



ISSN 2278 – 0211 (Online)

## Determinants of Consumers' Brand Switching Behaviours in Alcoholic Beverage Industry in Enugu, Nigeria

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### Abstract:

Competition in the alcoholic beverage industry in Nigeria has grown dramatically in the recent years. The rate of growth and competition are not only driven by the number of consumers but also by the variety of brands in the market on both global and local levels. Customers brand switching behaviour have become a critical issue for organisations as it costs more to create a new customer than retain a current one. It is on this background that the study seeks to assess the determinants of consumers brand switching behaviour in the alcoholic beverage industry in Nigeria. The study specifically seeks to determine the influence of product advertisement, taste, price, social groups and switching costs on consumers brand switching behaviour in the industry. The study was conducted at the University of Nigeria, Enugu Campus and a sample of 262 students was drawn from the population. Percentages and frequencies were used to present the demographic variables of the respondents while the simple linear regression was used for the analysis of hypotheses. The study findings reveal that the major determinants of brand switching behaviours of alcohol consumers are product taste, price and social group influence. Advertisement has very little effect while switching costs had no significant influence. Based on these findings, the study recommends that beer producing firms who wants to be on the cutting edge of competition should develop a more effective advertising campaign program to increase consumer's preference for their brand and exploit social groups by proper segmentation and positioning.

**Keywords:** Brand switching, brand loyalty, alcoholic beverage, consumer behaviour, theory of planned behaviour

### 1. Introduction

Consumers' desire towards achieving maximum satisfaction from their consumption activities cannot be overemphasised. One of the post purchase behaviours exhibited by consumers is satisfaction/dissatisfaction. If the consumer is satisfied with the purchased brand, brand loyalty often emerges. Where dissatisfaction occurs, the consumer is likely to keep quiet, switch brands, warn others against the brand or complain to the firm or other agencies (Quester, Pettigrew, Kopanidis, Hill and Hawkins, 2014). When consumers stop using one brand for another, brand switching has occurred (Garland, 2002). Brand switching could be total or partial (Colgate and Hedge, 2001). Total switching occurs when the consumer stops patronizing the firm's brand completely while it is partial if the consumer combines his use of a firm's brand with competing brands (Boote, 1998), this is often difficult for the firm to detect than total brand switching (Siddiqui, 2011).

In the traditional African society, alcohol which was locally produced was consumed during festivities and ceremonies. By rule of thumb, females and adolescents were prohibited from drinking in this traditional era (Odejide, 2006) it was the reserve of adult males who are usually served by the youths. It came in varieties which could be easily identified with certain ethnic group; in the north, *pito* and *burukutu* were commonly consumed. In the south, palm wine was the favourite (Obot, 2000) while the native gin locally called *ogogoro*, *kai-kai* (Demehin, 1984; Korieh, 2003), *akpuru-achia*, or *Sapele water*, distilled from the fermented palm wine was widely consumed in the Niger-delta area. In most cases, these alcoholic drinks were seen as staple food in most communities and were not sold; in places where it was traded, it existed on a very low scale (Willis, 2002). The coming of the Europeans and colonisation changed this trend as alcoholic beverages from western countries became readily available to men and women of all ages on a commercial basis (Dumbili, 2013). They popularised the sale of liquor and facilitated alcohol abuse due to the importation, sale and distribution of trade spirit (Olorunfemi, 1984; Olukoju, 1991).

The trend continued leading to the establishment of the first brewery (Nigerian Brewery Limited presently known as Nigerian Breweries Plc or NB Plc.) in 1946 with its first brew in 1949 (Jernigan & Obot, 2006; Obot, 2000; 2006) and the establishment of Guinness brewery was the next in 1962 (Obot & Ibanga, 2002) and gradually the sector grew such that in 1984, each of the 19 states had its own brewery (Demehin, 1984).

Nigeria, irrespective of some segments of the population been averse to alcohol due to religion has been found to be the largest fastest growing beer market in Africa after South Africa (Finintell, 2013) thereby a veritable ground for most breweries. In recent years, varieties of these alcoholic beverages had existed, giving consumers a myriad of options to choose from. These competing firms have also applied different strategies to ensure that consumers are loyal to their brand such as the offer of free drinks, inclusion of some medicinal ingredients, positioning through adverts to portray the brand as a vitality-enhancing beverage etc. Also, the patterns of use, the users and reason(s) for consumption are changing rapidly, especially among young drinkers (Dumbili, 2013). It can be noticed that consumers in most cases tend to switch from one brand of alcoholic beverage to another, thereby watering the efforts of firms towards achieving brand loyalty.

