

# THE EFFECT OF BRAND POSITIONING ON CONSUMER PREFERENCE IN SOME SELECTED BEER BRANDS IN ADDIS ABABA

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**Abstract:** *The main objective of the study was to examine the effect of brand positioning on consumer preference in some selected beer brands in Addis Ababa. We measured brand positioning using relevance, differentiation, communication, and delivery dimensions. The study followed a quantitative survey approach. A total of 385 questionnaires were distributed to conveniently available consumers, and 282 useable questionnaires were used for analysis. The findings indicated that the four brand positioning dimensions have a positive effect on consumer preference. Based on this, we suggested that companies in the beverage industry, particularly those producing beer, should work strongly on improving relevance, differentiating their products, designing sound communication strategies, and creating utilities via creative distribution approaches. The managerial implication of the study is that it can be a useful guide to formulate sound brand strategy in the beverage industry. In addition, the findings also enable managers to recognise brand positioning dimensions as important drivers of brand performance.*

**Keywords:** *Consumer Preference, Positioning, Relevance, Differentiation, Communication, Delivery*

## INTRODUCTION

These days brand positioning plays a vital role in grabbing the attention and retaining consumers, as correct positioning will force consumers to buy the particular brand products and services (Romani, 2012). From the marketing perspective, brand positioning represents the expression by which marketers try to generate a figure in the minds of targeted consumers about their products (Ameyibor, Anabila & Saini, 2021). Many companies have sought to achieve this differentiation through branding strategies.

Creating a proper fit between consumer preference and brand attributes is an important aspect of management, particularly when attempting to apply a marketing concept (Samani, 2013). Brand acceptability is determined by the relationship between the brand and consumer preferences. The fit between the consumer's physical and psychological demands and the brand's functional features and symbolic values, as perceived by the consumer, will determine the strength of the relationship between the consumer and the brand (Hankinson, 2013). Hence, proper brand management goes beyond simply putting the company's name on products (Mindrut, 2015).

A customer's opinion of a brand's capacity to satisfy a predefined set of needs, more than similar brands in the product class, is known as brand preference (Samani, 2013; Hankinson, 2013; Levi, 2012). It appears logical to state that no fruitful marketing programmes can be formulated and implemented without vigorously attempting to identify the tastes and preferences of the target market. The need for this becomes even more crucial in countries with a developing economy at the threshold of technological take-off (Obanjo, 2016). The brewery industry in Ethiopia is not far from these facets.

The position of a brand, such as a beer brand, with respect to relevance, uniqueness, efficient delivery, and valuable communication practices allows the firm to achieve competitive advantage (Ameyibor et al., 2021).

Ethiopia's beer industry currently comprises eight companies participating in the beer production. These are Diageo, Heineken, Bedele, Habesha, Raya, BGI and Dashen, which are already under production. On the other hand, Zemen and Zabider left the market due to failure in withstanding the competition. Even though the beer industry in Ethiopia is rising, the per capital consumption of beer, compared to countries like Kenya and South Africa, is very small.

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Moreover; in the capital, Addis Ababa, at least about half of the country's total beer production is consumed (Fortune, 2019). One of the major actors in the growth of the industry entered the field in the past few years and accounted for the commencement of transferring all state-owned breweries to private holdings (Adisalem, 2020).

The emergence of globally prominent beer companies under foreign direct investment in the country escalates the stiff competition of local beer brands in the market. Ethiopian breweries with a small production capacity may soon be annexed by big ones like Heineken and Diageo. In this regard, their profit margins would not be as it used to be in the old days. Their survival depends on their effective marketing strategies and winning the minds of potential and existing customers. However, the effectiveness of its brand positioning strategies with regards to escalating consumer preference is a crucial area that needs to be investigated thoroughly.

Though branding plays a vital role in the efficient and effective marketing of products (Keller, 2012), beer companies in Ethiopia have not taken advantage of this key marketing discipline due to internal politics, misguided by their marketing managers or hired consultants, or else, they simply over- or under-position, which has an adverse effect on consumer preference (Tirsit, 2015; Zelalem, 2017; ACR, 2018). To emphasise the reality, Semans (2010) acknowledges that failure to position the organisation's brand is simply not an option in today's overcrowded and over-informed marketplace. Hence, positioning is a crucial ingredient in the buying process and should never be left to chance, as it is the opportunity to influence the market's perception of a given product. In particular, brand positioning strategies should focus on personal meaningfulness of the brand (relevancy) to the customer, its uniqueness (differentiated from competitors), delivering as promised, and establishing dialogue (communication) or building a relationship with customers (Keller, 2004).

