or equals to 0.5 it indicates the relationship is strong. The

relationship between advertisement (media used for advertising, source factor, and message factor) and brand preference were tested by using a correlation analysis.

Table4.4 Correlation Matrix

	Brand preference	Media used for advertisement	Source factor	Message factor
Brand preference pearson correlation Sig. (2-tailed)	1	.601** .000	.715** .000	.795** .000
Media used for advertisement pearson correlation Sig. (2-tailed)	.601** .000	1	.565** .000	.588** .000
Source factor pearson correlation Sig. (2-tailed)	.715** .000	.565** .000	1	.753** .000
Message factor pearson correlation Sig. (2-tailed)	.795** .000	.588** .000	.753** .000	1

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

Source: Own survey result, 2017

The study revealed that there was positive and strong relationship between brand preference and media used for advertising, with value of “r”=0.601 and “p” =0.000 which means the correlation was significant at 0.05 significant level (2-tailed). There was positive and strong relationship between source factor and brand preference with “r” value 0.715 and “p” value 0.000. Furthermore, there was positive and strong relationship between message factor and brand preference having “r” value 0.795 and “p” value 0.000. Hence it could be concluded that the

three independent variables, media used for advertisement, source factor and message factors were positively and strongly correlated with brand preference (dependent variable).

4.5. Regression Analysis

4.5.1. Multi-collinearity Analysis

Before running regression, one should check for the problem of multi-collinearity which is present if there is high correlation between some of the independent variables. The study checks this with the variance Inflation Factor (VIF) which calculates the influence of correlation among the independent variables on the precision of regression estimates. The VIF should not exceed 10. Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variable in the model and is calculated using the formula $1-R^2$ for each variable. If this value is less than 0.1 it indicates that there is possibility of multi-collinearity, but if it is greater than 0.1 it means that there is no multi-collinearity problem with in the model.

Table 4.5.1 collinearity statistics

	Collinearity statistics	
	Tolerance	VIF
Media used for advertisement	.619	1.615
Source factor	.411	2.435
Message factor	.395	2.534

a. Dependent Variable: Brand Preference

Source: Own survey result, 2017

The above multi-collinearity statistics shows the tolerance value to be greater than 0.1 and VIF value to be significantly below 10. This shows that there is no multi-collinearity problem with in the model.

4.5.2. Multiple regression analysis

Multiple regression analysis is defined as “a statistical technique which analyzes the linear relationships between a dependent variable and multiple independent variables by estimating coefficients for the equation for a straight line” (Hair et al., 2004). Three hypotheses were tested using multiple regression analysis, because the correlation table 4.4 shows only the relationship between the variables, but it does not show the exact percentage changes of the dependent and independent variables and the strength and degree of the relationship between variables.

Table 4.5.2.1 R Square analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.824 ^a	.679	.677	.302

Predictors (constant), Message Factor, Media Used Advertisement, Source Factor

Source: own survey result, 2017

The R^2 value tells us how much of the variation in the dependent variable (brand preference) is explained by the model (the dimensions of advertising). In the above table, the model summary shows that the R^2 value is 0.679 which means that 67.9% of Anchor brand preference is explained by the variation of the three advertising variables.

Table 4.5.2.2 ANOVA^a

Model	Sum of squares	Df	Mean square	F	Sig.
1 Regression	68.880	3	22.960	252.289	.000 ^b
Residual	32.490	357	.091		
Total	101.370	360			

Dependent variable: Brand preference

Predictors:(constant),Message Factor, Media Used Advertisement, Source Factor

Source: own survey result, 2017

ANOVA tells us whether the model, overall, is acceptable from a statistical perspective i.e. whether the independent variables are in a significantly good degree of prediction of the outcome variable (SPSS, version 20). As can be seen from the above table, the variables of Advertising (independent variables) significantly predict the dependent variable (Brand preference) with $F=252.289$ and $sig=0.000$. F-test is used to find out overall probability of the relationship between the dependent variable and all the independent variables occurring by chance (SPSS, version 20). The F-test result of the study is 252.289 with a significance of 0.000 meaning that the probability of these results occurring by chance is less than 0.05 i.e. the variation that is explained by the model is not simply by chance.

