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**ASSESSMENT OF CONSUMERS' BRAND PREFERENCE OF SOFT DRINK:
COMPARATIVE ANALYSIS OF PEPSI AND COCA COLA (IN CASE OF GUBRE
TOWN)**



**A RESEARCH PAPER SUMMITTED TO DEPARTMENT OF MARKETING
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Abstract

The study focuses on to examine consumers' Brand Preference of soft drink Comparative Analysis of Pepsi and Coca-Cola in case of Gubre. The study was conducted on two global giants Pepsi and coca cola. This research paper is basically a comparative study between two well-known competitors in soft drink industry in Ethiopian particularly in Gubre Town. The main objective of this study was to assess consumers' Brand Preference of soft drink Comparative Analysis of Pepsi and Coca-Cola in case of Gubre town. The specific objective of the study is to assess the criteria that the customer used to evaluate the familiarity level of brand, to identify the means that why customer prefer one among those two brands and evaluate the basic attributes that determines customer's preference. The researcher was used non-probability sampling technique to select respondent. The researcher used convenience sampling technique from nonprobability sampling method. Both primary and secondary data was utilized in this study. Primary data was collected from Gubre town residents including University students through structured questionnaire. After the data collection through questionnaire, it was analyzed and discussed by using simple descriptive statistics and presented by tabulation. The major findings were, the research shows that much of the respondents are influenced by the peer to consume Coca product. On the other hand the respondent agreed on that Coca-Cola is more preferable than that of Pepsi-Cola. And some recommendations were give, the research shows that quality, packaging, advertisement, consumers' life style, Brand name and peer influence are the major factors of consumers' preference of soft drinks. So both company should consider those things to be effective in today's market.

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

Consumer brand preference is an essential step in understanding consumer brand choice; has therefore always received mentionable attention from marketers. Brand preferences represent consumer dispositions to favor a particular brand. Purchasing decisions are the behavioral outcome that precedes differentiation between several alternatives and make purchasing decision (Overby and Lee, 2006).

Soft drink is any class of non-alcoholic beverages, usually but not necessarily carbonated, normally contains natural or artificial sweetening agent, edible acids, natural or artificial flavors, and sometimes juice. The term was originated to distinguish the flavored drinks from hard liquor. Indeed, health concerns of modern consumers led to new categories of soft drinks emphasizing low calorie count, low sodium content, no caffeine, and “all natural” ingredients (Journal of Business Management and Economics, 2015).

In order to stay profitable and competitive in today’s market, satisfying customers is vital. So as to meet this goal, understanding the customers’ behaviors should be given a top priority. The importance of sales on business survival and the connection between customers and sales, it is expedient for organizations to engage in programs that can influence consumers’ decision to purchase its products (Schiffman and Kanuk, 2000).

Companies today recognize that they cannot appeal to all consumers in the marketplace since consumers are too numerous, too widely scattered, and too varied in their needs and buying practices. Therefore, companies must identify those parts of the market that they can best serve, and thus build the right relationship with the right customers. This is also known as target marketing and is the process of evaluating each market segment’s attractiveness and selecting one or more segments to enter (Kotler *et al*, 2005).

Perception is the process by which an individual selects, organizes and interprets stimulus into a meaningful and coherent picture of the world. Two individuals may be exposed to the same

stimuli under the same apparent conditions but how each person recognizes, selects, organizes and interprets these stimuli is highly individual process base on each person's own needs, values and expectations (Schiff man and Kanuk, 2000).

Attitude is defined as a psychological path of evaluating a specific object with favor or disfavor (Eagly and Chaiken, 2007).

The attitude that is formed is constructed by 3 components, also referred to as the ABC model. First of all there is an affective component, which is the emotional evaluation of the attitude object. Because there is always an object involved in evaluation, attitudes also consist of a cognitive component. Cognition is the part of the evaluation that includes a person's beliefs, perceptions and knowledge about the object. It is believed that positive affect and cognition towards an object leads to the last component i.e. behavior (cognitive) or at least some form of intention to act towards the object. While cognition is a rational belief that is grounded in facts about a specific object, affect deals with emotions that are neither rational nor explainable but is rather grounded in how these facts make a person feel (Olsen, & Kendrick, 2008).

1.2. Statement of the Problem

Not only can it be difficult to understand consumer behavior and target groups' needs on the domestic market, but for multi-national companies, this is an even greater struggle. Even though most of the world's consumers have certain things in common, their values and attitudes, as well as behavior often differ. As a result, international marketers must understand these differences and adapt their marketing strategies accordingly. Failure to do so could result in disaster for a company's international products and marketing programs. More specifically, the degree to which international advertisement should be adjusted in accordance to distinctive consumer characteristics in different countries is of great concern for many companies (Armstrong et al, 2005).

Brand image takes place when brand associations held in the mind of consumers are conveyed onto a consumer's perception about a brand. These associations can either be developed from direct experience with the product, from the information communicated by the company, or from previous associations held about the company and origin, etc. (Kotler and Armstrong, 2005).

Today's economies are becoming more entwined than ever, any possible method that can be used in supporting the building of global brands is appealing. One of the primary objectives that

international marketers have is to create an image that is familiar worldwide, but at the same time associated with explicit meanings (Fahy et al, 2004).

According to Eva-Lena ET al.2006 in this research wrote that, nowadays, due to the competitive, dynamic and challenging business environment the level of consumer product acceptance and preference are critical for the growth and survival of any business and the business need to know about the various nature of consumer's attitude towards to the product or brand. Finally, more knowledge about consumer brand preference to the Pepsi cola and Coca-Cola product is needed and the chief objective of this study was designed to achieve this goal. Therefore, consumer attitude and preference to the Pepsi and Coca-Cola product in the soft drink industry is the motive of this proposed senior project work.

1.3. Objective of the Study

1.3.1. General Objective

The general objective of this study is to assess consumers' Brand preference of soft drink:
Comparative analysis of Coca- cola and Pepsi cola in the case of Gubre town

1.3.2. Specific Objectives

In relation to the general objective the study addresses the following specific objectives.

- ❖ To assess the criteria that the customer used to evaluate the familiarity level of the two brand.
- ❖ To identify the means that why customer prefer one among those two brands.
- ❖ To evaluate the basic attributes that determines customer's preference.

1.4. Research question

1. What are the basic criteria that customers used to evaluate the familiarity level of the two brands?
2. What is the criterion that makes the customer indifference between those two Brands?
3. What are the basic attribute that determine customer's brand choice?

1.5. Scope of the Study

The Study was mainly concentrated on finding out the determinants of consumer preference of two brands in Gubre town. The other delimitation is the research would be studied at industry level that covers all over the country but this study was limited in Gubre town that found nearly Wolkite University due to different constraints. The rationale behind conducting this research in Gubre town was to find the possible diverse personalities, habits, emotions, and feelings of Cola consumers, Because the residents in that area were particularly university students that came from different parts of the country. And the researcher understand the study would be conducted as a possibility of country level. Because The Sample was represent various types of consumers of the entire Cola product in Ethiopia. Finally the researcher was deployed descriptive research design.

1.6. Significance of the Study

- For producer: Customer perception of any product is an important point to decide the success of an organization. So soft drink producer could be benefited through this research to understand the perception of consumer towards their product.
- For producer: This study would provide a clear picture of the consumer's attitude towards Cola Products and the factors that affect their attitude to consume or not consume the product, to assess opportunities and challenges, finally to improve and preserve its image.
- For producer: The study apparently would present how Cola producer improve and/or maintain its customer's attitudes and get the maximum out of it.
- For other researcher: The study would enhance the knowledge of the researcher about the concept of consumer perception, attitude and their importance for the success of a business. And it may help any interested person who wants to conduct study on this concept as a reference.

1.7. Organization of the Study

The Study was organized into five chapters. Chapter one, an introduction part contained the background of the study, the statement of the problem, research questions, objective, significance, Scope and, an organization of the study. Chapter two, review literature. Chapter three, research methodology containing research design, description of the study area, Population

of the Study, Sources of Data, Sampling size and Sampling technique, Data Analysis technique, Time and budget schedule. Chapter four, data analysis and presentation. Chapter five, recommendation and conclusion.

CHAPTER TWO

2. LITERATURE REVIEW

This Chapter introduces the theories that are relevant to the purpose of this study. The following theories that are presented below are: consumer preferences, customer satisfaction, behavior, attitude and perception, target group, marketing strategy, brand and advertisement about the meanings of core concepts, their importance for the success of a business and the challenges for marketers to set marketing plans and programs in line with these concepts.