Therefore, this study investigated the effect of brand positioning on beer consumers' brand preferences in Addis Ababa, Ethiopia. The findings of the study are potentially important to managers of beer companies to help them recognise how customers' perception influences demand for beer products. In general, managers and subordinates of beer companies would get some insight on how a 'well-positioned' brand enhances customers' preferences, as well as the companies' capabilities, with respect to implementing brand positioning strategies.

## REVIEW OF RELATED LITERATURE

### Theoretical Foundation

The Customer-Based Brand Equity (CBBE) model argues that gaining active and loyal customers would allow brands to charge price-premiums, which in turn would lead to super financial performance (Keller, 2001; Tasci, 2018). In other words, how consumers respond differently to brand's marketing mix, given what consumers perceive and associate with a brand. Brand equity is a set of brand assets and liabilities linked to a brand; it is the value provided by a product or service to a firm and firm's customer (Aaker, 1991; Stukalina & Pavlyuk, 2021). The present study takes the view that companies in the Ethiopian beverage industry can attract more customers and keep them loyal by providing unique benefits through differentiation, communication, and an effective delivery system.

### Brand and Brand Positioning

According to Nicholas (1997), brand can be described as a feature of a plain idea of a product or service, and it includes the definition or a view of the values that go deeper in the functional performance. Aaker (1991) noted that the brand signals the source of the product to consumers, and protects the customers, as well as, the producers from possible competitors who would attempt to provide products that appear to be identical. Consumer perception towards brand is an important aspect of marketing mix (Gabor & Contiu, 2012). Jin and Weber (2013) proposed that brands served primarily as a way for customers to identify and recognise goods and their manufacturers. From 1930s onwards, brands were viewed as images that firms create to enable customers to both differentiate a brand from its competitors and identify the needs a brand promises to satisfy (Jin & Weber, 2013).

Positioning seeks to put a product in a certain position, or place, in the minds of prospective buyers. The customer's mind is a place where every rational and emotional buying decision is made. As customers are bombarded with cheaper substitute products to choose from, they become more aware of their tastes and preferences (Kotler, 2002). To win the consumers, businesses have to ride on unique selling propositions to stay ahead of the competitors (Levi, 2011). According to Kotler (1999), the key to winning and keeping customers is to understand their needs and buying

processes better than competitors do, and to deliver more value. For the sake of achieving this, positioning is the best option; it involves selecting specific attributes desirable for brand association. These attributes include product category, price, perceived quality, application, country of origin, and customer service (Romaniuk, 2001; Aaker & Myers, 1987). These positioning attributes provide consumers with functional or emotional benefits, and comprise part of the information in a consumer's mind which is associated with a brand and determines brand image (Romaniuk, 2001).

The goal of the investigation of consumer behaviour is to discover patterns of consumers' attitudes in their decision to buy or to ignore a product (Samaras, 2000). Consumers' preferences for products or brands arise from the combination of many different factors. Some factors come from features of the product itself (e.g., price, durability), while others are attributes (e.g., goals, attitudes, discretionary income) of consumers themselves (Fitzsimons & Huettel, 2012).

Brigden and Häubl (2015) proposed that consumers often make choices in settings where some alternatives are known and additional alternatives can be unveiled through search. When making a choice from a set of alternatives, the manner in which each of these is discovered should be irrelevant from a normative standpoint. Consumers must often decide between choosing among a set of previously discovered alternatives and searching to discover additional alternatives, before making a choice.

### **Dimensions of Brand Positioning**

Fruitful Strategy by Rice (2004) suggests the '4D's Rule' for effective brand positioning: Is it appealing to customers? Is the company capable of delivering it? Is it unique in comparison to the competition? Is it also long-lasting? As a result, it is preferable to discuss each of the above-mentioned criteria as indicated by both experts.