The struggle for dominance has heralded the alcoholic beverage industry in Nigeria in the last decade shown by the stiff rivalry among existing firms, entry of competitors and bargaining power of buyers. These firms have embarked on product innovation, price differentiation, global alliances etc all in a bid to gain and retain market share. The Nigerian alcoholic beverage market is known to have a wide array of varieties; some appearing to be at par with competitors' products (E.g. Guinness' Orijin VS NB's Root, Guinness' Extra Stout VS NB's Legend Extra Stout, SABMiller's Hero Lager VS NB's Life Continental Lager etc). The success of any organisation lies in its ability to win and retain customers (Zeithaml, Berry and Parasuraman, 1996). This hyper competition and the availability of wide range of product choice for the consumers create room for constant brand switching amongst consumers. The increase and retention of loyal customers has become a key factor for long-term success of the alcoholic beverage companies. Contemporary organisations emphasize not only on winning new customers but more on retaining the existing ones (Ahmad and Buttle, 2002). Boone and Kurtz (2007) observe that generating a new customer costs 5 to 7 times as much as keeping a current one; therefore, it costs firms so much when customers switch to other brands.

The sustenance of a long-term relationship with customers appears to be one of the key factors determining the value that the customer provides to the organisation. Thus, a serious threat to achieving a long-term relationship is the customer's switching behaviour. In their 2016 annual report and accounts, Guinness Nigeria recorded over ₦8.4billion as marketing expenses, International Breweries; over ₦1.3billion as advertising and promotion expenses and Nigeria Breweries Plc; over ₦22.3billion as advertising and sales promotion expenses. The aim of these heavy investments is to achieve customer satisfaction and ensure customer loyalty. The trend of brand switching nullifies the success of this efforts and investments.

Customer satisfaction is the primary aim of every organisation as perceived product deficiency could lead to unsatisfied customer and loss of the customer to competitors. Over time loyal customers become less price-sensitive, offer favourable word of mouth advertisement for the company thereby reducing marketing cost. Therefore, losing a loyal customer means giving up high margins and incurring costs. It is on this background that this study seeks to achieve the specific objectives below. This study is significant as it stands to benefit members of the public, students and manufacturers in the alcoholic beverage industry.

1. To determine the relationship between advertisements and consumers brand switching behaviour in alcoholic beverage industry.
2. To examine the influence of product taste on consumer brand switching behaviour of alcoholic beverage.
3. To identify the role of product price in influencing brand switching of alcoholic beverage.
4. To ascertain the effect of social groups on consumers' brand switching behaviour in alcoholic beverage industry.
5. To determine if switching costs deter consumer from switching brands of alcoholic beverage.

## 2. Review of Relevant Literature and Hypotheses Formulation

### 2.1. Brand Switching and Switching Behaviours

Keller (2001) defines brand switching as the behaviour customers exhibit when they move from one brand to another. Switching behaviour is defined as defection or customer exit (Stewart, 1994; Hirschman, 1970). According to Boote (1998) and Bolton & Bronkhurst (1995), switching behaviour refers to the decision that a customer makes to stop buying a particular service or patronizing the service organisation completely. Szymanski and Henard (2001) opined that studies have indicated that satisfied customers are less likely to display switching behaviours. Several authors have examined the dissimilar nature of the companies' customer base in order to analyse the differences between switchers and loyalist (e.g., Ganesh, Arnold and Reynolds, 2000; Keaveney and Parthasarathy, 2001; Li, Browne and Wetherbe, 2007). Keaveney (1995) introduced the model of client switch behaviour, and identified casual factors of switching behaviour, namely, pricing, inconvenience, service failures, and service encounter failures, worker responses to service failures, competitive problems, ethical issues and involuntary switching factors.

Irrespective of the switching costs which the consumers are faced with, they are still found to switch brands. Jackson (1985) explained switching costs to mean the psychological, economic and physical costs which consumers are exposed to when they change brands or service provider. In the case of alcoholic beverages, some critical switching costs could include adjustment to change in taste, alcoholic volume, social acceptance, uncertainty of the utility to be derived etc. By understanding the reasons for switching, the switching determinants, companies will have more reliable information on how to create loyal customers. The determinants present the important issues for the customers. If one determinant is not to the customer's satisfaction, a switch might occur.