2.1 Consumer Preferences

The consumer market amounts to a total of 6.3 billion people, and thus there is great demand for an enormous variety of goods and services, especially as consumers differ from one another in that of age, gender, income, education level, and tastes. Moreover, the relationships between different consumers, as well as their contact with other elements of the world surroundings, affect their choice of products, services, and companies (Kotler *al.* 2005).

Brand Preference refers fundamental step in understanding consumer choices. A deeper understanding of such preference dynamics can help marketing manager's better design marketing program and build a long term relationship with consumers. Despite the existence of some investigation how brand preference is built and changed, most of them focus on examine factors from consumer behavior perspective or advertising perspective (Schiff man and Kanuk 2000).

The reason why consumers buy what they do is often deeply rooted in their minds, consequently consumers do not truly know what affects their purchases as “ninety-five percent of the thought, emotion, and learning [that drive our purchases] occur in the unconscious mind- that is without our awareness” (Armstrong and Kotler, 2005).

Consumers' purchase process is affected by a number of different factors, some of which marketers cannot control, such as cultural, social, personal, and psychological factors. However, these factors must be taken into consideration in order to reach target consumers effectively (see table 2.1)

Cultural	Social groups	Personal	Psychological	
Culture	Reference	Age & lifecycle stage	Motivation	Buyer
Subculture	Family	Occupation	Perception	
Social class	Roles & status	Economic situation	Learning	
		Life style Personality self-concept	Belief attitudes	

Table 2. 1 Factors influencing consumer behavior (Kotler et al. 2005, p. 256)

Cultural factors

Culture is “the set of basic values, perceptions, wants and behaviors’ learned by a member of society from family and other important institutions” (Ibid, p. 256), and is the primary reason behind a person’s wants and behavior.

Although different societal groups have their own culture that affects consumers’ buying behavior, the extent to which it influences the *behavior* might vary from 9country to country. Each cultural group can be divided into groups consisting of people with common life experiences and situations, also known as subcultures (Kotler *al.* 2005)

Social factors

The second classification of factors affecting consumer behavior is social grouping, which is composed of small groups, social roles and status, and family that affect all individuals to some extent. Some of these groups have a direct influence on a person, i.e. membership groups, groups that a person can belong to (Kotler et al. 2005), and reference groups which “serve as direct (face-to-face) or indirect points of comparison or reference in forming a person’s attitudes or beliefs”

(Kotler and Armstrong, 2005). However, some people are affected by groups in which they do not belong to; these reference groups include aspirational groups, groups that a person desires to belong to and a fan's admiration for an idol, (Ibid).

Personal factors

Consumers' personal characteristics, like for instance age and life-cycle stage, occupation, economic situation, lifestyle, as well as personality and self-concept influence consumers' buying behavior. Moreover, depending on a person's occupation and financial situation, as well as the stage in life a person is in, his/her demands for products shift. A person's lifestyle forms his/her world and the way he/she decides to act, thus a person's activities, interests, and opinions constitute their lifestyle, as well as affecting the choice of products (Blackwell *et al.* 2001). Moreover, all people are individual; hence have a unique personality of different characteristics, which is often portrayed with traits, such as self-confidence, dominance, sociability, autonomy, defensiveness, adaptability, and aggressiveness (Ibid).

Psychological factors

Four objects constitute this group of factors, namely motivation, perception, learning, and beliefs & attitudes. When a person is motivated, he/she acts accordingly and the actions taken are affected by the person's perception of the situation. Perception is the individual selection; organization and interpretation of the information which flows through people's senses, and consequently a meaningful picture of the world are formed. When people experience new things, changes take place in their behavior, i.e. they learn new things when they take action. As a result, beliefs and attitudes are acquired and hence affect the buying behavior (Kotler *et al.* 2005).

2.2. Customer Satisfaction

Customers are always aiming to get maximum satisfaction from the products or services that they buy. Willing in today's market place entails the need to build customer relationship and not just building the products building customer relationship means delivering superior value over competitors to the target customers. Whether an organization provides quality services or not will depend on the customers' feedback on the satisfaction they get from consuming the products, since higher levels of quality lead to higher levels of customer satisfaction (Kotler and Keller, 2009).

2.3. Consumer Behavior

Consumer behavior is defined as the behavior that consumer display in searching for purchasing, using, evaluating and disposing of product and services that expect will satisfy their needs.

Consumer Behavior focuses on how individuals make decision to spend their available resource (time, money, effort) on consumption related items. This includes what they buy, why they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase and the impact of such evaluation on future, and how they dispose of it. In another words, consumer's behavior can be defined as the behavior of individuals in regards to acquiring, using and disposing of products, services, ideas or experiences. Consumer behavior also includes the acquisition and use of information. Thus, Communication with consumers and receiving feedback for them is a crucial part of consumer behavior which is of great interest to marketers (Kotler, 2005).

Customers and Consumers

The term "Customer" it typically cased refers to someone who regularly purchases from a particular store or company. Thus, people who shop at we use shopping mall or who sues Texaco Gasoline is viewed as customer of these firms. The term "Consumer" more generally refers to any one engaging in any of the activities used in our definition of consumer behavior. Therefore, a customer is defined in terms of specific firm while a consumer is not. The traditional view point has been to define consumers strictly in terms of economic goods and services. This Position holds that consumers are potential purchasers of products and services offered for sale (Ibid).

2.4. Perception

Perception is the process of sensing, selecting and interpreting the stimuli of the external world into an internal (mental) world .In other words, perception is the process by which the brain attempts to describe objects and events in the external world based on sensory inputs and knowledge (Schiff man and kanuk,2000).

Kotler (2005) states that the process of perception formation passes through four steps; in the first step, consumer receives information from outside, in the second step, he/she selects the information; in the third step information; is organized and in the last step the information is

interpret. Perception is regarded as the keystone of building knowledge, not just about products but about everything else in the world. People have their own perception of products and everything else. The way people select and interpret products will be very different from the way someone else selects and interprets them.

Perception plays a major role in the stage of buying decision making where alternatives are identified. What we perceive depends on the object and our experiences. Every day we come in contact with an enormous number of marketing stimuli, the product and its components (package, contents, and physical properties) are primary (intrinsic) stimuli. Communications designed to influence consumer behavior are secondary (extrinsic) stimuli that represent the product either through words, pictures and symbolism or through other stimuli associated with the product (price, store in which purchased. effect of salesperson)(Henry Assael, 2001).

Two key factors determine which stimuli consumers will receive and how they will interpret them, the characteristic of stimulus and consumers ability to perceive the stimulus. These two influences interact in determining consumer perceptions. Stimulus characteristics affecting perception can be divided into sensory elements and structural elements. Both have implications for product development and advertising. Sensory elements are composed of color, smell, taste, sound and feel. The structural elements applied primarily to print advertising such as size, position, contrast, novelty of the advertisement.

Consumer characteristic affecting perception is ability to discriminate between stimuli and propensity to generalize from one stimulus to another.

One of the basic questions regarding the effect of marketing stimuli on perceptions is whether consumers can discriminate among differences in stimuli. Do consumers perceive differences between brands in taste, feel, price and shape of the package?

The ability to discriminate among stimuli is learned. Generally, frequent users of a product are better able to notice small differences in product characteristics between brands. However, in many cases, the consumers' ability to discriminate sensory characteristics such as taste and feel is small. As a result marketers rely on advertising to convey brand differences many cases, the consumer's ability to discriminate sensory characteristics alone would not impart. They attempt to create a brand image that will convince consumers that one brand is better than another.

Consumers develop not only a capacity to discriminate between stimuli but also capacity to generalize from one similar stimulus to another. The process of stimulus generalization occurs when two stimuli are seen as similar (contiguous), and the effects of one, therefore, can be substituted for the effect of another.

Perceptual categorization is also a form of stimulus generalization. As new products are introduced, consumers generalize from past experience to categorize them (Ibid).

Subjectivity: - This is the existing world view within the individual, and it is unique to that individual. For example, the information is subjective in that the consumer will base decisions on the selected information. Each of us select differently from environment and rich of us have differing views.

Categorization: - this is the “pigeonholing “of information and the prejudging of events and products.