Effective brand positioning is contingent upon identifying and communicating a brand's uniqueness, differentiation, and verifiable value. It is important to note that "me too" brand positioning contradicts the notion of differentiation and should be avoided at all costs. This type of copycat brand positioning only works if the business offers its solutions at a significant discount over the other competitors (Dickens, 2013). Akpoyomare (2013) acknowledges that effective positioning decreases direct competition by avoiding the commodity trap of competing totally on price alone, and offers potential customers choices in the market. The author also added that effective positioning has to be centred on meeting the bundle of current and expected benefits sought by the target segment and the basis on which a product is likely to be differentiated from its competition. Lhotáková

and Klosová (2009) conclude that, to be effective, brand positioning needs to resonate with the customer, differentiate the brand from competitors, and represent what the organisation can and will do over time.

### **Review of Empirical Studies**

Several studies have been conducted to explain the relationship between brand positioning and consumer preference. Some researchers focused on the role and impact of strong positioning to the business success and others studied the components of brand positioning.

Most of the empirical studies in this area have proved that there is a positive relationship between the dimension of brand positioning and consumer preference. Semans (2010), in his Polaris Marketing Research Inc., proves the powerful aspect of the concept of positioning: brand positioning is difficult work, but the pay-off is obvious. A strong, clearly 'differentiated brand' improves customer preference and develops loyalty in the long run, lowers cost of sales and makes operations more efficient, and inculcate competition. Research done by Rodrigues (2014), for the Asian Journal of Business and Management Sciences on the title 'Brand preference influence factors: Positioning and brand identity comparison' aims to analyse which are the most relevant variables in consumer preference, with the aim of studying the positioning a given brand identity processes. The result of the research is brand positioning (internal environment) to variable product (variety) is the tool that most influences the purchase intention of consumers.

Li and Green (2010), in the Journal of Management and Marketing Research, published a paper on the title 'A mediating influence on customer preference: The role of perceived value'. They articulate how positioning plays a critical role in formulating a marketing strategy, by evidencing the definition that positioning is the firm's differentiation of its offerings as perceived by consumers in comparison to competing products. A research conducted by Samani (2013), with the title 'The role of customer-linking, brand position, and new service development on customer preference in Internet banking', showed that there is a significant relationship between customer-linking, brand position, and new service developments with customer preference.

Another study by Hartmann (2002), on the title 'The effect of brand positioning on customer preference: An empirical study of the Iberdrola case', showed that there is a significant relationship between the dimensions of positioning and the different rates of loyalty; the paper stresses the importance of proper positioning for managing customer loyalty. In this regard, Janiszewska and Insch (2012) added that positioning

should be credible, significant to the audience, differentiating from the competitors, and allow for the organisation's growth. Another way of looking at evaluating positions comes from Jennifer Rice, of Fruitful Strategy, who recommends the '4D's Rule' of strong brand positioning: desirable by consumers, deliverable by the company, distinctive from the competition, and durable over time.

A research by Tirsit (2015), with the title 'The effect of positioning on customer preference: A case of Anbessa shoe share company', considers relevance, differentiation, delivery, and communication as parameters; the results showed that their effect of positioning relevance is greater than that of positioning communication; and positioning

communication is greater than positioning differentiation in explaining the variability of overall customer preference.

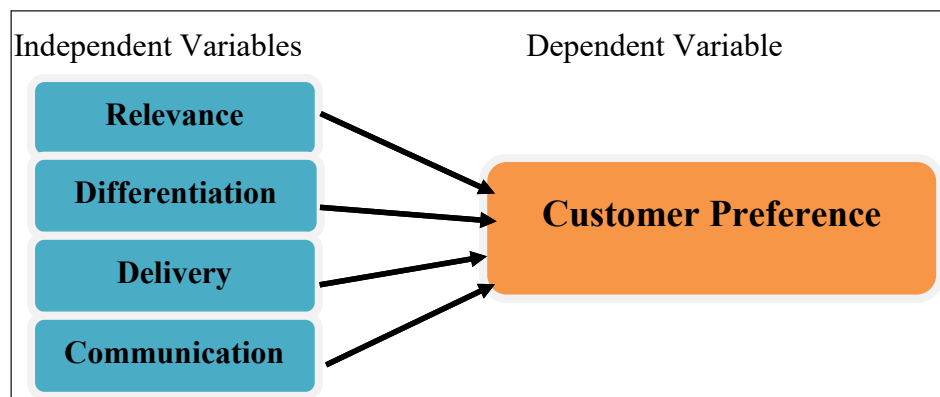
Based on this, the following hypotheses and relationships can be posited:

Hypothesis 1: There is a positive and significant relationship between relevance and customer preference.