While the ANOVA table is a useful test of the model's ability to explain any variation in the dependent variable, it does not directly address the strength of that relationship (SPSS, version 21). Table 4.5.3 shows the coefficients of the regression line. The sign of the coefficient indicates whether the predicted response increases or decreases when the predictor increases, all other predictors being constant (SPSS, version 20).

Table 4.5.3.3 Multiple Regression of advertising on brand preference

Model	Unstandardized coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Media Used for Advertisement	.184	.043	.163	4.269	.000
Source Factor	.234	.049	.223	4.777	.000
Message Factor	.525	.047	.531	11.134	.000

Source: own survey result, 2017

Table 4.5.3.3 reveals the result of multiple regression analysis between dependent variable (brand preference) and independent variables (media for Advertisement, message factor, and source factor). As shown in the table, the study revealed that all independent variables have significant level below 0.05 ($p < 0.05$). Also beta values which mean individual independent variables influence on dependent variable. The result indicated that message factor has the strong influence on brand preference with beta value 0.531. It explains that 53.1% variation in Consumer brand preference cause due to Message factor, which is significant at 0.001. Therefore, the study concluded that message factor positively and significantly affected consumers' preference of Anchor milk. Different studies also suggests that they positively influence consumers brand preference (Gezachew, Malik, Jainand, and Sharma, 2012); (Ghafoor, et al., 2013).

Based on the result similarly media used for advertising and source factor have strong influence on brand preference, with beta value 0.163 and 0.223 respectively, which is significant at 0.000. That means, they have positive and significant effect on consumers' preferences of Anchor milk. Results of different literatures also suggests that, source of ad messages positively influence consumers brand preference (Yang et al., 2007; Bearden, and Michael, 2001). Thus, the finding from the current study is supported by the extant literature. Besides, the result of table 4.5.3.3 revealed that all variables of advertisement had impact or contribution on Anchor milk preference.

From the above regression, an increase in media used for advertisement dimension by one unit would result in an increase in brand preference by 0.163 unit of value. As message factor increases by one unit, brand preference will increase by 0.223 units. Also one unit increase in message factor would result in an increase of brand preference by 0.531unit.

Table 4.6. Summary of Hypothesis Result

Hypotheses	Beta	T	p<0.05	Result
H1: Media used for advertising →Brand preference	.163	4.269	.001	Supported
H2: Source factor→ Brand preference	.223	4.777	.001	Supported
H3: Message factor→ Brand preference	.531	11.134	.001	Supported

Source: Own survey result, 2017

Hypothesis testing

The above table displays the result of the hypothesis test based on the standardized coefficient (beta value) and P-value to see whether the hypothesis is accepted or rejected.

H1: There is positive and significant relationship between media used for advertising and brand preference. Media used for advertising has a positive and significant effect on Anchor milk preference with beta value 0.163, and p-value 0.001 which is greater than 0.05. Therefore, the study supports the hypothesis.

H2: There is a positive and significant relationship between source factors and brand preference. According to the result source factor has a positive and significant effect on Anchor

milk preference with beta value of 0.223 and p-value of 0.001 ($p < 0.05$). Therefore, the study supports the hypothesis.

H3: There is positive and significant relationship between message factors and brand preference. As it is shown in the above table, message factor has a positive and a significant effect on Anchor milk preference with beta value of 0.531 and p-value of 0.001 ($p < 0.05$). Therefore, the study supports this hypothesis.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

This chapter presents the recommendation and conclusions derived from the data analysis carried out in the previous section.

5.1 Conclusion

Advertising is a big marketing weapon to attract customers and stay in customers mind, and also it has significant impact on consumers' preference Anchor milk. Consumers do recall and rely on advertisements of their brands. This recall helps them in decision making while making a purchase. It is imperative that the products or service of any business received the proper exposure, and the way to achieve exposure is through advertising. Advertising is the means by which goods or services are promoted to the public. The advertiser's goal is to increase sales of these goods or services by drawing people's attention to them and showing them in a favorable light. 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 individuals (markets) interested in their products. To succeed, they need to understand the effect of media used for advertising, message factor and source factor on brand preference. Generally based on the discussions and analysis made the following conclusions were drawn.