## 2.2. Influence of Advertising and Product Price on Switching Behaviours

Deighton, Henderson And Neslin(1994) states that advertising exposure can do one of three things to a household; increase probability of brand switching, induce repeat purchase or have no effect on brand preference. Advertisement can lead to brand switching when it creates brand awareness or alters the initial belief of a consumer about a brand. Bashir and Malik, (2009), in their study of consumer behaviour using university students revealed that consumers considered advertisement as a reliable source of knowledge about any product or services and so can be lured with the appeal and personality used in those ads.

Linstead (1989) while supporting the oligopolistic nature of the beer market opines that competition is not on the basis of price but on advertisement, sales promotional activity, style etc. This corroborates the study by Spáčil and Teichmannová (2016) in which they observed that price is not decisive in brand loyalty/switching. On the other hand, Tremblay & Tremblay (2005) observe that the demand for beer is dependent on its price, price of substitutes and complement in relation to the consumers' income. Malik, Mahmoud, and Muhammad (2014) in a study they conducted in Pakistan found that brand switching in mobile telecom is directly related to the price. Salvador, Reboloso, Fernández-Ramírez and María del (2007) observe that the relationship between price and switching behaviours is relative as consumers consider price and the perceived quality of the product they are buying.

## 2.3. Social Group Influences

The groups to which consumers align themselves significantly affect their consumption and lifestyle. Consumers are influenced by groups they believe they are a part of or aspire to be. They sometimes avoid brands they believe would put them into a group they don't want to be associated with. Bearden and Etzel, (1982) in their study revealed that consumers explicitly interact with members of their social group for product evaluation and also observe their behaviour before making a decision.

Researchers have believed that consumers' proneness to group influence can be traced to culture and this trait also varies amongst cultures (Zhou and Hui, 2003; Han and Schmitt, 1997; Bearden et al., 1989). Previous studies by Park and Lessig (1977) and Bearden and Etzel (1982) identified that reference groups have three types of influences; informational influence, utilitarian and value expressive influences.

From the above review, the following hypotheses are thereby put forward:

- Hypothesis one: There is no relationship between advertisement and consumers brand switching behaviour of alcoholic beverage.
- Hypothesis two: Product taste does not influence consumer brand switching behaviour of alcoholic beverage.
- Hypothesis three: Product price does not influence brand switching of alcoholic beverage.
- Hypothesis four: There is no effect exerted by social groups on consumers' brand switching behaviour in alcoholic beverage industry.
- Hypothesis five: Switching costs do not deter consumers from switching brands of alcoholic beverages.

## 2.4. Theoretical Background

### 2.4.1. Theory of Planned Behaviour

People consider the implications of their actions before they decide to engage or not engage in a given behaviour (Ajzen & Fishbein, 1980). This theory states that the behavioural intention is the antecedent of any behaviour. This intention is determined by three considerations; behavioural beliefs, normative beliefs and control beliefs (Ajzen, 1985). The behavioural belief is an individual's positive or negative belief about performing a specific behaviour and the subjective values or evaluations of these consequences. An individual's intention to perform certain behaviour will be determined by how he or she evaluates it positively. Attitudes are determined by the individual's beliefs about the consequences of performing the behaviour (behavioural beliefs), weighted by his or her evaluation of those consequences (outcome evaluations). The normative belief is a consideration that has to do with the perceived expectations and behaviours of important referent individuals or groups, combined with the person's motivation to comply with the referents in question. The normative beliefs that are readily accessible in memory combine to produce a perceived social pressure or *subjective norm* with respect to performing the behaviour. The theory of reasoned action loses application when the theory is applied to behaviours that are not fully under volitional control. The Theory of planned behaviour took into account that all behaviours are not under volitional control and that behaviours are located at some point along a continuum that extends from total control to a complete lack of control (Ajzen, 1985). This led to the addition of the third belief, control belief. This refers to perceived presence of factors that can influence a person's ability to perform the behaviour. People are not likely to form a strong intention to perform an action if they believe that they do not have the resources or opportunities to do so even if they hold positive attitudes toward the behaviour and believe that important others would approve of the behaviour (subjective norm). As Bandura (1977) puts it, a combination of the perceived power of these factors to facilitate or interfere with behavioural performance and the readily accessible control beliefs produce a certain level of perceived behavioural control with regards to that behaviour.