Hypothesis 2: There is a positive and significant relationship between differentiation and customer preference.

Hypothesis 3: There is a positive and significant relationship between delivery and customer preference.

Hypothesis 4: There is a positive and significant relationship between communication and customer preference.



**Fig. 1: Conceptual Framework**

## RESEARCH METHODOLOGY

### Research Approach

Basically, research can follow any of the three common approaches; i.e., qualitative, quantitative, or mixed approaches. According to Silverman (2020), qualitative research is used to describe various aspects of behaviour and other factors studied in the social sciences and humanities. It involves studies that do not attempt to quantify their results through statistical summary or analysis.

Quantitative research is used to develop and employ mathematical models, theories, and hypotheses to natural phenomena to measure and statistically analyse data. It involves attaching numbers to relationships between variables (Kothari, 2004). Thus, in this study, quantitative research approach was used. This research approach was chosen to gain insight into the nuances of the process for the best selection of methodology tools.

In this study, explanatory research design was employed. Explanatory research is used to establish cause-and-effect relationships between variables and causal analysis is concerned with the study of how one or more variables cause changes in another variable. It is thus a study of functional relationships existing between two or more variables (Kothari, 2004). The study followed the explanatory research design, as it would investigate the relationship between variables of interest – brand positioning practices (predictors) and customer preference (construct) variable.

### Data Type and Source

In this study, primary data were collected from beer consumers in Addis Ababa, Ethiopia, using structured questionnaire. In addition, data related to the Ethiopian beverage industry were collected from documentary sources such as magazines and company reports.

## Target Population

The targeted respondents in this study were individual customers of beer in Addis Ababa, aged above 21. The total population of Addis Ababa is an estimated 4.5 million (Addis Ababa City Administration, 2019). Those who are 21 and older constitute 30% of the total population (Mundi, 2019). Thus, the potential beer consumers, the target population of the study, constitutes 1.35 million in Addis Ababa.

## Data Gathering Instrument

Primary data was collected using self-administered structured questionnaire. The questionnaire has two parts. The first part assesses the demographic characteristics of the targeted respondents and the second one measures the four independent variables (relevance, differentiation, delivery, and communication) and the dependent variable (consumer preference). The four dimensions were adapted from Semans (2010); Mark (2005); Christoph and Adamantios (2007); and Janiszewska (2012). Dimensions of brand positioning and consumer preference were measured using a five-point Likert scale, where the scale ranges from 1 – strongly disagree to 5 – strongly agree.

## Data Analysis Techniques

SPSS version 20 was used to analyse both descriptive and inferential statistics. The descriptive statistics were applied to interpret demographic variables of the respondents, measuring the central tendency (mean) and measures of dispersion (standard deviation) of each dimension. The Pearson correlation ( $r$ ) was used to see the correlation between the four dimensions and overall consumer preference. Linear regression analysis models were used for inferential analysis, to test the hypothesis illustrated in the conceptual framework.

## Validity and Reliability

Saunders (2003) defines validity as the extent to which data collection methods accurately measure what they were intended to measure. It is the extent to which differences found with the measuring instrument reflect the true differences among those being tested. Construct validity is about establishing correct operational measures for the concepts being studied (Yin, 1994). To ensure the quality of the research design, content and construct validity of the research was checked. In general, the researcher placed emphasis on matching assessment measure to the goals and objectives.

Reliability refers to the internal consistency of a scale to assess the degree to which measurements are free from errors and, therefore, yield consistent results. Reliability assesses the degree to which the items are homogeneous. The internal consistency of a scale is measured using Cronbach's alpha coefficient. A pilot study was conducted to find the instruments' reliability and the procedures of administration. The coefficient was determined based on the data collected through distributing 30 questionnaires for pre testing.