The result indicates that among the reasons in the choice of Anchor milk, advertising and quality of the product has high degree of influence or effect than other reasons do. In contrary, easy availability and price are the least reasons consumers pointed out in their choice of Anchor milk drink, this may be due to the product nature. Consumers choose Anchor milk brand a lot for the reason of quality and advertising according to the area under study. The finding of the study also revealed that consumers are interested to be informed about the quality of the product and its benefit through advertising. The result indicates that among advertising media, TV advertising has high degree of influence than other media do, because of its sight, sound, and motion effect. 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. All elements of messages factors do have significant impact on consumers Anchor milk preference.

The result of correlation analysis revealed that all components of advertisement such as, media used for advertising, source factor and message factor are positively and strongly correlated with brand preference of Anchor milk. The result of regression analysis also shows that variables such as media used for advertising, source factor and message factor, have positive and significant effect on consumers' Anchor milk preference.

5.2 Recommendation

In general, advertisement has great impact on consumers brand preference of Anchor milk. Besides, to have credibility, and to get target audiences attention during advertising there has to be product-celebrity and audience-celebrity match, otherwise, it might not catch the attention of consumers and the company may not meet its predetermined goal in selling more volume of Anchor milk and large market share.

The Company has to develop stories, documentaries, use background music during advertisement and involve the interest of consumers in advertisement message. It should deliver the advertisement message to a target market about the benefits offered by the new product and also the messages should be more persuasive that emphasize the merits of their product, and that promote brand recall and brand preference. And advertising about quality of the product by credible sources has huge influence in Anchor milk brand preference. The Business Company better use celebrities and experts, they may be actors, athletes, pop stars, or attractive models to advertise their products through the most potent media. Otherwise it will be challenging to get the attention of target audiences. Companies should select the celebrities that have greater credibility and fan following and finally quality of the product has to be maintained, price should be reasonable and this has to be supported by heavy advertising. Since there are more competitors on the ground more efforts should be made to make sure that the customers are well aware of the ads message and are satisfied with their product. And finally build strong brand by using creative advertisement, a brand that can be on the top lists of every consumers' fortified milk preference rather than simply broadcasting generic messages.

5.3 Recommendations for Future Research

This study has yielded significant results and produced substantial contributions to the existing body of knowledge; however, there are also significant limitations which require further research to be conducted. In this study, the researcher was forced to build up on the theoretical literature reviews from different sources and on previous works in other countries. The respondents' unwillingness to fill the questionnaires because of lack of understanding about the usefulness of the study, were the main limitation of the study. The results, therefore, are to be treated cautiously and future research should be conducted with the general population. In line with this, the sample size was not large. Therefore, future studies can analyze effect of advertising on brand preference in the fortified milk industry with wide range of factors by using large sample size. Second, the study analyses only one fortified milk due to lack of financial capacity and time. The case product taken in this study may limit the applicability of the findings to the fortified milk industry in general. Thus, the researcher suggests that further studies can examine fortified milk industry considering the whole population in Addis Ababa, which would provide a wider basis of analysis and identify more influential factors and investigate the effect of advertising on brand preference.

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APPENDIX

APPENDIX- RESEARCH QUESTIONNAIRES

Appendix A (English Questionnaire)

Addis Ababa University School of Graduate Studies, School of Commerce
Questionnaire on "The Effect of Advertising on Brand Preference: The Case of Anchor Milk in Addis Ababa"

Dear Respondent,

The questionnaire is designed to seek information on the effect of Advertising on Brand Preference: the case of Anchor Milk in Addis Ababa, in Partial Fulfillment for the award of Master of Arts in Marketing Management.

The overall objective of this questionnaire is to gather first-hand information on the aforementioned issue. The information gathered will be accessed only by the student researcher and will be kept strictly confidential and please don't write your name. Your contribution to this research is very greatly appreciated. Thank you in advance for your cooperation.

Part 1: demographic information

In answering this part of the questionnaire, please use tick () mark in the boxes provided.