Selectivity:- this is the degree to which the brain is selecting from the environment.it is a function of how much is going on around the individual, and also of how selective the individual is on the current task. It will depend on the individual’s interest and motivation regarding the subject area.

Expectations: - it leads individuals to interpret information a specific was later.

Past experience: - sometimes sights, smells or sounds form our past will trigger appropriate response. If the consumer has bad experiences of purchasing products, this might lead to general perception that these products are of poor quality.

2.5. Attitude

After consumers perceive and process information, they develop beliefs about and preferences for the brands based on the information they have processed. These beliefs and preferences define consumer attitudes toward a brand. In turn, their attitudes toward a brand often directly influence whether they will buy it or not (Henry Assael 2001).

Attitudes are not directly observable but must be inferred from what people say or what they do. Consistency of purchases, recommendations to others, top rankings, beliefs, evaluations and intentions are related to attitudes (Schiffman and Kanuk, 2000).

Attitudes may be positive, negative, or neutral (valence): may vary in intensity (extremity); can be more or less resistant to change; and may be believed with differing levels of confidence or conviction (Kotler, 1994).

According to Schiffman and Kanuk (2000) stated that attitude consists of three major components: a cognitive component (belief), an affective component (feelings or emotions) and a conation component (behavioral intention).

The cognitive component is related to Knowledge and perceptions that are acquired by a combination of direct experience with the attitude object and information from various sources. This knowledge and resulting perceptions commonly take the form of beliefs, i.e. the consumer believes that the attitude object possesses various attributes and that specific will lead to specific outcomes. And affective components of an attitude constitute the emotions and feeling of a consumer about a product or brand. And this component indicates the extent to which the individual rates the attitude object as 'favorable' or 'unfavorable', 'good' or 'bad'. The conation component is concerned with likelihood or tendency that an individual will undertake a specific action or behave in a particular way with regard to the attitude object.

The formation of consumer attitudes is strongly influenced by personal experience, the influence of family and friends, direct marketing, mass media and internet (Ibid).

A primary means by which attitudes toward goods and services are formed is through the consumer's direct experience, marketers frequently attempt to stimulate trial of new products by offering cents-off coupons or even free samples.

The family is an extremely important source of influence on the formation of attitudes, for it is the family that provides us with many of our basic values and a wide range of less central beliefs.

Impact of advertising messages on attitude formation is the level of realism that is provided.

Attitudes that develop through direct experience (e.g. product usage) tend to be more confidently held and more enduring.

Attitudes are relatively consistent with behavior they reflect. However, despite their consistency, attitudes are not necessarily permanent they do change. One method for changing motivation is known as functional approach. According to this approach, attitudes can be classified in terms of

four functions: the utilitarian function, the ego defensive function, the value expressive function and the knowledge function (Ibid).

The utilitarian function: When a product has been useful or helped us in the part our attitude toward it tends to be favorable. One way of changing attitudes in favor of a product is by showing people that it can serve a utilitarian purpose that they may not have considered.

The ego defensive function: Most people want to protect their self-images from inner feelings of doubt. They want to replace their uncertainty with a sense of security and personal confidence.

The value expressive function: Attitudes are an expression or reflection of consumer's general values, lifestyle and outlook.

The knowledge function: Generally have a strong need to know and understand the people and things they encounter. The consumer's need to know 'a cognitive need, is important to marketers consumed with product positioning. Indeed, many product and brand positioning are attempts to satisfy the need to know and improve the consumer's attitudes toward the brands by emphasizing its advantages over competitive brands.

An attitude can serve more than one function, but in many cases a particular one will be dominant. By identifying the dominant function a product serves for consumer's marketers can emphasize these benefits in their communications and packaging. Advertise relevant to the function prompt more favorable thoughts about what is being marketed and can result in a heightened preference for both the advertisement and product (Solomon et.al.2001)

2.6. Target Group

Companies today recognize that they cannot appeal to all consumers in the marketplace since consumers are too numerous, too widely scattered, and too varied in their needs and buying practices. Therefore, companies must identify those parts of the market that they can best serve, and thus build the right relationship with the right customers. This is also known as target marketing and is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter (Kotler et al. 2005).

One such segmentation is demographic segmentation, where the market is divided into groups based upon demographic variables such as age, sex, family size, religion, race, etc. Moreover,

buyers within this segment share common needs or characteristics that the company in turn decides to serve (Ibid).

2.7 Brand

A brand can be defined as a “name, term, symbol, or design, or a combination of them, which is intended to signify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” (Kotler and Keller, 2009). Brand image takes place when brand associations held in the mind of consumers are conveyed on to a consumer’s perception about a brand. These associations can either be developed from direct experience with the product, from the information communicated by the company, or from previous associations held about the company and origin, etc.” (Kotler and Armstrong, 2005).

Brand Loyalty

Brand loyalty is a “form of repeat purchasing behavior reflecting a conscious decision to continue buying the same brand” (Solomon et al. 2001). Moreover, in order for brand loyalty to take place, customers must have a positive attitude towards a brand, as well as being involved in repeated buying. If, in actual fact, a brand has been greatly advertised and been around for some time, it can generate an emotional attachment by either being integrated into the consumer’s self-image or linked to past experiences (Ibid).

Brand Awareness

Brand awareness entails that recognition is communicated onto a brand, which allows consumers to identify with the brand product, and thus providing companies with constant competitive advantage (Kotler and Keller, 2009). For low involvement products, products “bought frequently and with a minimum of thought and effort”, awareness can affect a consumer’s buying decision through a sense of familiarity, whereas for high involvement products, brand awareness provides consumers with a sense of presence and assurance (Ibid).

Brand Association

Brand association can either be linked directly or indirectly with a customer’s thought about a brand. Those associations that have the clearest significance are built upon product attributes, such as physical product characteristics and non-material product characteristics and customer

benefits - “the desirable consequences consumers seek when buying and using products and brands”, which provide customers with a motive to buy the product, consequently resulting in brand loyalty (Peter and Olson, 1994).

Brand positioning

Positioning refers to “consumers’ perception of a brand as compared with that of competitors’ brands, that is, the mental image that a brand, or the company as a whole, evokes” (Kotler and Armstrong, 2005). Moreover, researchers claim that positioning can provide benefits to the consumer through a set of different product attributes (Albaum *et al.* 2002). Thus, companies must position their brands/products clearly in the minds of the target consumers. This can be done through the positioning on product attributes, however, companies must bear in mind that these attributes are easily copied by competitors. More specifically, consumers are often not interested.

Perceived quality can be defined as “the customer’s perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives” (Aaker, 1991). Perceived quality is initially a consumer’s perception about a product, and thus is a tangible overall opinion about a brand. Nevertheless, this feeling is usually based upon fundamental dimensions, such as product features and performance.

2.8. Advertisement

Advertising informs consumers about the existence and benefits of products and services, and tries to persuade consumers to buy them. Moreover, Kotler *et al.* (2005), claim that advertising aims at attaining target consumers to either think or react to the product or brand. As a method of achieving advertisement goals, advertisements as well as their content play a vital role in the process of commercial communication. More specifically, it is the advertised product and brand as well as the content of the advertisement that determine greater or lesser memory retention among the consumers (Royo-Vela, 2005).

The objectives of advertising campaigns are summarized in the figure below:

To inform

- Telling the market about a new product.
- Describing available services.
- Suggesting new uses for a product.
- Correcting false impressions.
- Informing the market of a price change.
- Reducing buyers' fears.
- Explaining how the products work.
- Building a company image.

To persuade

- Building brand preference.
- Persuading buyers to purchase now.
- Encouraging switching to your brand.
- Persuading buyers to receive a sales call.
- Changing buyer perceptions of product attributes.

To remind

- Reminding buyers that the product may be needed in the near future.
- Keeping the product in buyers' minds during off seasons.
- Reminding buyers where to buy the products.
- Maintaining top-of-mind product awareness

Table 2. 2 possible advertising objectives (Kotler et al. 1994)

As can be seen in table 2.4, there are different types of advertising objectives, and they are classified by the purpose, that is, to inform, persuade or remind. When introducing a new product category, informative advertising is heavily used where the objective is to build a primary demand, but as competition increases, persuasive advertising becomes more important. Here, the company's objective is to build selective demand for a brand by persuading consumers that it offers the best quality for their money. Reminder advertising, on the other hand, is employed for mature products as it keeps customers thinking about the product (Kotler, 1994).

