

# ST. MARY'S UNIVERSITY



**SCHOOL OF GRADUATE STUDIES**

**DEPARTMENT OF MARKETING MANAGEMENT**

**ASSESSING THE INFLUENCE OF MARKETING MIX  
ELEMENTS ON CUSTOMER SATISFACTION: - THE CASE OF  
DASHEN BREWERY S.C IN ADDIS ABABA**

**BY: TILAHUN TEKU**

**JUNE, 2020**

**ADDIS ABABA, ETHIOPIA**

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## **DECLARATION**

I, Tilahun Teku, here declare that the work in this research study entitled “Assessing the influence of Marketing Elements on Customer Satisfaction: The case of Dashen Brewery Share company in Addis Ababa” is my own original work and all the sources of materials used for this study have been identified and duly acknowledged. This research study has not been previously submitted in full or partial fulfillment for any degree in this university or any other recognized education institution. This research study is being submitted in partial fulfillment of the requirement for Master of Arts Degree in Marketing Management.

By: Tilahun Teku

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Date: \_\_\_\_\_

## **ENDORSEMENT**

This is to clarify that Tilahun Teku carried out his thesis on Assessing the influence of marketing mix elements on customer satisfaction in the case of Dashen Brewery S.C and submitted in partial fulfillment of the requirements for the award of the degree of masters of Art in Marketing Management at St. Mary University School of Graduate studies for examination with my approval as a University advisor.

Dr. Tesfaye Wolde

Signature\_\_\_\_\_

Date \_\_\_\_\_

# Table of Contents

<b>DECLARATION</b> .....	i
<b>ENDORSEMENT</b> .....	ii
<b>ACKNOWLEDGMENT</b> .....	vii
<b>LIST OF ACRONYMS</b> .....	viii
<b>LIST OF TABLES</b> .....	ix
<b>LIST OF FIGURES</b> .....	x
<b>ABSTRACT</b> .....	xi
<b>CHAPTER ONE</b> .....	1
<b>INTRODUCTION</b> .....	1
<b>1.1. Background of the Study</b> .....	1
<b>1.2. Statement of the Problem</b> .....	3
<b>1.3 Research Question</b> .....	4
<b>1.4. Research Objectives</b> .....	5
<b>1.4.1 General Objectives</b> .....	5
<b>1.4.2. Specific Objectives</b> .....	5
<b>1.5. Hypothesis</b> .....	5
<b>1.6 Definition of Terms</b> .....	5
<b>1.7. Significance of the Study</b> .....	6
<b>1.8. Scope and Limitation of the Study</b> .....	6
<b>1.8.1 The scope of the study</b> .....	6
<b>1.8.2 Limitation of the study</b> .....	6
<b>1.9 Organization of the Study</b> .....	7
<b>CHAPTER TWO</b> .....	8
<b>LITERATURE REVIEW</b> .....	8
<b>2.1 Definition and Concepts of Marketing</b> .....	8
<b>2.2 Marketing Mix</b> .....	8
<b>2.2.1 The product</b> .....	9
<b>Product Quality</b> .....	9
<b>The Product Strategy</b> .....	10
<b>Branding, Packaging and Labeling</b> .....	10
<b>Why Some Products Fail and Others Succeed?</b> .....	11