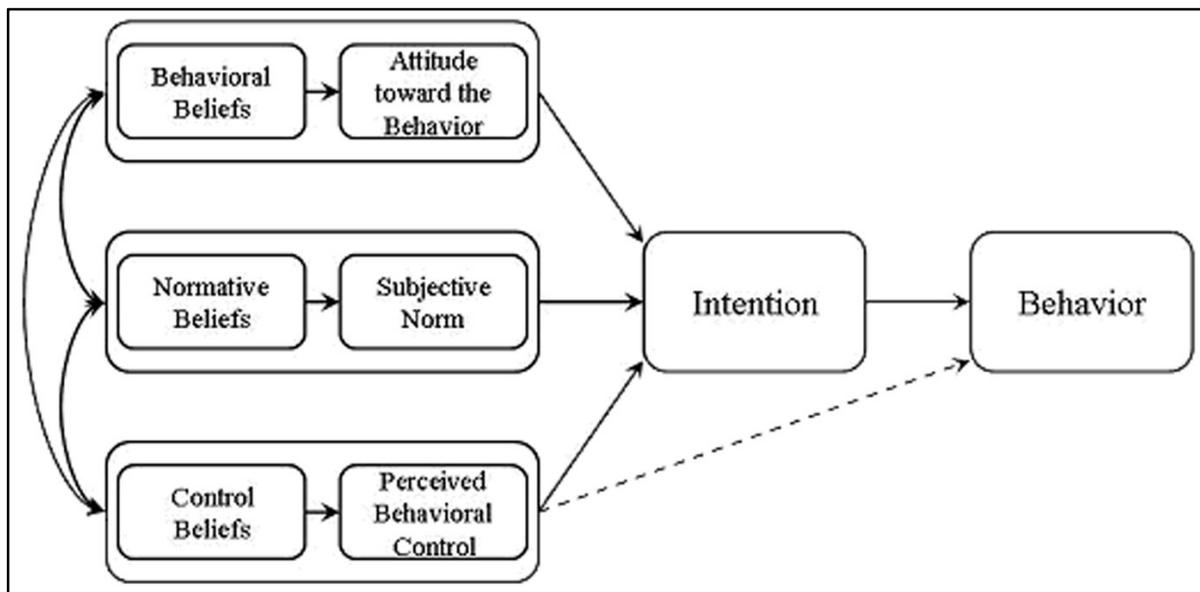


Figure 1: Theory of planned behaviour

Source: Ajzen, I. (2008) *Consumer Attitudes and Behaviour* in C. P. Haugtvedt, P. M. Herr, & F. R. Cardes (Eds.), *Handbook of Consumer Psychology*. New York: Lawrence Erlbaum Associates. pp. 525-548

#### 2.4.2. Empirical Evidences

Geraghty (2007), in a study conducted in Ireland found that heavy drinkers of beer are more brand loyal while the light users tend to switch brands more often. Spáčil and Teichmannová (2016) in their study of both UK and Czech Republic concluded that quality of beer (taste) is the major determinant of brand loyalty and also that young drinkers were found to have a greater tendency towards switching brands than older one who were found to be conservative with their brand choice indicative of brand loyalty. This contradicts the research by Swinnen (2011) in the USA where he found that brand availability/unavailability is at the centre of brand loyalty/switching behaviour of consumers. Swinnen, (2011) observed in his study conducted in the USA among international students that the most important reasons for changes in beer brands are change in taste (29%), peer influence (24%), availability (31%), price (10%) and others (6%). A study of students of higher institutes in Pakistan by Tariq, Humayon, Bhutta and Danish (2014) which examined the effect of effective advertisement on brand equity and switching behaviour of customers found that effective advertisement is positively related to brand equity and negatively related to brand switching behaviour of the customers. In contrast to a study of rural consumers of alcohol and its effects on livelihood in Enugu state by Dimelu, Agbo and Igbokwe (2011), it was found that predictors of choice of alcoholic beverage consumed were availability (53%), ability to produce (50%), costs/prices (46.7%) and prestige (43.3%). Taste, advertisement and suitability for the body were found to be insignificant. These choice indicators can be extended to influence switching behaviour. Amadi and Ezekiel (2013) in a study of the factors influencing preference for a brand of beer in Port-Harcourt metropolis found that there exists significant positive relationship between advertisement, peer group influence, situational variation and consumers' brand preference of beer. Also, a study in Ghana which sought to propose a model for explaining factors that influence consumer intentions to switch back (*unswitch*) in the mobile telecom industry found that intention to *unswitch* is influenced by the initial switching motive, post-switching behaviour and attractiveness of firm's offer (Nimako and Owusu, 2015).