Today, advertising is a multi-billion industry, employing hundreds of thousands of people and affecting billions of people's lives worldwide (<http://encarta.msn.com>). In 2000, international advertisement spending exceeded \$414 billion (Kotler *et al.* 2002), and according to Zenith Opt media (www.marketwatch.com), it is believed that spending will maintain a 6 percent growth

rate for the next couple of years, increasing to an estimated \$427 billion this year and to \$451 billion next year.

However, as a consequence of long-term changes, such as the increase of a larger and more diverse range of media, as well as the arrival of new technologies, particularly the Internet, consumers have become better informed than ever, and as a result, some of the traditional advertising methods are no longer as effective. (www.economist.com).

Instead, firms have increasingly employed other marketing tools, such as corporate sponsorship of sports, arts and cultural events to name a few (Ruth *et al.* 2003). Sponsorship is claimed to be the world's fastest growing form of marketing, and in 2001, worldwide spending was estimated to be as much as \$24.6 billion. Moreover, sponsorship activities are applied with the belief that companies can enter international markets and appeal to local consumer preferences (Dolphin 2003). A primary motivation for a company to standardize its advertising is the desire to create a more homogenous image of the firm and its brand in multiple markets, as a uniformed brand image across markets can lead to enhanced global brand equity. Other advantages of standardization include, economic benefits related to cost savings, the abilities to implement a coordinate strategy and to appeal to cross-markets segments (Taylor, 2006).

A primary motivation for a company to standardize its advertising is the desire to create a more homogenous image of the firm and its brand in multiple markets, as a uniform brand image across markets can lead to enhance global brand equity. Other advantages of standardization include, economic benefits related to cost savings, the abilities to implement a coordinated strategy and to appeal to cross-markets segments (Taylor, 2006). Moreover, if an international brand is well known, it is more likely to be successful with a standard approach, as advertisements of these brands are made more to remind and strengthen than to communicate product benefits (Paeet *al.* 2002). However, many scholars point out difficulties in using a standardized approach, and therefore support market tailoring and adaptation to fit the "unique dimensions" of different international markets. Moreover, it has been argued that different countries and regions differ when it comes to factors such as: culture, consumer tastes, race, disposable income, law, nationalism, technology, society, and occupations. As a result, advocates of the adaptation approach insist that multinational companies must find outhow to their advertisement in accordance to these factors (Barnes *etal.* 2004).

However, both strategies are rejected by various researchers whom emphasize the difficulty in applying them in practice (Vrontis, 2005). Instead, a mixed approach, also known as a contingency approach, can be used as it offers the potential for variance, depending on the situation (Barnes *et al.* 2004).

CHAPTER THREE

3. RESEARCH METHDODOLOGY

This section is highlight the overall methodological considerations used in gathering, analyzing and interpreting the data. It includes type of research and design, description of the study area, Population and sample size determination, Sampling method and procedure, Data Type and Source, Data Collection Instrument and Procedure, Data processing and analysis ethical consideration.

3.1. Research design

According to Zikumnd, (2003) research design is a master plan specifying the method and procedures for collecting and analyzing the required information. In this study the researcher was used descriptive phenomenon especially to assessing customer brand preference for Pepsi cola and Coca-Cola. The researcher used both qualitative and quantitative data collection technique. Because, using both data collection methods help to corporate (support) research finding within study.

3.2. Description of the study area

The study was conducted in Gubre town, Guraghe zone of South Nation Nationalities and People's region. Gubre town is located away from zonal town Wolkite at distance of 12 km and around 185 km away from Addis Ababa.

3.3. Population of the Study

The target population of this study was Gubre town residents including University students. The researcher aimed to collect reliable information from Gubre town about their brand preference of soft drink products. And an individual consumer of both products were taken from the study area randomly.

3.4. Sample size and Sampling technique

3.4.1 Sampling technique

Because of the target population of the study is unknown, the researcher was preferred to use non-probability sampling technique. The researcher was deployed convenience sampling method from non probability sampling technique. Convenience sampling is selecting participants because they are often readily and easily available. Typically, convenience sampling tends to be a favored sampling technique among students as it is inexpensive and an easy option compared to other sampling techniques (Ackoff, 1953).

3.4.2 Sample size

According to Cochran's (1977), study was simplified formula to determine sample size at 95% confidence level, allowable error (precision) 5% and $P=0.05$. A 95 % confidence level gives Z values of 1.96, per the normal tables.

$$n_0 = \frac{z^2 pq}{e^2}$$

Where:

n_0 is sample size

e is the desired level of precision (i.e. the margin of error)

p is the (estimated) proportion of the population which has the attribute in question,

q is $1 - p$

So the researcher was doing study on the consumer's brand preference of coca cola and Pepsi cola products in Gubre town, and want to find out how many consumer use those products. The researcher didn't have much information on the subject begin with, so the researcher was going to assume that half of consumers use the two brands. This give the researcher maximum variability. Based on the above formula the researcher can gate

$$((1.96)^2 (0.5) (0.5)) / (0.05)^2 = 385$$

So a random sample of 385 consumers from the target population should be enough to give the researcher the confidence levels needed.

3.5. Sources of Data

To ensure the validity of the research and meet the objectives of the study, the researcher was collected relevant data both primary and secondary sources. The primary data sources were Close-ended questionnaire and observation. Secondary data sources were books, journal, websites, and previous research papers. The primary data was collected through structured questionnaires to find out the soft drink consumers' preference towards both brands.

3.6. Data Analysis technique

After the data collection through questionnaire, it was analyzed and discussed by using simple descriptive statistics and presented by tabulation. The collected data through primary and secondary sources were analyzed by using qualitative approach based on theories, principles and other finding.

3.7 Ethical consideration

According to Bryman and Bell (2007) the following ten points represent the most important principles related to ethical considerations in studies.

- ❖ Research participants should not be subjected to harm in any ways whatsoever.
- ❖ Respect for the dignity of research participants should be prioritized.
- ❖ Full consent should be obtained from the participants prior to the study.
- ❖ The protection of the privacy of research participants has to be ensured.
- ❖ Adequate level of confidentiality of the research data should be ensured.
- ❖ Anonymity of individuals and organizations participating in the research has to be ensured.
- ❖ Any deception or exaggeration about the aims and objectives of the research must be avoided.
- ❖ Any type of communication in relation to the research should be done with honesty and transparency.
- ❖ Any type of misleading information, as well as representation of primary data findings in a biased way must be avoided

CHAPTER FOUR

4. DATA ANALYSIS AND INTERPRETATION

This chapter deals with the presentation, analysis and discussion of the collected data using different descriptive statistics. The first part of this chapter analyzes demographic characteristics of the respondents. The second section presents results on the respondents' perception, attitude and preference of the two brand and influences of advertisements of both soft drink product. Collected through the questionnaires with the 385 respondents. From used questionnaire (21) questionnaire are defected and didn't return.

4.1 Demographic Profile of Respondents

Though many personal characteristics of respondents could be there, this study emphasized only on limited factors such as sex, age, income status and educational level. Thus, the following table summarizes the personal characteristics of respondents by sex, age, income status and educational level.

The survey result of this study for the characteristics of gender, age and educational of respondents presented in table 4.1 below.

Table 4. 1 Demographic profile of the surveyed respondents

No	Item	Respondent	Number	Percent%
1	Sex	Male	225	61.8
		Female	139	38.2
		Total	364	100
2	Educational level	10-12 completed	51	14
		Certificate	20	5.5
		Diploma	27	7.4
		Undergraduate	201	55.2

		Bachelor and above BA degree	65	17.9
		Total	364	100
3	Age	18-25	288	79.1
		26-30	32	8.8
		31-35	21	5.8
		36-40	12	3.3
		41 and above	11	3
		Total	364	100
4	Income status	150-550	60	16.5
		551-1500	240	65.9
		1500-3000	30	8.3
		3000-5000	20	5.5
		5000 and above	14	3.8
		Total	364	100

Source from questionnaire 2020

The demographic profile of the respondents presented on the above table. Item 1 table 4.1 Represent the sex composition of the respondents in Gubre town among them 61.8 % were male and 38.2% were female. This indicates that both male and female were taking part in the activity. But the number of male much a bit more than females.