<b><u>2.2.2. The price Strategy</u></b> .....	<b>12</b>
<b><u>Pricing objectives, strategy and methods</u></b> .....	<b>13</b>
<b><u>Methods for price your product</u></b> .....	<b>13</b>
<b><u>Discount and Allowance pricing</u></b> .....	<b>14</b>
<b><u>2.2.3. Distribution (Place)</u></b> .....	<b>15</b>
<b><u>A. Channel of Distribution</u></b> .....	<b>15</b>
<b><u>B. Physical Distribution</u></b> .....	<b>17</b>
<b><u>2.2.4. Promotion</u></b> .....	<b>17</b>
<b><u>The Promotional Mix</u></b> .....	<b>18</b>
<b><u>Types of Promotional tools</u></b> .....	<b>19</b>
<b><u>2.2. Definition and Concepts of Customer Satisfaction</u></b> .....	<b>20</b>
<b><u>2.2.1 The concept of customer satisfaction</u></b> .....	<b>20</b>
<b><u>2.2.2. Definition of Customers' Satisfaction</u></b> .....	<b>20</b>
<b><u>Determinants of Customer Satisfaction</u></b> .....	<b>21</b>
<b><u>2.2.3. Why Organizations Focus on Customer Satisfaction</u></b> .....	<b>22</b>
<b><u>2.2.4. How to Measure Customer Satisfaction: Overall Measures of Satisfactions</u></b> .....	<b>22</b>
<b><u>2.2.5. Key Performance Indicators of Customer Satisfaction</u></b> .....	<b>23</b>
<b><u>2.3. Conceptual Frame Work</u></b> .....	<b>26</b>
<b><u>CHAPTER THREE</u></b> .....	<b>27</b>
<b><u>RESEARCH DESIGN AND METHODOLOGY</u></b> .....	<b>27</b>
<b><u>3.1 Research Design</u></b> .....	<b>27</b>
<b><u>3.2 Research Approach</u></b> .....	<b>27</b>
<b><u>3.2.1 Types of Mixed Method Design</u></b> .....	<b>27</b>
<b><u>3.3 Target Population</u></b> .....	<b>28</b>
<b><u>3.4 Sampling Techniques</u></b> .....	<b>28</b>
<b><u>3.5 Source of Data</u></b> .....	<b>29</b>
<b><u>Primary Data</u></b> .....	<b>29</b>
<b><u>Secondary Data</u></b> .....	<b>29</b>
<b><u>3.6 Data Collection Method</u></b> .....	<b>30</b>
<b><u>3.7 Data Analysis</u></b> .....	<b>30</b>
<b><u>3.8 Validity, Reliability and Ethical consideration</u></b> .....	<b>31</b>
<b><u>3.8.1 Validity</u></b> .....	<b>31</b>

<b>3.8.2 Reliability</b> .....	31
<b>3.8.3. Ethical consideration</b> .....	32
<b>CHAPTER FOUR</b> .....	33
<b>DATA ANALYSIS AND PRESENTATION</b> .....	33
<b>4.1 Introduction</b> .....	33
<b>4.2 Respondents' Profile</b> .....	33
<b>4.3 Marketing Mix's</b> .....	34
<b>4.3.1. Product</b> .....	35
<b>4.3.2. Pricing</b> .....	37
<b>4.3.3. Promotion</b> .....	39
<b>4.3.4. Place (distribution)</b> .....	41
<b>4.4 Variable analysis</b> .....	42
<b>4.4.1 Mean and Standard Deviation</b> .....	43
<b>4.4.2 Correlation Test between Study Variables</b> .....	44
<b>4.4.3 Measurement of Reliability</b> .....	45
<b>4.5 Assumptions for Testing Regression Analysis</b> .....	46
<b>4.5.1 Normality Test</b> .....	46
<b>4.5.2 Linearity Test</b> .....	47
<b>4.5.3 Multicollinearity Test</b> .....	48
<b>4.5.4 Homoscedasticity Test</b> .....	49
<b>4.5.5 Independent of Residuals</b> .....	50
<b>4.6 Regression Analysis</b> .....	51
<b>4.7 Hypothesis Testing</b> .....	54
<b>CHAPTER FIVE</b> .....	57
<b>SUMMARY, CONCLUSION AND RECOMMENDATION</b> .....	57
<b>Introduction</b> .....	57
<b>5.1 Summary of Major Findings</b> .....	57
<b>5.2 Conclusion</b> .....	58
<b>5.3 Recommendations</b> .....	58
<b>References</b> .....	60
<b>APPENDIX</b> .....	63
<b>Appendix A</b> .....	64