1. Gender

Male Female

2. Ages:

18- 30 31 - 40

41 – 50 Over 50

3. Education qualification

Primary Diploma Master Degree and above
Secondary Degree

4. Occupation: Businessperson Student Employee

5. I rely on advertisement to make purchase decision.

Yes No Sometimes

6. What is your reason in the choice of fortified milk brands?

Easy availability Advertisement Quality of the product Price

Part II: Specific Information

This part of the questionnaire collects information to your perceptions on Anchor milk. Below are statements that are designed to collect data on how you perceive the advertising of Anchor milk. Please indicate the level of your agreement or disagreement on the statements by putting tick () mark on the space below the options provided.

S. No	Variables	Strongly disagree (1)	Disagree (2)	No opinion (3)	Agree (4)	Strongly Agree(5)
	Media used for advertising					
1.	Television Advertisement significantly contributes to my brand preference.					
2.	Radio Advertisement significantly contributes to my brand preference.					
3.	Newspaper Advertisement significantly contributes to my brand preference.					
4.	Magazines Advertisement significantly contributes to my brand preference.					

5.	Outdoor Advertisement significantly contributes to my brand preference.					
	Source Factor	1	2	3	4	5
6.	Advertising undertaken by trained experts has effect on my brand preference.					
7.	Advertising undertaken by celebrities influence my brand preference.					
8.	Peer groups and family influence have effect on my brand preference.					
	Message Factor	1	2	3	4	5
9.	During advertising using background music contributes to my brand preference.					
10.	Developing stories and documentaries in advertising have effect on my brand preference.					
11.	Advertising about quality of the product influence my brand preference.					
12.	Credibility of advertiser and the company have effect on my brand preference.					
13.	Fulfilling both the company and the consumer interest in the advertisement message has effect on my brand preference.					
14.	The frequency of advertisement has effect on my brand preference.					
15.	Advertising tells me which brands have the features I am looking for.					
	Brand preference					
16	The recent Anchor milk advertisement campaign has helped me to develop awareness of the product.					
17	The recent Anchor milk advertisement campaign					

	has helped me to develop interest in the milk.					
18	The recent Anchor milk advertisement campaign has helped me desire the product.					
19	The recent Anchor milk advertisement campaign made me purchase or use the product.					

Thank You Very Much for Your Co-operation!

APPENDIX 1B (Amharic Questionnaire)

በአዲስ አበባ ዩኒቨርሲቲ የንግድ ሥራ ትምህርት ቤት የገበያ ጥናት አመራር ትምህርት ክፍል

ውድ የጥናቱ ተሳታፊ

ስሜ ብሩክታዊት አምታታው ይባላል በአዲስ አበባ ዩኒቨርሲቲ የማርኬቲንግ ማናጀመንት የማስትሬት ዲግሪ ተመራቂ ተማሪ ስሆን በአሁኑ ወቅት የመመሪያ ዲ.ሁ.ፊን በማዘጋጀት ላይ እገኛለሁ። ጥናቱ የሚያተኩረው በአንክር የዱቄት ወተት ላይ ነው።

ይህ መጠይቅ ሁለት ክፍሎች ያሉት ሲሆን የመጀመሪያው ክፍል ስለ እርስዎ አጠቃላይ መረጃ ለመሰብሰብ የሚጠቅም ሲሆን ቀጣዩ ክፍል ደግሞ ስለ ሚመርጡት ብራንድ ያሎትን አጠቃላይ ግንዛቤ ለማወቅ ይረዳል። ይህንን መጠይቅ በሙሉ ታማኝነት እንዲሞሉልኝ እየጠየኩኝ የሚሰጡኝ መረጃ ከዚህ ጥናት ውጭ ለሌላ ለምንም አገልግሎት እንደማይውል አረጋግጧለሁ። የእርስዎ አስተያየት ለዚህ ጥናት መሳካት ከፍተኛ አስተዋፅኦ እንደሚያደርግ እየገለፅኩ ለሚያደርጉልኝ ትብብር ከልብ አመሰግናለሁ። ለሚኖርት ማንኛውም ጥያቄ ወይም አስተያየት በሞባይል ቁጥረው 0913 10 77 09 ሊያገኙኝ ይችላሉ።