Researchers have shown that consumers are rational and thus wish to obtain optimal satisfaction on the products they purchase. Dissatisfaction of any kind could lead to switching behaviour by the customers, and organisations work towards avoiding this to lessen cost of obtaining new customers and winning back switched customers. More so, consumers could switch brands not necessarily as a result of been dissatisfied with their current consumption but in search of product attributes which they consider important to them. Brand switching seems easier in consumer goods where there seems to be a low switching cost. The theory of planned behaviour is used in this study to explain the intention to switch as a function of the combination of behavioural beliefs (better taste, health benefits etc), normative beliefs (situational influence, peer group influence etc) and perceived behavioural control (price of the alternative brand, switching costs, product availability etc).

Several researchers have studied the brand switching behaviours of consumers in the mobile telecommunication industry, cosmetics, toothpaste, soft drink and the banking industry (Nimako and Owusu, 2015; Khadim and Muhammad, 2014; Umoh, Awa & Ebitu, 2013; Nyarko 2015). Not many studies of this nature have been conducted in the area of alcoholic beverage in the Nigerian context; given the great number of varieties in the industry, it seems important to fill this knowledge gap.

### 3. Research Methodology

The research design used in this study is survey design.

Data was collected through the use of self-administered questionnaire structured in both open and closed ended questions. The study population included the undergraduate and post graduate students of the University of Nigeria Enugu Campus and the numbers are 6,275 and 1,735 students respectively as gathered from the various faculty officers, students' association leaders and the Deputy Registrar's office, school of post graduate studies, UNEC. The total of the study population is 8,010 students. The researcher applied the Bartlett, Kotrlik and Higgins table for determining sample size for finite population to determine the sample size of 262. Convenience and purposive sampling techniques were used to distribute the questionnaire due to the large sample size and to reach out to relevant respondents.

The personal characteristics of the respondents were presented using tables, percentages and frequencies while the hypotheses were analysed using simple linear regression analysis in SPSSWIN version 22. Reliability test was conducted using Cronbach Alpha and gave an alpha value of 0.756 as shown below.

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.756	.747	16

Table 1

#### 3.1. Data Presentation and Analysis

Two hundred and sixty-two copies (262) of questionnaire were prepared and administered on the respondents in University of Nigeria, Enugu Campus, Enugu State. Only two hundred and twelve (212) copies of the questionnaire were returned representing 80.9% return rate. Out of this number, only one hundred and eighty-nine (189) copies were found relevant for this study. Only the returned questionnaires were analysed in this study.

Sex					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	143	75.7	75.7	75.7
	FEMALE	46	24.3	24.3	100.0
<b>Marital Status</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SINGLE	171	90.5	92.4	92.4
	MARRIED	13	6.9	7.0	99.5
	DIVORCED	1	.5	.5	100.0
Missing	5.00	4	2.1		
<b>Age of Respondents</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	LESS THAN 20	45	23.8	24.1	24.1
	20-35	129	68.3	69.0	93.0
	36-50	10	5.3	5.3	98.4
	ABOVE 50	3	1.6	1.6	100.0
Missing	5.00	2	1.1		
<b>Academic Category</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undergraduate	152	80.4	84.9	84.9
	Post graduate	27	14.2	15.1	100.0
Missing	5.00	10	5.3		
<b>Monthly allowance</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5,000-10,000	72	38.1	44.4	44.4
	11,000-20,000	56	29.6	34.6	79.0
	21,000-40,000	26	13.8	16.0	95.1
	Above 40,000	8	4.2	4.9	100.0
Missing	5.00	27	14.3		

Table 2: Demographic Variables

#### 3.1.1. Test of Hypothesis

Five hypotheses were formulated in this work and will be tested and decision taken based on the rule below.