**Appendix B..... 70**

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## **LIST OF ACRONYMS**

4Ps: Product, Price, Promotion, and Place

AMA: American Marketing Association

ANOVA: Analysis of Variance

DBSC: Dashen Brewery Share Company

EBA: The Ethiopian Broadcasting Authority

SC: Share Company

SPSS: Statistical Package for Social Science

WTO: World Trade Organization

## LIST OF TABLES

TABLE 4. 1: AGES OF RESPONDENTS .....	33
TABLE 4. 2: RESPONDENTS' GENDER .....	34
TABLE 4. 3: RESPONDENTS OCCUPATIONAL BACKGROUND .....	34
TABLE 4. 4: CUSTOMERS RESPONSE REGARDING PRODUCT .....	35
TABLE 4. 5: CUSTOMERS RESPONSE REGARDING PRICE .....	37
TABLE 4. 6: CUSTOMER RESPONSES REGARDING PROMOTION.....	40
TABLE 4. 7: CUSTOMERS RESPONSE REGARDING PLACE (DISTRIBUTION).....	41
TABLE 4. 8: DESCRIPTIVE STATISTICS OF VARIABLES.....	43
TABLE 4. 9: CORRELATIONS ANALYSIS .....	44
TABLE 4. 10: MEASURE OF INTERNAL CONSISTENCY- CRONBACH'S ALPHA FOR ALL VARIABLES ..	46
TABLE 4. 11: MULTICOLLINEARITY TEST .....	49
TABLE 4. 12: INDEPENDENCE OF RESIDUALS TEST .....	50
TABLE 4. 13: REGRESSION MODEL SUMMARY .....	52
TABLE 4. 14: ANOVA OF THE MODEL .....	52
TABLE 4. 15: REGRESSION COEFFICIENTS OF INDEPENDENT VARIABLES.....	53
TABLE 4. 16: SUMMARY OF HYPOTHESIS .....	56

## LIST OF FIGURES

FIGURE 1: CONCEPTUAL FRAMEWORK.....	26
FIGURE 2: HISTOGRAM FOR NORMALITY TEST .....	47
FIGURE 3: TEST FOR LINEARITY OF DATA.....	48
FIGURE 4: SCATTER PLOT TO TEST HOMOSCEDASTICITY .....	50

## **ABSTRACT**

*The main objective of the study is to assess the influence of marketing mix elements on customer satisfaction of the Dashen Brewery S.C. For achieving the study objectives, both qualitative and quantitative research methods are used. Primary data were collected through the use of structured and unstructured research questionnaire, 384 sample respondents were selected through non-probable convenient sampling technique. Accordingly, data were collected through self-administered questionnaire from sample respondents. Out of 384 respondents, workable data were obtained from 361 respondents. The Data was analysed using SPSS software (version 26.0) to obtain descriptive statistics, comparing mean scores (i.e. independent t-test and ANOVA) and other analyses (i.e. correlation analysis and multiple linear regressions). The results of this study indicate that, all the 4Ps marketing mix elements (product, price, promotion and place) have positive correlation with Customer Satisfaction. The finding of this study also indicates that Product, place and promotion have a strong positive relation and significant effect on customer Satisfaction. On the contrary, Price have negative and insignificant effect on Customer satisfaction. Product has the strong indicator of Customer satisfaction followed by place, promotion and price. It was therefore recommended that DBSC should retain its current marketing strategies in Addis Ababa because they have positive influences on consumers' satisfaction. Also, that DBSC should evolve other marketing strategies such as, give discounts to create and sustain customers' loyalty and create customers friendly outlets to directly keep in touch with many small customers.*

**Keywords:** *Marketing Mix, Product, Price, Promotion, Place, and Customer Satisfaction*

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

With a growing competition in domestic and international markets, more demanding and assertive customers, rapid advancement in technology and changing government policies and laws the marketing environment has changed dramatically and its becoming more unstable. Companies can win the competition by doing a better job in order to satisfy the customers' needs and wants, and customer-centered companies are adept at building customers not just building a product (Johansson J, 2000)

Customer satisfaction is a person feeling of pleasure or disappointment resulting from comparing a product's perceived performance (outcome) in relation to his/her expectation (Kotler P and Armstrong G, 2010). It may be clear from the above definition customers' satisfaction is a function of perceived performance and expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied, and if the performance exceeds expectations, the customer is highly satisfied or delighted.