ክፍል አንድ፡ አጠቃላይ መረጃ

በዚህ ክፍል የሚገኙ ጥያቄዎች ለመመለስ ከታች በተቀመጡት ሳጥኖች ውስጥ ምልክት ያስቀምጡ ።

1. **ፆታ** ወንድ [] ሴት []

2. **እድሜ (ዓመት)** 18-30ዓመት [] 31-40 ዓመት [] 41-50 ዓመት [] ከ50 ዓመት በላይ []

3. **የትምህርት ደረጃ** ከ12ተኛ ክፍል በታች [] የኮሌጅ ዲፕሎም []
 ሁለተኛ ደረጃ ያጠናቀቀ/ች [] ዲግሪ [] ማስተርስ እና ከዛ በላይ []

4. **የስራ ዘርፍ**
 የንግድ ስራ [] ተማሪ [] ተቀጣሪ []

5. የግዢ ውሳኔ ለማድረግ ማስታወቂያ ላይ ጥገኛ ነኝ።
 አዎ [] አይደለሁም [] አንዳንዴ []

6. አንክር የዱቄት ወተት የመረጥኩበት ምክንያት
 በቀላሉ ስለሚገኝ [] በማስታወቂያዎቼ [] የእቃው ጥራት [] ዋጋው []

ክፍል ሁለት፡ ስለ መረጡት ብራንድ ያሎትን አስተያየት የተመለከቱ ጥያቄዎች

ከዚህ በታች የተዘረዘሩት ዐረፍተ ነገሮች እርሶ ስለ አንከር ብራንድ ያሎትን አመለካከት ለመረዳት የተቀመጡ ናቸው። ከእነዚህ አርፍተ ነገሮች ጋር ምን ያክል እንደሚስማሙ ወይም እንደሚይስማሙ ከዐረፍተ ነገሮቹ ጎን ከተቀመጡት መለኪያዎች አንዱ ላይ በማክበብ ያሳዩ።

ለማስታወቂያ የምንጠቀመው ሚዲያ	በጣም አልስማማም (1)	አልስማማም (2)	ገለልተኛነት (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
የቴሌቪዥን ማስታወቂያዎች ለአንከር ብራንድ ምርጫዬ ጉልህ አስተዋጽኦ አድርጎልኛል	1	2	3	4	5
የሬድዮ ማስታወቂያዎች ለአንከር ብራንድ ምርጫዬ ጉልህ አስተዋጽኦ አድርጎልኛል	1	2	3	4	5
የጋዜጣ ማስታወቂያዎች ለአንከር ብራንድ ምርጫዬ ጉልህ አስተዋጽኦ አድርጎልኛል	1	2	3	4	5
የመጽሔት ማስታወቂያዎች ለአንከር ብራንድ ምርጫዬ ጉልህ አስተዋጽኦ አድርጎልኛል	1	2	3	4	5
የመንገድ ላይ ማስታወቂያዎች ለአንከር ብራንድ ምርጫዬ ጉልህ አስተዋጽኦ አድርጎልኛል	1	2	3	4	5
የመልእክቱ ምንጭ	በጣም አልስማማም (1)	አልስማማም (2)	ገለልተኛነት (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
ማስታወቂያ በሰለጠኑ ሊቅ ሰዎች ሲሰራ ለብራንድ ምርጫዬ አስተዋጽኦ አለው።	1	2	3	4	5
በታዋቂ ሰዎች የሚሰሩ ማስታወቂያ ለብራንድ ምርጫዬ አስተዋጽኦ አለው።	1	2	3	4	5
ጓደኞቼ እና ቤተሰቦቼ ለመረጣኩት ብራንድ አስተዋጽኦ አድርገዋል።	1	2	3	4	5
የማስታወቂያው ይዘት	በጣም አልስማማም (1)	አልስማማም (2)	ገለልተኛነት (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
ማስታወቂያ ላይ ሙዚቃ መጠቀም ለብራንድ ምርጫዬ እገዛ አድርጎልኛል	1	2	3	4	5
በማስታወቂያ ውስጥ ታሪክ እና ዘጋቢ ነገሮች ለብራንድ ምርጫዬ ጉልህ ድርሻ አላቸው	1	2	3	4	5
ስለእቃው ጥራት ማስተዋወቅ ለብራንድ ምርጫ ድርሻ አለው	1	2	3	4	5
የአምራቹ እና የማስታወቂያው ድርጅት ታማኝነት ጉልህ ድርሻ አላቸው	1	2	3	4	5
የተጠቃሚውን እና የድርጅቱን ፍላጎት ማስታወቂያ ውስጥ ማንጸባረቅ ለብራንድ ምርጫዬ እገዛ አድርጎልኛል።	1	2	3	4	5
የማስታወቂያው ድግግሞሽ ለብራንድ ምርጫዬ አስተዋጽኦ አድርጎልኛል	1	2	3	4	5
ማስታወቂያ የምፈልገውን አገልግሎት	1	2	3	4	5