Table 4.1, Item "2" show educational level of respondents. Among them 14% of respondents were completed grade 10 and grade 12. 5.5% of the respondents were certificate level. 7.4 % of

respondents were diploma level. 55.2 % of the total respondents were Undergraduate.17.9 % of the respondent were Bachelor and above BA degree. This indicates most respondents were undergraduate and the researcher assumed that they have knowledge about cola brands.

The same table, Item''3''shows the age of the respondents. Among them 79% of respondents are in age group of 18-25. From the total population 8.8% of respondents were 26-30. 5.8% were 31-35. 3.3% of respondents were 36-40. And 3% of respondent were above 40. This indicate that the majority of respondents were aged 18-25 years. I understood that most of participants were young aged so, that they may have a good knowledge about the two brand.

Table 4.1, Item "4" show that the respondents income status. 16.5% of the total respondents were chasing at the range of 150-550 per month. 65.9% of respondent income was laid down 551-1500 per month. 8.3% of respondents were acquired 1500-3000 per month. 5.5% of respondents were got 3000-5000 per month. 3.8% of respondents were gaining 5000 and above. Therefore, the researcher understood that the most of the respondents were acquired 550-1500 per month in the study area. This indicates that the most respondents have medium income level. And it is affordable income to consume both soft drink products.

4.2. Assessment of both soft drink preference levels

This part deals with the analysis of data obtained from that of the questionnaire response on overall assessment of the preference of both soft drink brand.

Table 4. 2 Assessment of both soft drink preference levels

No	Item	Respondent	Number	Percentage%
1	Do you drink cola-soft drinks?	Yes	364	100
		No	-	-
		Total	364	100
2	Which cola brand do you prefer to drink?	Coca-Cola	244	67
		Pepsi cola	97	26.6

		Others-----	23	6.4
		Total	364	100
3	How much bottle do you drink per week?	<1	143	32.7
		1-3	200	54.9
		4-6	21	5.8
		7-9	-	-
		>10	-	-
		Total	364	100

Source from questionnaire 2020

According to the above table, item “1”, 100% of the respondents have been drank cola soft drinks. The diagram above (table 4.2), item “2” illustrates the distribution between the two brands, Coca-Cola and Pepsi, is as following 67 % of the respondents prefer Coca-Cola, while merely 26.6% of respondents prefer Pepsi. 6.4 % of respondents have been consumed other. So the researcher noticed that Coca-Cola clearly dominated consumable soft drink product in Gubre town than Pepsi cola and other. Item “3” from the total respondents 32.7% of respondents were consume one or more bottles per week. 54.9 % of respondents drank one up to three bottles per week. While 5.8% of respondents have been drunk four up to six bottles per week. In conclusion, the most consumers have been drinking one up to three bottles of cola products weekly.

4.3. Assessment the customer view of both brand

This part deals with the analysis of data obtained from the questionnaire response on overall assessment on the customer view of both brand.

Table 4. 3 Assessment the customer view of both brand

No	Item	Respondent	Strongly agree	agree	Neither	Disagree	Strongly disagree	Total

4.	What is your view on Coca-Cola as a brand?	No	119	130	45	38	32	364
		Percent	32.7	35.7	12.4	10.4	8.8	100
5.	What is your view on Pepsi Cola as a brand?	No	64	72	148	35	45	364
		Percent	17.8	19.7	40.6	9.6	12.3	100

Source from questionnaire 2020

When investigating the respondents' views on the two brands, Coca-Cola was overall viewed as being a better brand than Pepsi, Thus it was obvious that Coca-Cola dominated the respondents' view as a brand. Item 1, show that 32.7% of respondents were strongly agreed that they viewed Coca-Cola as a brand. 35.7 % of respondent they agreed to view Coca-Cola as brand. 12% of the respondents were chosen neither to view Coca-Cola to see as a brand. 10.4% of the respondents were disagreed to view coca cola as a brand. And finally 8.8% of the respondents were strongly disagreed to count coca- cola as a brand. So based on the above table the most consumers were agreed to view coca cola as a brand and a bit higher consumers were strongly agreed to sight coca cola as a brand. So the researcher understood, almost 73% of the respondents were agreed to view coca cola as a brand.

Item 2 of the above table 4.3 measures the respondents' rate of agreement to the question which asks that their view on Pepsi as a brand, among the total respondents 17.9% of the respondent were strongly agreed. 19.7% of the respondents were agreed that they viewed Pepsi as a brand. 40.6 % of the respondents were neither agreed or nor disagreed to view Pepsi cola as a brand. 9.6% of respondents were disagreed with to view Pepsi as a brand. Finally 12.4% of the respondents were strongly disagreed. In summary the most consumer that participated in this research were neither agreed nor disagreed to view Pepsi cola as a brand

4.4. Assessment of the influence of advertisement on the customer's choice of both product

This part deals with the analysis of data obtained from that of the questionnaire response on assessment of the advertisement on the customer's choice of both product.

Table 4. 4 Assessment of the influence of advertisement on the customer's choice of both product

No.	Item	Respondent	
		No.	Percentage
6.	Do you know what Coca-Cola advertises?		
	Yes	307	84.3
	No	57	15.7
	Total	364	100
7.	Do you know what Pepsi advertises?		
	Yes	176	48.4
	No	188	51.6
	Total	364	100

Source from questionnaire 2020

According to above table 4.4 item 1 show that 84.3% of respondent were know that what Coca-Cola advertises. And 15.7% of respondents didn't know what coca cola advertises. Item 2, show that the majority of 51.6% of respondents didn't know what Pepsi cola advertises and other 48.4% of respondents were known what Pepsi cola advertises. Coca-Cola's advertising campaigns were more well-known than Pepsi's and it was familiar to the respondents. According to the respondents' reactions, coca cola's advertisement was influenced their choice of cola product as well.

4.5. Assessment of mostly preferable specific product of two brands

This part deals with the analysis of data obtained from that of the questionnaire response on assessment of mostly preferable specific product of two brands.

Table 4. 5 Assessment of mostly preferable specific product of two brands

No	Item	Respondent	Sprite	Coca	Fanta orange	Fanta pin apple	-	total
8.	Advertisement of which Coca cola product you remember the most?	No	84	166	80	34	-	364
		Percent	23.1	45.6	22	9.3	-	100
9.	Advertisement of which Pepsi product you remember the most?	Respondent	Pepsi	7up	Miranda apple	Miranda orange	Miranda tonic	total
		No	134	65	21	105	39	364
		Percent	36.8	17.9	5.7	28.8	10.7	100
10.	Which coca cola product do you prefer mostly?	Respondent	Sprite	Coca	Fanta orange	Fanta pin apple	-	total
		No	101	163	77	23		364
		Percent	27.7	44.9	21.1	6.3		100
11.	Which Pepsi cola product do you prefer mostly?	Respondent	Pepsi	7up	Miranda apple	Miranda orange	Miranda tonic	Total
		No	102	76	25	142	19	364
		Percent	28	20.9	6.9	39	5.2	100

Source from questionnaire 2020

According to above table 4.5 measures the respondents' rate of agreement to the question of the most memorable advertisement to specific product. According to the above table item "1" 23.1 % of respondents were remembered the advertisement of sprite. 45.6% of them were recalled the advertisement of coca cola. 22% of respondent were remembered Fanta orange advertisement. And 9.3% of respondents were remembered Fanta pin apple. Item "2" of the above table shows,

which measures Pepsi brand with different measurement that the most memorable advertisement to specific product, among of all respondents 36.8% of respondents were evoked Pepsi. 17.9% of respondents were reminisced 7up's advertisement. 5.7% of respondents remembered Miranda apple ads. And 28.8% of them were remembered Miranda orange and 10.7% of them recalled Miranda tonic ads. Finally the coca advertisement campaign was taken the majority stage in soft drink industry specially coca lead by 45.6%, Pepsi and Miranda proceed respectively.

According to above table 4.5, item "3" investigating the respondents' preference of the two brands. The respondents were asked to grade mostly preferable specific product of the two brands of soft drink market. 44.9% of the respondents were favored to drink coca, 27.7% of the respondents preferred sprite. 21.1% of respondents were choose Fanta orange, and 6.3% were picked Fanta pin apple.

According to the above table item "4", Respondent were asked if they prefers Pepsi –Cola products and among all respondents, 28% of respondents preferred Pepsi. 20.9% of respondents chosen 7up. 6.9% of the respondents desired Miranda apple. And 39% of the respondents or the most responders were prefer Miranda orange and finally 5.2% of respondents were prefer Miranda tonic. In summary, the most preferable products were coca cola and Miranda respectively from two brands.