**Decision rule:** Reject  $H_1$  if  $P$  value  $>$  0.05, do not reject if otherwise.

### 3.1.2. Hypothesis One

H<sub>0</sub>: There is no relationship between advertisement and consumers brand switching behaviour.

H<sub>1</sub>: There is a relationship between advertisement and consumers brand switching behaviour.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.130 <sup>a</sup>	.017	.012	.51743
a. Predictors: (Constant), Product Advertisement triggers my quest for brand switch				

Table 3: Model Summary

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	.861	1	.861	3.215	.005 <sup>b</sup>
	Residual	49.799	186	.268		
	Total	50.660	187			
a. Dependent Variable: Brand switch in the last one year						
b. Predictors: (Constant), Product Advertisement triggers my quest for brand switch						

Table 4: ANOVA<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.326	.083		16.046	.000
	Product Advertisement triggers my quest for brand switch	.048	.027	.130	1.793	.015
a. Dependent Variable: Brand switch in the last one year						

Table 5: Coefficients<sup>a</sup>

Source: SPSSWIN Version 22 (Field Survey, 2017)

Tables 3 and 4 above is a regression model summary and ANOVA showing the regression between brand switching of alcohol and the influence of product advertisement and the correlation coefficient, significant values and the number of cases. The correlation (R) shows 0.130, this value indicates the correlation is significant and a weak positive relationship exists between brand switching of alcohol and the influence of product advertisement. The R<sup>2</sup> of 0.017 indicates that the variation in alcohol brand switching can be explained, 1.7% by product advertisement. At R=0.130 and p<0.05, we do not accept the null hypothesis which states that there is no relationship between advertisement and consumers brand switching behaviour. Therefore, there is a positive relationship between product advertisement and brand switching behaviours of consumers.

### 3.1.3. Hypothesis Two

H<sub>0</sub>: Product taste does not influence consumer brand switching behaviour.

H<sub>1</sub>: Product taste does not influence consumer brand switching behaviour.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.391 <sup>a</sup>	.153	.149	1.60044
a. Predictors: (Constant), I consume alcohol irrespective of taste				

Table 6: Model Summary

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	42.510	1	42.510	16.596	.000 <sup>b</sup>
	Residual	461.056	186	2.561		
	Total	503.566	187			
a. Dependent Variable: Brand switch in the last one year						
b. Predictors: (Constant), I consume alcohol irrespective of taste						

Table 7: ANOVA<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.922	.321		9.166	.000
	I consume alcohol irrespective of taste	.356	.087	.391	3.974	.009

a. Dependent Variable: Brand switch in the last one year

Table 8: Coefficients<sup>a</sup>

Source: SPSSWIN Version 22 (Field Survey, 2017)

The above tables 6 and 7 are regression model summary and ANOVA showing the regression between brand switching of alcohol and the influence of product taste. Also, the correlation coefficient, significant values and the number of cases are shown. The correlation (R) shows 0.391, this value indicates the correlation is significant and a positive relationship exists between brand switching of alcohol and the influence of product taste. The R<sup>2</sup> of 0.153 indicates that the variation in alcohol brand switching can be explained, 15.3% by product taste. At R=0.391 and p<0.05, we do not accept the null hypothesis which states that product taste does not influence consumer brand switching behaviour and accept the alternate which recognises the role of product taste on brand switching behaviour of consumers of alcohol.

### 3.1.4. Hypothesis Three

H<sub>0</sub>: Product price does not influence brand switching behaviour in alcoholic beverage industry

H<sub>1</sub>: Product price influences consumers brand switching behaviour in alcoholic beverage industry.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.268 <sup>a</sup>	.072	.067	1.61148

a. Predictors: (Constant), I switch to low-priced brands once there is no difference in taste

Table 9: Model Summary

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	36.128	1	36.128	13.912	.000 <sup>b</sup>
	Residual	467.438	186	2.597		
	Total	503.566	187			

a. Dependent Variable: Brand switch in the last one year  
b. Predictors: (Constant), I switch to low-priced brands once there is no difference in taste

Table 10: ANOVA<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.935	.344		8.538	.000
	I switch to low-priced brands once there is no difference in taste	.338	.091	.268	3.730	.000

a. Dependent Variable: Brand switch in the last one year

Table 11: Coefficients<sup>a</sup>

Source: SPSSWIN Version 22 (Field Survey, 2017)

Tables 9 and 10 are regression model summary and ANOVA showing the regression between brand switching of alcohol and the influence of product price. Also, the correlation coefficient, significant values and the number of cases are shown. The correlation (R) shows 0.268, this value indicates the correlation is statistically significant and a weak positive relationship exists between brand switching of alcohol and the influence of product price. The R<sup>2</sup> of 0.072 indicates that the variation in alcohol brand switching can be explained, 7.2% by product price. At R=0.268 and p<0.05, we do not accept the null hypothesis which states that product price does not influence consumer brand switching behaviour and accept the alternate which indicates the effect of product price on brand switching behaviour of consumers of alcohol.