ከየትኛው ብራንድ እንደማገኝ ይነግረኝኛል					
የብራንድ ምርጫ	በጣም አልሰማም (1)	አልሰማም (2)	ገለልተኛነት (3)	እሰማለሁ (4)	በጣም እሰማለሁ (5)
የቅርብ ጊዜው የአንከር ማስታወቂያ ለእቃው ግንዛቤ እንዲኖረኝ አድርጎኛል	1	2	3	4	5
የቅርብ ጊዜው የአንከር ማስታወቂያ ለእቃው ፍላጎት እንዲኖረኝ አድርጎኛል	1	2	3	4	5
የቅርብ ጊዜው የአንከር ማስታወቂያ እቃውን እንድመኝ አድርጎኛል	1	2	3	4	5
የቅርብ ጊዜው የአንከር ማስታወቂያ እቃውን ገዢዬ እንድጠቀም አድርጎኛል	1	2	3	4	5

ውድ ጊዜዎትን ሰውተው ይህንን መጠይቅ ስለሞሉልኝ እና ስለ ትብብርዎት በጣም አመሰግናለሁ።

Appendix C (Reliability)

Cronbach's Alpha	N of Items
.711	5

Cronbach's Alpha	N of Items
.843	15

Cronbach's Alpha	N of Items
.784	3

Cronbach's Alpha	N of Items
.835	7

Appendix D (Frequency Table)

	Brand_Prefence_X1	Media_Used_Fo r_Advertising_X 2	Source_Factor_ X3	Message_Facto r_X4
N Valid	361	361	361	361
Missing	0	0	0	0
Skewness	-.260	.115	-.092	-.193
Std. Error of Skewness	.128	.128	.128	.128
Kurtosis	1.024	-1.870	.649	1.353
Std. Error of Kurtosis	.256	.256	.256	.256

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	116	32.1	32.1	32.1
female	245	67.9	67.9	100.0
Total	361	100.0	100.0	

Age of the respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-30	234	64.8	64.8	64.8
Valid 31-40	95	26.3	26.3	91.1
Valid 41-50	32	8.9	8.9	100.0
Total	361	100.0	100.0	

Education of the respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Primary	51	14.1	14.1	14.1
Valid Secondary	59	16.3	16.3	30.5
Valid Diploma	204	56.5	56.5	87.0
Valid Degree	40	11.1	11.1	98.1
Valid Master Degree and above	7	1.9	1.9	100.0
Total	361	100.0	100.0	

Occupation of the respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Business person	53	14.7	14.7	14.7
Valid Student	56	15.5	15.5	30.2
Valid Employee	252	69.8	69.8	100.0
Total	361	100.0	100.0	

I rely on advertisement to make purchase decision

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	140	38.8	38.8	38.8
No	76	21.1	21.1	59.8
Sometimes	145	40.2	40.2	100.0
Total	361	100.0	100.0	

What is your reason in the choice of fortified milk brand

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Easy availability	14	3.9	3.9	3.9
Advertisement	207	57.3	57.3	61.2
Quality of the product	42	11.6	11.6	72.9
Price	10	2.8	2.8	75.6
Easy availability and advertisement	12	3.3	3.3	78.9
Easy availability and quality of the product	9	2.5	2.5	81.4
Easy availability and price advertisement and quality of the product	3	.8	.8	82.3
advertisement and price	34	9.4	9.4	91.7
Quality of the product and price	17	4.7	4.7	96.4
	13	3.6	3.6	100.0
Total	361	100.0	100.0	