Customer satisfaction is influenced by many factors such as service quality and price. However, quality had a long term impact on the satisfaction of customers (Ahmed et al., 2010). Atalik and Arslan (2009) found that creating value and offering quality of service offered to customer creates loyal customers.

In order to succeed in any business and especially in today's dynamic and rapidly evolving marketplace, marketers need to know everything about consumers. Peter and Olson (2010) "Marketers who have a thorough understanding of the consumer decision making process are likely to design products, establish prices, select distribution outlets, and design promotional messages that will favorably influence consumer purchase decisions" (Leon G. Schiffman, 2007).

Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives. (Kotler P) Providing superior customer value requires the organization

to do a better job of anticipating and reacting to customer needs than the competition does (Del I. Hawkins David L. Mothersbaugh.) . The Marketers need to think the method of winning, retaining, in general, satisfying customers from various ways which will lead to organizational success. To do so, the elements of marketing mix (product, price, promotion and place) serve as the most crucial tools for meeting the company's objective together with satisfying customers through effective utilization of them. These variables are controllable variables by marketers.

According to McGraw, (2004) states that the marketing mix is the tools organizations use to develop offerings to satisfy their target market(s). If your marketing mix doesn't meet their needs, they won't be satisfied-and if they aren't satisfied, you are unlikely to meet your objectives .Thus, the more the marketer is effective in combining the four elements of the marketing mix, the more the customers are satisfied and stay loyal, and as a result, the more the profitable sales of the product should result.

In order to create a successful marketing mix strategy, it must reflect desires of the consumers in the target market. The company should constantly compare the value and customer satisfaction delivered by its products, prices, distribution channels and promotion with those of its close competitors. By doing this, the company can identify areas of potential advantage and disadvantage. By the competitor analysis the company can start to formulate their marketing mix strategies (Kotler, 2002).

Brewing has been mentioned in history as early as Egyptian times and has continued on to the present day with relatively few changes to the basic recipe. Beer is the world most widely consumed alcoholic beverage; it is the third-most popular drink overall, after water and tea. Malted barley is the main ingredient, which, when milled and heated in water to extract its nutrients, provides a nourishing sugar- and protein-rich solution named wort (pronounced wert), an ideal medium in which yeast may grow and ferment. In comparatively recent times hops were added to the boiling wort as it was discovered that hops had antibacterial properties which preserved the wort and fermented beer and which gave the beer a refreshing bitter taste.

Ethiopian Brewery Company as a result of the country continuous economic development, the beer market of Ethiopia exposing an amazing increasing trend every year. Especially in recent five years, the industry shown more than a 15% increment trend each year and expected to grow in the

future. Because of this attractive industrial growth new domestic and foreign investors are investing in the sector (Dashen brewery annual report, 2012). This makes the competition stiff and brewery companies should have sound marketing mix strategy to satisfy their consumers. Currently, there are eight breweries in Ethiopian namely BGI, Dashen, Harar, Meta, Bedele Habesha, Waliya, and Anbesa. In addition to this, The Ethiopian Broadcasting Authority (EBA) sent a warning letter concerning brewery advertisement and sponsor credit to five broadcasting media outlet on 30<sup>th</sup> March, 2016. For this reason brewery company's in Ethiopia are not allowed to advert on broadcasting media which indicates that the competition is becoming quite big.