## Ethical Consideration

To keep the confidentiality of the data provided by the respondents, the respondents are not required to write their name and were assured that their responses would be treated as strictly confidential. The purpose of the study was disclosed in the introductory part of the questionnaire. Furthermore, the researcher tried to avoid misleading or deceptive statements in the questionnaire. Lastly, the questionnaires were distributed only to voluntary participants after having their full consent in verbal or written form.

## RESULTS AND DISCUSSION

Table 1: Demographic Characteristics of Respondents

Category	Frequency	Percent	
Gender	Male	188	66.7
	Female	94	33.3
	Total	282	100
Age	18-30	75	26.6
	31-45	114	40.4
	46-60	57	20.2
	>60	36	12.8
	Total	282	100
Education	High school	55	19.5
	Degree	149	52.8
	Masters	78	27.7
	Total	282	100
Income	<5,000	90	31.9
	5,000-10,000	133	47.2
	>10,000	59	20.9
	Total	282	100
Drinking Experience	1-5 years	86	30.5
	6-10 years	137	48.6
	>10 years	59	20.9
	Total	282	100

Source: Authors' Computation.

A total of 282 participants were involved in the study. Of this, male and female respondents made up 66.7% and

33.3%, respectively; this indicates that a majority were male. A majority of the participants (40.4%) were between 31-45 years, whereas the remaining, 26.6%, 20.2%, and 12.8%, were in the age groups 18-30, 46-60, and > 60, respectively. Regarding educational level of participants, a majority (149, 52.8%) had a first degree; however, the remaining 78 (27.7%) were Master’s degree holders and 55 (19.5%) were high school graduates. On the other hand, a majority of the participants (47.2%) have an income between 5,000 and 10,000; 31.9% and 20.9% had income levels of < 5,000 and > 10,000, respectively. Finally, concerning drinking experience of participants, a relative majority of the participants, 48.6%, had a drinking experience of 6-10 years; 30.5% had 1-5 years of experience, and 20.9% had > 10 years.

### Description of Study Variables

**Table 2: Descriptive Statistics of Independent and Dependent Variables**

Variables	No	Mean	SD
Relevance	282	3.55	1.212
Delivery	282	3.56	1.294
Differentiation	282	3.49	1.026
Communication	282	3.5007	1.21582
Consumer Preference	282	3.6206	.81236

Source: Authors’ Computation.

The mean value indicates to what extent the sample group averagely agrees or disagrees with the different statements. According to Best (1987), the scale is set in such a way that respondents strongly disagreed if the mean scored value is in the range of 1.00-1.80; disagreed if in the range 1.81-.60; neither agreed nor disagreed if in the range 2.81-3.40; agreed if in the range 3.41-4.20; and strongly agreed if 4.21-5.00. Besides, standard deviation below 1.0 shows relatively less variability of an observed response, whereas greater than 1.0 is often considered as high variability (Field, 2009).

### Inferential Statistics and Relationship Testing

#### Tests of Statistical Assumptions

##### Reliability Test of Overall Consumer Preference Determinants

According to Zikmund (2010), a scale with coefficient alpha between 0.6 and 0.7 indicates fair reliability; so, for this study, a Cronbach’s alpha score of 0.70 or higher is considered adequate to determine reliability. As indicated in Table 3, the Cronbach’s alpha value for all predictors and construct variables are more than 0.7, which is the threshold value according to Cronbach (1951).

**Table 3: Reliability Statistics**

Cronbach’s Alpha	No. of Items
.829	25

Source: Authors’ Computation.

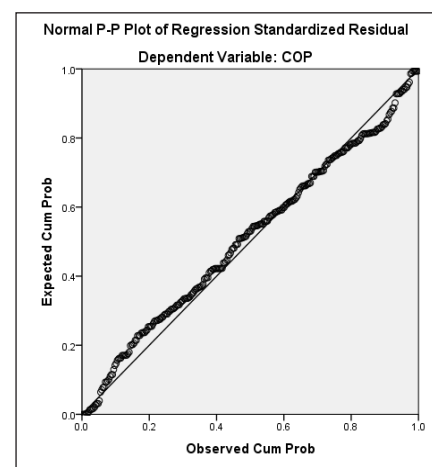
**Table 4: Reliability Test of Overall Variables**

Dimension Name	No. of Items	Cronbach’s Alpha
Relevance	5	.822
Delivery	5	.715
Differentiation	5	.796
Communication	5	.803
Consumer Preference	5	.711
Overall Reliability	25	.829

Source: Authors’ Computation.