### 3.1.5. Hypothesis Four

H<sub>0</sub>: There is no effect social groups have on alcohol consumers' brand switching behaviour.

H<sub>1</sub>: There is no effect social groups have on alcohol consumers' brand switching behaviour.

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.478 <sup>a</sup>	.228	.141	.52028		
a. Predictors: (Constant), My alcoholic beverage brand is dependent on the group I am with at the point of consumption						
ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.310	1	.310	1.146	.000 <sup>b</sup>
	Residual	50.349	186	.271		
	Total	50.660	187			
a. Dependent Variable: Brand switch in the last one year						
b. Predictors: (Constant), My alcoholic beverage brand is dependent on the group I am with at the point of consumption						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.373	.088		15.658	.000
	My alcoholic beverage brand is dependent on the group I am with at the point of consumption	.208	.026	.478	1.071	.001
a. Dependent Variable: Brand switch in the last one year						

Table 12

Source: SPSSWIN Version 22 (Field Survey, 2017)

The above tables are regression model summary and ANOVA showing the regression between brand switching of alcohol and the role of social group. Also, the correlation coefficient, significant values and the number of cases are shown. The correlation (R) shows 0.478, this value indicates the correlation is significant and a positive relationship exists between brand switching of alcohol and the influence of product taste. The R<sup>2</sup> of 0.228 indicates that the variation in alcohol brand switching can be explained, 22.8% by social group of the consumers. At R=0.478 and p<0.05, we do not accept the null hypothesis which states that social groups have no effect on alcohol consumers' brand switching behaviour and accept the alternate which recognises the role of social groups on brand switching behaviour of consumers of alcohol.

### 3.1.6. Hypothesis Five

H<sub>0</sub>: Switching costs do not deter consumers from switching brands of alcoholic beverages.

H<sub>1</sub>: Switching costs deters consumers from switching brands of alcoholic beverages.

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.047 <sup>a</sup>	.002	-.003	1.52130		
a. Predictors: (Constant), I am concerned about the adjustment to a different alcohol volume in switching my brand						
ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.113	1	.113	.417	.001 <sup>b</sup>
	Residual	50.546	186	.272		
	Total	50.660	187			
a. Dependent Variable: Brand switch in the last one year						
b. Predictors: (Constant), I am concerned about the adjustment to a different alcohol volume in switching my brand						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.404	.091		15.372	.000
	I am concerned about the adjustment to a different alcohol volume in switching my brand	.019	.030	.047	.646	.519
a. Dependent Variable: Brand switch in the last one year						

Table 12

Source: SPSSWIN Version 22 (Field Survey, 2017)

The tables above are regression model summary and ANOVA showing the regression between brand switching of alcohol and the influence of switching costs. Also, the correlation coefficient, significant values and the number of cases are

shown. The correlation (R) shows 0.047, this value indicates the correlation is significant and indicates that a very weak positive relationship exists between brand switching of alcohol and the influence of switching costs. The  $R^2$  of 0.002 indicates that the variation in alcohol brand switching can be explained, 0.2% by switching costs perceived by the consumers. At  $R=0.047$  and  $p<0.05$ , we accept the null hypothesis which states that switching costs have no effect on alcohol consumers' brand switching behaviour.

#### 4. Discussion of Findings

The above research findings are hereby discussed highlighting their implications.

Advertisements of alcohol beverages were found to be a determinant of brand switching. From the consumers who responded on the nominal scale of measure on the highest cause of brand switch, mostly respondents who had not switched brands of alcoholic beverage in the last one year, 17% indicated that a good advertising appeal could trigger their desire to switch (See Appendix). This result aligns with the study by Deighton et al (1994) and Bashir and Malik (2009) that exposure to product advertising could lead to brand switching as a result of belief in it as a reliable source of information. The implication of this for managerial decision making is that advertisement should be more creative and possess a high level of realism to be believable as a source of product information in order to retain current customers and attract others.