Appendix E (Descriptives)

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Brand_Prefence_X1	361	2	5	4.31	.531
Media_Used_For_Advertisin g_X2	361	4	5	4.47	.469
Source_Factor_X3	361	2	5	4.32	.507
Message_Factor_X4	361	2	5	4.26	.537
Television Advertising significantly contributes to my brand preference	361	4	5	4.47	.500
Radio Advertising significantly contributes to my brand preference.	361	3	5	4.51	.512
Newspaper Advertising significantly contributes to my brand preference.	361	4	5	4.47	.500
Magazines Advertising significantly contributes to my brand preference.	361	4	5	4.44	.497
Outdoor Advertising significantly contributes to my brand preference.	361	3	5	4.44	.519
Advertising undertaken by trained experts has effect on my brand preference.	361	2	5	4.36	.546
Advertising undertaken by celebrities influence my brand preference.	361	1	5	4.30	.613
Peer groups and family influence have effect on my brand preference.	361	2	5	4.30	.518
During advertising using background music contributes to my brand preference.	361	2	5	4.21	.722

Developing stories and documentaries in advertising have effect on my brand preference.	361	1	5	4.24	.649
Advertising about quality of the product influence my brand preference.	361	1	5	4.29	.593
Credibility of advertiser and the company have effect on my brand preference.	361	1	5	4.32	.555
Fulfilling both the company and the consumer interest in the advertising message has effect on my brand preference.	361	1	5	4.27	.560
The frequency of advertisement has effect on my brand preference.	361	1	5	4.23	.668
Advertising tells me which brands have the features I am looking for.	361	1	5	4.24	.603
The recent Anchor milk advertisement campaign has helped me to develop awarness of the product.	361	2	5	4.38	.508
The recent Anchor milk advertisemnt campaign has helped me to develop interest in the milk.	361	1	5	4.31	.599
The recent Anchor milk advertisement campaign has helped me desire the product.	361	1	5	4.26	.643
The recent Anchor milk advertisement campaign made me purchase or use the product.	361	1	5	4.28	.608
Valid N (listwise)	361				

Appendix F (Correlations)

		Correlations			
		Brand_Prefenc e_X1	Media_Used_F or_Advertising_ X2	Source_Factor_ X3	Message_Fact or_X4
Brand_Prefence_X1	Pearson Correlation	1	.601**	.715**	.795**
	Sig. (2-tailed)		.000	.000	.000
	N	361	361	361	361
Media_Used_For_Advertisi ng_X2	Pearson Correlation	.601**	1	.565**	.588**
	Sig. (2-tailed)	.000		.000	.000
	N	361	361	361	361
Source_Factor_X3	Pearson Correlation	.715**	.565**	1	.753**
	Sig. (2-tailed)	.000	.000		.000
	N	361	361	361	361
Message_Factor_X4	Pearson Correlation	.795**	.588**	.753**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	361	361	361	361

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

Appendix G (Regression)

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.824 ^a	.679	.677	.302	.679	252.289	3	357	.000

a. Predictors: (Constant), Message_Factor_X4, Media_Used_For_Advertising_X2, Source_Factor_X3

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	68.880	3	22.960	252.289	.000 ^b
Residual	32.490	357	.091		
Total	101.370	360			

a. Dependent Variable: Brand_Preference_X1

b. Predictors: (Constant), Message_Factor_X4, Media_Used_For_Advertising_X2, Source_Factor_X3

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.240	.164		1.461	.145	-.083	.763
	Media_Used_For_Advertising_X2	.184	.043	.163	4.269	.000	.099	.269
	Source_Factor_X3	.234	.049	.223	4.777	.000	.138	.330
	Message_Factor_X4	.525	.047	.531	11.134	.000	.432	.618

a. Dependent Variable: Brand_Preference_X1

Model		95.0% Confidence Interval for B		Collinearity Statistics	
		Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	-.083	.563		
	Media_Used_For_Advertising_X2	.099	.269	.619	1.615
	Source_Factor_X3	.138	.330	.411	2.435
	Message_Factor_X4	.432	.618	.395	2.534