4.6 Basic attributes and determinants of customer preference

This part deals with analysis of data obtained on a Factors affecting choice of brand of the both soft drink product and shows there result.

Table 4. 6 Basic attributes and determinants of customer preference

Item		Respondent	Strongly agree	Agree	Neither	Disagree	Strongly disagree	Total
12. Why do you prefer these products?	Based on quality	No	165	99	61	39	–	364
		Percent	45.3	27.2	16.8	10.7	–	100
	Based on price	No	11	23	111	130	89	364

		Percent	3	6.3	30.5	35.7	24.5	100
	Based on packaging design	No	130	68	109	32	25	364
		Percent	35.7	18.7	29.9	8.8	6.9	100
	Based on Advertisement	No	130	104	70	20	40	364
		Percent	35.7	28.6	19.2	5.5	11	100
	Based on brand name	No	130	90	64	36	44	364
		Percent	35.7	24.7	17.6	9.9	12.1	100
	Based on friends influence	No	133	101	51	49	30	364
		Percent	36.5	27.7	14	13	11.1	100
	Based on life style	No	80	104	80	40	60	364
		Percent	22	28.6	22	11	16.4	100

Source from questionnaire 2020

Table 4.6 illustrates Basic attributes and determinants of customer preference and item “1” asked the respondents if they preferred cola products by quality. And among all 45.3% of the respondents were strongly agreed on their preference is depend on quality. While 27.2% of respondents were agreed on their preference is based on quality. 16.8% of respondents were neither agreed nor disagreed on their preference is based on quality. 10.7% of respondents disagreed on their preference is based on quality.

Table 4.6 item“2” show that 3% of the respondents were strongly agreed that they prefer cola products depend of its price. 6.3% of the respondents were agreed consuming cola products by its price. 30.5% of respondents were neither agreed nor disagreed on that their preference is based on price. 35.7% of respondents were disagreed on their preference based on price. And 24.5% of the respondents were strongly disagreed. In conclusion, Price of soft drink products had less impact to the customer’s preference in Gubre town.

Table 4.6, item “3” illustrates that 35.7% of respondents were strongly agreed on their product choice influenced by packaging. 18.7% were agreed that their preference depend on packaging. 29.9% of the consumers were neither agreed nor disagreed if their preference is affected by packaging. 8.8% respondents were disagreed and 6.9% of respondents were strongly disagreed. Generally it show 54.4% of respondents had positive attitude toward packaging, packaging has its own influence on consumer’s preference.

According to table 4.6, item “4” explain that 28.6% of consumers were strongly agreed on that their product preference is centered on advertisement. 35.7% of respondents agreed on that their preference depend on the advertisements. 19.2% of respondents were neither agreed nor disagreed on if their preference determined by advertisements. 5.5% respondents were disagreed if their preference is determined by advertisement and 11% of respondents were strongly disagreed with if advertisement influenced their product preference.

Table 4.6, item “5” explain that 35.7% of respondents were strongly agreed on their preference is influenced by brand name. 24.7% of consumers were agreed. 17.6 % of respondents were neither agreed nor disagreed. 9.9% of respondents were disagreed and 12.1% respondents were strongly disagreed on their soft drink preference is determined by brand name. Finally the researcher understood, brand name had high impact on consumers’ brand preference in that study area.

Table 4.6, item “6” show that 36.5% of respondents were strongly agreed on that their product preference is determined on peer influence, 27.7% of consumer were agreed on that their product preference is influenced by friend’s suggestion. 14% respondents were neither agreed nor disagreed. 13% respondents were disagreed. 11.1% of respondents were strongly disagreed. To conclude, 64.2 % of respondents were strongly agreed and agreed with impact of friends or peer influence on their brand preference. So, peer influence had high impact brand preference.

Table 4.6, item “7” show that 22% of clients were strongly agreed on that their product preference is influenced by Life style, 28.6% of consumers were agreed 22% respondents were neither agreed nor disagreed, 11 % respondents were disagreed on their product preference depend life style. And 16.4% of them strongly disagreed. Advertisement and quality the most dominant factor for brand choice in soft drink market

4.7 Assessment of mostly preferable specific product of two brands

This part deals with the analysis of data obtained from that of the questionnaire response on assessment of associations they link the two brands.

Table 4. 7 Assessment of mostly preferable specific product of two brands

Item		Respondent	Strongly agree	Agree	Neither	Disagree	Strongly disagree	Total	
13. What do you associate the brand Coca-Cola with?	Based on satisfaction	No	133	101	70	40	20	36	
		Percent	36.5	27.8	19.2	11	5.5	100	
	Based on high quality	No	110	90	70	64	30	36	
		Percent	30.3	24.7	19.2	17.6	8.2	100	
	Based on Advertisement	No	111	103	83	47	20	36	
		Percent	30.5	28.3	22.8	12.9	5.5	100	
	Based on innovative	No	98	90	76	76	24	36	
		Percent	26.9	24.7	20.9	20.9	6.6	100	
	14. What do you associate the brand Pepsi -cola with?	Based on satisfaction	No	92	32	75	58	107	36
			Percent	25.3	8.8	20.6	15.9	29.4	100
Based on high quality		No	102	112	45	84	21	36	
		Percent	28	30.8	12.4	23	5.8	100	
Based on innovative		No	55	45	93	70	101	36	
		Percent	15.1	12.4	25.5	19.2	27.8	100	
Based on		No	66	49	81	79	89	36	

	Advertisement	Percent	18.3	13.5	22.2	21.7	24.4	100
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Source from questionnaire 2020

The above table 4.7 investigates the respondents rate of agreement by associating different categories to the brand coca cola and Pepsi, Item 1 of the table measures the respondents rate of agreement on coca cola brand considering several categories, Category one of the first item measures the respondents rate of agreement by considering satisfaction as one element its taste, so among of the total respondents 36.5% of respondents were strongly agreed to this measurement, 27.8% of the respondents were agreed that they associated coca cola with satisfaction. 19.2 % of the respondents were neither agreed nor disagreed that they linked coca cola with satisfaction. 11% of respondents were disagreed. And finally 5.5% of respondents were strongly disagreed to associate coca cola with satisfaction.

Table 4.7, category two of the first item associated Coca-Cola first and foremost with high “quality”, according to the above table from the overall respondents to the first category 30.3% of respondents were strongly agreed. 24.7% of respondents were agreed on that they associate high quality with coca cola. 19.2% of the respondents were neither agreed nor disagreed to associate coca cola with high quality. 17.6% of the respondents were disagreed to associate coca cola with high quality. And finally 8.2% of respondents were strongly disagreed. This all implying that majority of the respondents were agreed that coca cola is associated with high quality brand.

Table 4.7, third category shows consumers coca cola brand association with its advertisement and from the total respondents 30.5% of them were strongly agreed. 28.3% of the respondents were agreed that they associate coca cola with its advertisement. 22.8 % of respondents were neither agreed nor disagreed. 12.9 % of the respondents were disagreed. Finally 5.5% of the respondents strongly disagreed on associating coca cola with its advertisement. So this all implies that majority of the respondents are strongly agreed that advertisement has high impact on coca cola brand.

Table 4.7, the final category from the first item is measurement criteria is “innovative” and for this measurement from the total of respondents 26.9% of them were strongly agreed, 24.7% of the respondents were agreed that they associate coca cola with its innovativeness. 20.9 % of

respondents were neither agreed nor disagreed. 20.9% of respondents were disagreed. And finally 6.6% of the respondents were strongly disagreed.

According to our above table 4.7, item two of the above which measures Pepsi as a brand with different measurement categories. The first category deals measuring how many consumers associate Pepsi's brand with satisfaction. So among the total respondents 25.3% of them were strongly agreed. 8.8% of respondents were agreed. 20.6% of respondents were neither agreed nor disagreed. 15.9% of the respondents were disagreed and finally 29.4% of the total respondents were strongly disagreed. To conclude, the majority of the respondents were strongly disagreed on associating Pepsi's brand with satisfaction.

Table 4.7, category two displays that the consumers' reaction on Pepsi brand association with high quality. Depending on that 28% of respondents were strongly agreed. 30.8% of respondents were agreed. 12.4% of respondents neither agreed nor disagreed, 23% of respondents were disagreed. Finally 5.8% of respondents are strongly disagreed. In summary, majority of the respondents were strongly disagreed on that Pepsi has high quality as a brand.