There are some studies conducted on the issue. One can be a study in Thailand by Sankrusme (2011) entitled "Marketing strategy competition among beer companies before liquor liberalization". The study shows that company entered the market with a strategy of combining their beer with local liquors through agents that were available throughout the country together with advertising. Advertising via television attracted consumers in a broad scope complementing its cheap price due to selling local liquors with their beer.

Other Studies are conducted, Tilahun Negash (2017) had conducted research under the title "Assessment of Marketing Strategy Practice in the Case of Raya Brewery S.C." explores the practice of Marketing Strategy by the company to fulfill customers need and wants and to satisfy customers . He clearly stated that the marketing mix analysis has the dignity to help the company implement the right marketing strategies to satisfy and penetrate the company's customer groups which is phrased at target market. According to the findings of a study conducted by Tilahun Negash (2017) show that the findings the company should constantly alter the sub elements of each marketing mix to successfully compete with its competitions and offer the greatest value to its customers.

It is Appreciated that the attempt of the company to increase customer satisfaction by assessing its marketing strategy. Therefore, this study aims to assess the practice of marketing mix elements by the DBSC in Addis Ababa to increase customers Satisfaction of the target market.

## **1.2. Statement of the Problem**

Customer satisfaction is influenced by various factors such as service quality, price and quality of the product also the distribution. Therefore A firm should concentrate on the improvement of the

marketing strategies to satisfy and penetrate the company's customer groups which is phrased as target markets and the company should constantly alter the sub elements of each marketing mix elements to successfully compete with its competitors and offer the greatest value to its customers.

Customer satisfaction is a very vital and it is a determinant factor for the long term survival of any business organization (Jeans F, 2004). That is the traditional thinking to get profit through increasing volume of sales should be changed to the thinking that profit should be made from customer satisfaction. So in today's competitive business world it has come out as a decisive factor for the success or failure of business objectives. For this reason companies meeting their customers' needs and wants are enjoying the market with the customer loyalty and getting positive response for their product. But without satisfying customers the above mentioned marketing success could be unthinkable. There are a growing number of customer complaints on the factory products that produces. A Number of reasons are behind these customer d discontents. Whatever the reasons may be, once the customer is dissatisfied, it would be very difficult to gain their trust back. In this regard, a research should be carried out to urge a major reform, to assesses the root causes of the problem and get the problem solved.

Many researchers like Dereje, B.V. Prasada & Wako. (2014), Owomoyela, Olasunkanmi & Oyeniyi (2013) providing the importance of marketing mix strategy for customer satisfaction and customer loyalty respectively. Their research and other may shows impact of marketing mix on customer satisfaction not the level to what extent the customers are satisfied with regard to the marketing mix utilized by the organization.

Though this study will help to fill the gap related to the Company products and its level of customer satisfaction with regard to the product, the price charged, the promotion and available placement (distribution) utilized by the Dashen Brewery S.C.

### **1.3 Research Question**

For the purpose of this study, the following research questions have been administered. These questions will guide the research and the researcher.

1. To what extent the factory's product strategy influences customers?
2. How the company practiced the pricing objectives, strategy and methods to satisfy customer requirements?

3. How do customers evaluate the promotion utilized by the company associated with ethical considerations?
4. To what extent the company's distribution strategy influences customers?

## **1.4. Research Objectives**

### **1.4.1 General Objectives**

The General objectives of the study is to assess the influence of marketing mix elements on customer satisfaction of the Dashen Beer S. Company.

### **1.4.2. Specific Objectives**

1. To determine the extent to which product strategy of the Company affect customer satisfaction.
2. To understand pricing objectives, strategy and methods applied by the company affect customers
3. To examine how the promotion of the company strategy affect customer satisfaction.
4. To determine the extent to which distribution strategy of the Company affect customer satisfaction.

## **1.5. Hypothesis**

The researcher develops the following hypotheses for the study:

- ❖ H1: Product has a significant and positive impact on customer satisfaction
- ❖ H2: Price has a significant and positive impact on customer satisfaction
- ❖ H3: Promotion a has significant and positive impact on customer satisfaction
- ❖ H4: place has a significant and positive impact on customer satisfaction

## **1.6 Definition of Terms**

► Marketing:- is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value to each other's.