#### Normality Test

To check that a distribution of scores is normal, the values of kurtosis and skewness need to be observed. The values of skewness and kurtosis should be zero in a normal distribution. Positive values of skewness indicate a pile-up of scores on the left of the distribution, whereas negative value indicates a flat distribution. The further the value is from zero, the more likely it is that the data are not normally distributed. However, the actual value of skewness and kurtosis are not, in themselves, informative. Instead, they need to be taken and converted into a z-score. The z-score is simply a standardised score from a distribution that has a mean of 0 and standard deviation of 1.0.



**Fig. 2: Normal Point Plot and Frequency Distribution of Standardised Residuals**

#### Multicollinearity

Multicollinearity refers to the situation in which the independent variables are highly correlated. When the predictor variables are correlated among themselves, the unique contribution of each predictor variable is difficult to

assess. Tolerance and variance inflation factors (VIF) values for each predictor is a means of checking for multicollinearity. Tolerance value below 0.1 and VIF value above 10% indicate a multicollinearity problem (Robert, 2006).

**Table 5: Collinearity Statistics Test of REL, DEL, DIF, & COM**

Coefficients <sup>a</sup>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Relevance	.762	1.312
	Delivery	.933	1.071
	Differentiation	.753	1.327
	Communication	.907	1.102

a. Dependent Variable: COP

Source: Authors' Computation.

### Correlation Matrix

Karl Pearson's coefficient of correlation, or simple correlation, is the most widely used method of measuring the degree of relationship between two variables (Kothari, 2004). Accordingly, as indicated in Table 6, there was a statistically significant positive correlation between relevance, delivery, differentiation, and communication, and consumer preference. The results showed that there is a positive and strong relationship between relevance and consumer preference ( $r = 0.622, p < 0.01$ ) and differentiation and consumer preference ( $r = 0.593, p < 0.01$ ). On the other hand, there is a moderate positive correlation between delivery and consumer preference ( $r = 0.476, p < 0.01$ ) and communication and consumer preference ( $r = 0.385, p < 0.01$ ). In summary, all brand positioning dimensions have a positive and significant relationship with overall consumer preference. This implies that as one variable increases, the other variable also increases, and vice-versa.

**Table 6: Pearson Correlation Matrix**

Correlations						
		REL	DEL	DIF	COM	COP
REL	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	282				
DEL	Pearson Correlation	.212**	1			
	Sig. (2-tailed)	.000				
	N	282	282			

Correlations						
		REL	DEL	DIF	COM	COP
DIF	Pearson Correlation	.458**	.220**	1	.	
	Sig. (2-tailed)	.000	.000			
	N	282	282	282		
COM	Pearson Correlation	.248**	.127*	.264**	1	
	Sig. (2-tailed)	.000	.034	.000		
	N	282	282	282	282	
COP	Pearson Correlation	.622**	.476**	.593**	.385**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	282	282	282	282	282

Source: Authors' Computation.

### REGRESSION ANALYSIS

In this research, multiple regression analysis was used to model the value of the construct variable (consumer preference) based on its linear relation to two or more predictors (relevance, delivery, differentiation, communication).

### Correlation R & R<sup>2</sup>

As shown in Table 7, the value of R square was 0.628. This value shows how much of the variance in the dependent variable (consumer preference) is explained by the model (REL, DEL, DIF, and COM). When we multiply R square value with 100, we can find that the model explains 62.8% of the variance in the dependent variable (COP); the remaining 37.2% of the variance in consumer preference may be explained by other factors that are not included in this study.

**Table 7: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.792a	.628	.622	.49913

a. Predictors: (Constant), COM, DEL, REL, DIF

Source: Authors' Computation.

As Table 8 shows, F-value of 116.841 is significant at  $p < 0.001$ . Therefore, brand positioning dimensions are significant and the model appropriately measured the dependent variable – consumer preference. This implies that the independent variables reliably predict the dependent variable.