Table 4.7, third category displayed consumers' response on associating Pepsi with innovativeness. Among of all respondents 15.1% of them were strongly agreed. 12.4% of the respondents were agreed. 25.5% of them were neither agreed nor disagreed. 19.2% of respondents were disagreed and finally 27.8% of respondents were strongly disagreed. This shows that Pepsi is not associated with innovation by the eyes of customers.

Table 4.7, category four shows respondents' reaction on associating Pepsi brand with its advertisement. From the total respondents 18.3% of them were strongly agreed, 13.5% of the respondents were agreed. 22.2% of them were neither agreed nor disagreed. 21.7% of the respondents were disagreed. And finally 24.4% of respondents were strongly disagreed. This implies that relatively majority of the respondents are strongly disagreed that advertisement has no impact on the brand Pepsi.

4.8. Assessment of the influence of advertisement on the customer's choice of both product

Table 4. 8 Assessment of the influence of advertisement on the customer's choice of both product

No	Item	Respondent	
		No.	Percentage
15	How much influence does the advertisement have on your choice of cola- product?		
	Strongly agree	122	33.4
	Agree	112	30.8
	Neither	71	19.6
	Disagree	41	11.3
	Strongly disagree	18	4.9
	Total	364	100

Source from questionnaire 2020

According to above table 4.8, item one measures the influence of advertisement on customer's preference of both brand. Among of all respondents 33.4% of respondents were strongly agreed, 30.8% of respondents were agreed, 19.6% of respondents were strongly disagreed, 11.3% of respondents were disagreed and 4.9% of respondents were neither agreed nor disagreed. From the above result, it's possible to understand that brands' advertisement did have higher influence on consumers' choice of cola product.

4.9. Assessment the relationship between promotional activities and brand loyalty of both brand

This part deals with the analysis of data obtained from that of the questionnaire response on overall assessment the relationship between promotional activities and brand loyalty of both brand of both brand.

Table 4. 9 Assessment the relationship between promotional activities and brand loyalty of both brand

No	Item	Respondent	Strongly agree	Agree	Neither	Disagree	Strongly disagree	Total
16	Is there any relationship between promotional activities and brand loyalty of Coca-Cola?	No	107	94	94	30	39	364
		Percent	29.4	25.8	25.8	8.3	10.7	100
17	Is there any relationship between promotional activities and brand loyalty of Pepsi-Cola?	No	50	50	76	66	122	364
		Percent	13.7	13.7	21	18.2	33.4	100

Source from questionnaire 2020

The above table 4.9 show that the respondents rate of relationship among promotional activities and brand loyalty to the brand of coca cola and Pepsi.

The above table 4.9 item “1”, shows that the respondents rate of relationship between promotional activities and brand loyalty to coca cola. Among all respondents 29.4% respondents were strongly agreed with that there is strong relationship between promotional activities and brand loyalty of coca cola. While, 25.8% of respondent agreed that there is a relationship between promotional activities and brand loyalty of coca cola. 25.8% of respondents were neither agreed nor disagreed. Finally 8.3% of respondents were disagreed 10.7% of study participants strongly disagreed. It implies that above half of the respondents were agreed on the strong relationship between promotion activities and brand loyalty of coca cola.

According to the above table 4.9, item “1”, the respondents’ rate of relationship between promotional activities and brand loyalty for the Pepsi is displayed. According to the above information, from among all respondent 13.7% of respondent were strongly agreed.13.7% of respondent were agree with that there is strong relationship between promotional activities and brand loyalty of Pepsi. 21% of respondents were neither agreed nor disagreed and 18.2% of respondents were disagreed and 33.4% of respondents were strongly disagreed. According to the above result, Coca-Cola had more relationship between promotional activities and brand loyalty than Pepsi-Cola.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of major findings

The purpose of this study was to assess consumers' Brand preference of soft drink: Comparative analysis of Coca- cola and Pepsi cola in the case of Gubre town. In order to achieve this purpose the following specific questions raised to customers in Gubre twon.

1. What are the basic criteria that customers used to evaluate the familiarity level of the two brands?
2. What is the criterion that makes the customer indifference between those two Brands?
3. What are the basic attribute that determine customer's brand choice?

The following are short summary of data presentation and analysis

- The majority (61.8%) of respondents were male.
- The majority (55.2%) of respondents were undergraduate university students.
- The majority (79.1%) of respondents were found the age of 18-25.
- The majority (65.9%) of respondents have medium (551-1500) income level.
- All respondents have been consumed cola products.
- The majority (67%) of respondents were prefer to drink coca cola than Pepsi cola and others.
- The majority (54.9%) of respondents have been drinking one up to three bottles per week.
- The majority (32.7%) and (35%) of respondents strongly agreed and agreed respectively to view coca cola as a brand.
- Relatively most (40%) of respondents were chosen being neutral to view Pepsi cola as a brand.
- The majority (84.3%) of respondents did knows what coca cola advertises.
- Relatively most (51.6%) of respondents didn't knows what Pepsi cola advertises.
- The majority (45.6%) of respondents recalled coca cola advertisement than other coca cola products advertisement.

- Relatively higher number (36.8%) of respondents remembered Pepsi advertisement than other Pepsi products advertisement.
- The most (44.9%) of respondents have preferred to drink coca cola than its other products.
- The majority (39%) of respondents have preferred to drink Miranda orange than other Pepsi products
- The majority (45.3%) and (27.2%) of respondents strongly agreed and agreed respectively on that they prefer cola products based on its quality.
- The majority (35.7%) and (24.5%) of respondents disagreed and strongly disagreed respectively to chosen coca products based on its price.
- Relatively higher number (35.7%) and (18.7%) of the study participant strongly agreed and agreed respectively to preferred cola products based on its packaging.
- The majority (35.7%) and (28.6%) of the study participants strongly agreed and agreed respectively to prefer cola products based on its advertisement.
- The majority (35.7%) and (24.7%) of the study participants strongly agreed and agreed respectively to prefer cola products based on brand name.
- The majority (36.5%) and (27.7%) of the respondents strongly agreed and agreed respectively to prefer cola products based on their friend influence.
- Quite higher number (22%) and (28.6%) of the study participants strongly agreed and agreed respectively to prefer cola products based on their life style.
- The majority (36.5%) and (27.8%) of the respondents strongly agreed and agreed respectively on that they associate coca cola with satisfaction.
- The majority (30.3%) and (24.7%) of the study participants strongly agreed and agreed respectively on associating coca cola brand with high quality
- The majority (30.5%) and (28.3%) of the study participants strongly agreed and agreed respectively on associating coca cola brand with its advertisement.
- Relatively the most (26.9%) and (24.7%) of the respondents strongly agreed and agreed respectively on associating coca cola brand with innovativeness.
- Relatively the most (29.4%) and (15.9%) of the respondents strongly disagreed and disagreed respectively on associating Pepsi cola brand with satisfaction.
- The most (28%) and (30.8%) of the respondents strongly agreed and agreed respectively on associating Pepsi cola brand with high quality.

- Relatively the most (27.8%) and (19.2%) of the respondents strongly disagreed and disagreed respectively on associating Pepsi cola brand with innovativeness.
- Relatively most (24.4%) and (21.7%) of the study participants strongly disagreed and disagreed respectively on associating coca cola brand with its advertisement.
- The majority (33.4%) and (30.8%) of the study participants strongly agreed and agreed respectively on that advertisement influence on cola products market.
- The majority (29.4%) and (25.8%) of the study participants strongly agreed and agreed respectively on that there is a relationship between promotional activity and brand loyalty of coca cola.
- Relatively most (33.4%) and (18.2%) of the study participants strongly disagreed and disagreed respectively on that there is a relationship between promotional activity and brand loyalty of Pepsi cola.

5.2 Conclusion

Based on the finding of data the following conclusions are given

- ❖ The most study participants were males in the study area.
- ❖ The majority of consumers were undergraduate university students with knowhow about the two brands.
- ❖ The most study participants were aged between eighteen and twenty four. So the researcher understood most consumer are young
- ❖ The most respondents get medium income per month. It shows that, their income level is enough to consume cola products.
- ❖ All respondents replied that they were consuming cola products. It shows all respondents were known what the researcher want to find out.
- ❖ The most consumers preferred coca cola than Pepsi cola and other soft drinks. The finding shows that the coca cola is more preferable cola product.
- ❖ The most consumers have been drinking one up to three bottles of cola products per week.
- ❖ The highest number of study participants viewed coca cola as a brand.
- ❖ Relatively higher number of respondents were neither agreed nor disagreed to view Pepsi cola as a brand.