The taste of alcohol products was also to be a significant determinant of brand switching in the industry. Most consumers indicated this as a cause of brand switching in the industry as shown by 53.2% of the respondents. Similar to the findings of other beverage based researches, taste of the product is a dominating factor for consumers and the most correlates highly amongst other attributes of preference (Koewn and Casey, 1995; Thompson and Vourvachis, 1995). It is also a major source of perceived risk for consumers (Mitchell and Greatedorex 1988). It is therefore, necessary that in the face of variety of alcoholic beverages in the market, organisations need to maintain and improve the taste of their products in line with consumers choice and preference and the changing trend.

Alcohol consumers sampled in this study showed that the product price has very little influence on their switching behaviour irrespective of consumers' price sensitivity. This was demonstrated as only 10.6% of the respondents indicated that price would make them switch brands of alcoholic beverage. It can be deduced that most consumers' use price as a criterion for quality in initial purchase situations and it loses control afterwards; as such a primary cue. This corroborates the study by Spáčil and Teichmannová (2016) in which they observed that price is not decisive in brand loyalty/switching.

The social groups to which a consumer belongs to has been known as a factor what considering in designing any marketing stimuli as they affect consumption and lifestyle. The significance of these groups could be as a result of valuable product information to improve the consumer's knowledge or to belong and obtain praise and avoid punishment for non-compliance (Kelman, 1961). This can be said to be the case in alcohol consumption as it originally serves a social satisfaction function (Roche, Bywood, Freeman, Pidd, Borlagdan and Trifonoff, 2009) and thus promotion should be channelled to consumer as a group rather than as individuals.

Switching costs which could be psychological, economic and physical was found not to be a causal factor for brand switching of alcoholic beverages. Only 7.8% of the consumers chose switching costs as a cause of brand switching. This indicates the level of consumer orientation and consciousness to volume of alcohol and price differentials which form the switching costs.

#### 5. Summary of Findings, Conclusion and Recommendations

The findings of this study are summarised as follows:

1. There is a positive relationship between advertisement and brand switching behaviours of alcohol consumers.
2. Product taste has a significant effect on the brand switching behaviour of alcohol consumers.
3. Consumers consider price significant as a cue for making initial brand choice but its relevance as a determinant of brand switching wanes continuously with further purchases.
4. Social groups to which consumers belong to constituted a major source of brand switching idea for alcohol consumers.
5. Alcohol consumers are not deterred by the fear of switching costs when switching brands of alcoholic beverages.

##### 5.1. Conclusion and Policy Recommendations

Research on switching behaviour will continue, and there is a need to broaden our knowledge about the brand switching behaviour. This study made a contribution by revealing the different predictors of brand switching in the alcoholic beverage industry in Enugu metropolis. From the findings above, it can be concluded that the main predictors of consumers brand switching behaviour in the alcoholic beverage industry includes product taste, social groups and price of the product. Advertisement has little influence while switching costs are not a relevant factor for consideration in this context. From the study sample, 56.4% of consumers have switched their brands in the last one year, this is indicative of a high switching rate amongst consumers. The results provide insights regarding how consumers' respond to competitor inducements in the industry. Furthermore, an understanding that higher commitment consumers could resist inducement for a brand switch is inferred. Also, this research suggests that consumers' decision for a brand switch extends beyond pure economic benefits. It is

therefore a call on managers of alcoholic beverage firms to restructure their differentiation and positioning strategies in a competitive way focusing on innovation and creativity so as to have highly satisfied customers leading to brand loyalty.

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## APPENDIX

<b>Brand switch in the last one year</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	106	56.1	56.3	55.3
	No	82	43.4	43.6	98.9
	Total	188	99.5	100.0	
Missing	System	1	.5		
Total		189	100.0		

<b>Influence on brand switching</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Advertisement	24	12.7	17.0	17.0
	Product taste	75	39.7	53.2	70.2
	Price	15	7.9	10.6	80.9
	Social group	16	8.5	11.3	92.2
	Switching costs	11	5.8	7.8	100.0
	Total	141	74.6	100.0	
Missing	System	48	25.4		
Total		189	100.0		