**Table 8: ANOVA Analysis**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	116.433	4	29.108	116.841	.000 <sup>b</sup>
	Residual	69.008	277	.249		
	Total	185.441	281			
a. Dependent Variable: COP						
b. Predictors: (Constant), COM, DEL, REL, DIF						

Source: Authors' Computation.

The last output in the analysis of the multiple regression models represents the output for the beta coefficients of each brand positioning dimension. The regression analysis revealed that each brand positioning dimension has a positive and significant effect on overall consumer preference. Relevance ( $\beta = .373$ ) has the highest effect, followed by differentiation ( $\beta = .310$ ); however, delivery ( $\beta = .307$ ) and communication ( $\beta = .172$ ) have relatively lower contributions to the prediction model.

**Table 9: Estimated Regression Coefficients**

Coefficients <sup>a</sup>				
Unstandardised Coefficients		Standardised Coefficients	t	Sig.
B	Std. Error	Beta		
.838	.136		6.176	.000
.250	.028	.373	8.874	.000
.193	.024	.307	8.098	.000
.245	.033	.310	7.330	.000
.115	.026	.172	4.472	.000
a. Dependent Variable: COP				

Source: Authors' Computation.

## HYPOTHESIS TESTING

*H1: Relevance has a significant and positive effect on consumer preference.*

The findings revealed that relevance ( $\beta = .373$ ), with p-value less than .05, has relatively the highest significant and positive effect on consumer preference. This finding is supported with Akpoyomare (2013), whose findings illustrated the understanding of how consumers perceive a firm and its product in relation to competitors on the basis of the benefits sought by consumers, and illustrated what products and services are bought and consumed by consumers.

*H2: Delivery has a significant and positive effect on consumer preference.*

The results of multiple regression analysis in Table 9 clearly indicate that delivery has a significant influence on consumer preference ( $p < 0.05$ ). Besides, the value of beta ( $\beta = 0.307$ ) demonstrates a positive influence of delivery in consumer preference. Thus, the above proposed hypothesis is accepted. The result is supported by the studies of Kotler & Armstrong (2011), who showed that delivery has a significant impact on consumer preference in the brewery industry. Therefore, the alternative hypothesis is accepted.

*H3: Differentiation has a significant and positive effect on consumer preference.*

The results of multiple regression analysis in Table 9 clearly imply that differentiation has a significant influence on consumer preference ( $p < 0.05$ ). Besides, the value of beta ( $\beta = 0.310$ ) demonstrates a positive influence on consumer preference. Thus, the above proposed hypothesis is accepted. The result is supported by Semans (2010), who explained that breweries offer special features and it is known that reputation has influenced customers to rebuy again and again.

*H4: Communication has a significant and positive effect on consumer preference.*

The findings revealed the existence of a relatively lower positive and significant effect of communication ( $\beta = .172$ ,  $p < .05$ ) on consumer preference. This also justifies the proposed hypothesis, stating that communication has a positive and significant effect on consumer beer brand preference in Addis Ababa. According to Levi (2011), communication creates highly differentiating, succinct, and extremely powerful messages that clearly articulate the value of your products and services. Therefore, the alternative hypothesis is accepted.

## CONCLUSIONS AND MANAGERIAL IMPLICATIONS

The study confirmed that consumer preference in the brewery industry is influenced by relevance, differentiation, delivery, and communication. The results indicate that marketing managers should pay attention and work more on all the four dimensions of brand positioning.

The results of the study also revealed that relevance and differentiation had a strong relationship with consumer preference, whereas delivery was perceived to have a moderate relationship, and communication had a positive and weak relationship. This means that communication has the relatively lowest effect on preference and the company should improve awareness to understand product values.

The study has the following managerial implications: first, companies in the beer industry can create more value through differentiation in terms of product features and quality; and they should also link such differences to the brand. Second, to be effective, communication strategies need to be designed towards fulfilling the information requirements of customers; and the distribution system should create more utilities to the customer and efficiency to the firm (Zephaniah, Ogba & Izogo, 2020; Benrqya, Babai, Estampe & Vallespir, 2020). Hence, managers in beer companies should gear their strategies and practices towards creating superior values for customers and associating their value creation efforts to the development of strong brands.

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