- ❖ The majority of consumer know about what coca cola advertise. It shows, coca cola advertisements could reach to many consumers.
- ❖ Relatively most consumer didn't know what Pepsi cola advertises. It shows, Pepsi advertisement campaign is not good enough, if it compared with coca cola.
- ❖ Most consumer remembered coca cola's advertisement is better than its coca cola product advertisement. It indicate that coca cola advertisement is very effective and it advertise frequently.
- ❖ Relatively higher number of respondents recalled Pepsi cola's advertisement than other Pepsi products. Thus, Pepsi cola advertisement is effective and aggressive. But it's not effective as coca cola advertisement campaign.
- ❖ In terms of preference, most respondents were prefer coca cola from coca cola products.
- ❖ Most respondents prefer Miranda orange than other Pepsi products. So, Miranda orange is most preferable soft drink among Pepsi products.
- ❖ The most respondents choosing cola products with its quality. So, the researcher understand that their preference is highly depends on quality.
- ❖ The most consumers preference of cola products is not depends on its price.
- ❖ Relatively higher number of consumers prefer cola products with its packaging. It shows that consumers are highly attracted by its packaging.
- ❖ Most respondents prefer cola products based on its advertisements
- ❖ In Gubre town, most consumers preferred coca products with its brand name.
- ❖ Most respondents are influenced by their friends to consume cola products. So peer influence is affected consumers preference of cola products.
- ❖ Relatively higher number of respondents of cola drink brands choice is affected by their lifestyle. It shows that life style is affecting brand choice of consumers.
- ❖ In the study area the majority of consumer are associating coca cola with satisfaction. To conclude, coca cola is most satisfactory cola drink brand.
- ❖ Most respondents are associating coca cola brand with high quality. So, coca cola brand is viewed as having a higher quality by consumers.
- ❖ Most consumer are associating coca cola with innovativeness and creative advertisement. It shows that coca cola is highly innovative on its product and its communication is highly attractive.

- ❖ Relatively higher consumer are not associating Pepsi cola with satisfaction. So, Pepsi product is not satisfactory soft drink brand from the consumers' points of view in the study area.
- ❖ Most consumer are associating Pepsi cola with high quality.
- ❖ Relatively most consumer are associating Pepsi cola with its advertisement and with innovativeness.
- ❖ Majority of respondents of responses shows that advertisement has influences on cola drink market.
- ❖ The majority of respondents believe that there is a relationship between promotional activity and brand loyalty of coca cola.
- ❖ Relatively higher number of consumers be certain of that there is a relationship between promotional activity and brand loyalty of Pepsi cola.

5.2 Recommendation

Companies are highly depend on their customers. Therefore they should understand current and future needs, meet these needs and exceed customer expectation to get an acceptance. For any business, the ultimate objective is satisfying customers and meeting their requirements.

Coca-Cola is the pioneer still the dominant soft drink product in Gubre town. The company of this soft drink brand has given a due attention to the marketing mixes especially the product and the promotion which resulted in positive attitude of Coca-Cola consumers which return resulted in preference of the brand.

The research shows that quality, packaging, advertisement, consumers' life style, Brand name and peer influence are the major factors of consumers' preference of soft drinks. So both company should consider those things to be effective in today market.

Coca-Cola brand is more preferable than Pepsi-Cola with respect to all variable, Pepsi-Cola should improve the overall competitive advantage through using intensive promotional activities like advertising on TV, radio and other means of media and offering good quality product while Coca-Cola try to improve the existing competitive advantage. In today's scenario, customer is the king because he has got various choices around him. If you are not capable of providing him the desired result he will definitely switch to the other provider. Therefore to survive in this cutthroat

competition, you need to be the best. Customer is no more loyal in today's scenario, so Pepsi-Cola Company should understand customers' need and want and provide preferable product.

The finding shows that coca cola is the well-known as a brand than Pepsi cola so, Pepsi cola should improve its positioning strategy

Coca cola's advertisement campaign is more effective and unforgettable than Pepsi cola. So Pepsi cola should working on its advertisement.

Finally most respondents are associating coca cola brand with high quality, satisfaction, innovativeness and creative advertisement, but relatively lower number of respondents are associating Pepsi cola with innovativeness and creative advertisement. So Pepsi should improve its advertisement and innovativeness especially it should work on how to satisfy customers.

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APPENDIX
WOLKITE UNIVERSITY



COLLAGE OF BUSINESS AND ECONOMIES
DEPARTMENT OF MARKETING MANAGEMENT

Questionnaires to be filled by customer

Dear respondents, the objective of this questionnaire is to assess the customers' brand preference of soft drink: Comparative analysis of Pepsi and Coca-Cola in Gubre town. Therefore, your correct and best answer for the question stated below helps me to reach on the accurate and appropriate result. Your responses to each and every questions will be kept in secret. Thus, you are expected to respond to questions without any fear and trouble.

General instruction.

- It is not necessary to write your name
- If the question has an alternative answer put mark on the space provided beside your answer.
- If the question is related to your personal opinion write it at the open space.

Part one

Personal information

1. sex male B, female
2. level of education
 A. 10-12 Completed C. Preparatory school D. Certificate E.
 Diploma Undergraduate F. Bachelor and above BA degree
 G. other _____

3. age

A.18-25 B. 26-30 C. 31-35 D.36-40 E. 41- Above 45

4. income status

A.150-550 B, 551-1500 C, 1500- 3000
D. 3000-5000 F. 5000- above

Part two

1. Do you drink cola-soft drinks?

A, Yes B, No.

2. Which cola-brand do you prefer to drink?

A, Coca-Cola B, Pepsi

3. How many bottles do you drink averagely?

A, ≤ 1 B, 1-3 C, 4-6 D, 7-9 E, ≥ 10

4. Why do you prefer this product?

Rank according to your own opinion: 5 = Strong Agree

4 = Agree

3 = Neither

2 = Disagree

1 = strongly disagree

	5	4	3	2	1
Quality *					
Price					
Packaging					
Advertisement					
Brand name					
Peer influence (friends)					
Lifestyle					

* By quality I mean the taste.

5. What is your agreement on Coca-Cola as a brand?

A, Strongly Agree B, Agree C, Neither D, Disagree
E, strongly disagree

6. What is your view on Pepsi as a brand?

A, Strongly Agree B, Agree C, Neither D, Disagree
E, Strongly disagree

7. What do you associate the brand Coca-Cola with?

Rank according to your own opinion: 5 = Strong Agree

4 = Agree

3 = Neither

2 = Disagree

1 = strongly disagree

	5	4	3	2	1
Satisfied					
High quality					
Innovative					
Advertisement					

8. What do you associate the brand Pepsi with?

Rank according to your own opinion: 5 =strongly Agree

4 = Agree

3 = Neither

2 = Disagree

1 = strongly disagree

	5	4	3	2	1
Satisfied					
High quality					
Innovative					
Advertisement					

9. Do you know what Coca-Cola advertises?

A, Yes B, No

10. Do you know what Pepsi advertises?

A, Yes B, No

11. How much influence does the advertisement have on your choice of cola-product?

A, strongly agree B, agree C, Neither D, Disagree E, strongly disagree

12. Is there any relationship between promotional activities and brand loyalty of Coca-Cola?

A, strongly agree B, agree C, Neither D, Disagree E, Strongly disagree

13. Is there any relationship between promotional activities and brand loyalty of Pepsi?

A, strongly agree B, agree C, Neither D, Disagree E, Strongly disagree

14. Which Coca-Cola product do you prefer most?

A, sprite B, Coca C, Fanta orange D, Fanta pin apple

15. Which Pepsi product do you prefer most?

A, Pepsi B, 7up C, Miranda apple D, Miranda orange
E, Miranda tonic

16. Advertisement of which Coca-Cola product remember the most?

A, sprite B, coca C, Fanta orange D, Fanta pin apple

17. Advertisement of which Pepsi product remember the most?

A, Pepsi B, 7up C, Miranda apple D, Miranda orange
E, Miranda tonic

THANK YOU!