► Product: - a product is anything that can be offered to a market for attention, use or consumption that satisfies a want or need.

- ▶ Price: - it is probably the single most important decision in marketing and it is the mechanism which ensures that the two forces (demand and supply) are in equilibrium.
- ▶ Promotion: - it is a marketing activity that disseminating information about a product, products line, brand, or the company.
- ▶ Distribution:- it is the set of firms and individuals that take title or assist in transferring title to a good or service as it moves from the producer to the consumer.
- ▶ Customer Satisfaction: - It is defined as a result of a cognitive and effective evaluation, where some comparison started is compared to the actually perceived performance.

## **1.7. Significance of the Study**

the motivation for undertaking this study is will premised on the belief that significantly, it will helps the company to know its customer satisfaction level with regard to the product, setting price, promotion and placement (distribution) of the factory that will move in parallel with the changing customers' need and wants, Also it will generate knowledge and enhance social researches in the future and helpful literature reference for related researches. Furthermore, the research will conducting a research with identified problems, and contributed further explanations for studies on the subject matter.

## **1.8. Scope and Limitation of the Study**

### **1.8.1 The scope of the study**

The scope of the study will limit to the marketing mix elements practiced in only Dashen Brewery S. Company. The study concentrated only in Addis Ababa. The study involves the corporate sales and marketing department of the company and it includes the 4p's (marketing mix strategy) to achieve its stated goals.

### **1.8.2 Limitation of the study**

The outcome of the study should be understood having the following limitations in mind: as the case in marketing research, the researcher also studies the customer behaviors that are rational. Sometimes, they may not express their feelings correctly what they think. In such cases, their habits, practices, references cannot be assessed without limitation of bias.

## **1.9 Organization of the Study**

This study is divided in five chapters. The first chapter contains the introduction part. The second chapter will present related theories and literature. The third chapter contains research methodology and design used in this study. In chapter four the data collected during the data collection process will be presented that is it contains an analysis of the empirical data. Finally chapter five will present the summary of findings, conclusion and recommendations, and limitation and implications for further research.

# CHAPTER TWO

## LITERATURE REVIEW

### 2.1 Definition and Concepts of Marketing

The most basic concept underlying marketing is that of human needs. A human need is a state of felt deprivation. Therefore, human beings try to satisfy these needs by exchanging goods and services with other interested parties. Thus, the concept of exchange leads to the concept of a market. (Kotler P and Armstrong G, (2010) defines a market as: “A public gathering consisting of all the potential customers sharing in exchange to satisfy that needs or wants”.

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. (P. Kotler, G. Armstrong, J. Saunders, V. Wong, 1999)

According to American Marketing Association (AMA) in 1985 defined Marketing; Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.

Marketers have four tools to use to develop an offering to meet the needs of their targeted customers. Collectively they are called as the marketing mix (Product, Price, placement and promotion). The basic idea is first the product of the factory produced, then setting the affordable price, and then promoting that product on the basis of customer's media habit and finally distributes the product on the targeted customers.

### 2.2 Marketing Mix

Marketing mix as the set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its product. The many possibilities gather into four groups of variables known as the 'four Ps'; product, price, place And Promotion. (P. Kotler, et al, 1999).Marketing as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.

### **2.2.1 The product**

According to Kotler product is defined as anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need (Kotler, 2005). Product classification can help marketers to focus their efforts and attentions based on the consumers' behavior, products broadly classified as consumer products that are bought by the final consumer for personal consumptions and business products are sold to other businesses as or used to produce other products.

Product is either physical product or service, including variety of product mix, features, designs, packaging, sizes, services warranties and return policies (Londre, 2009). The attributes of products, including brand name, quality, newness, and comfort, can affect the consumer behavior in addition the physical appearance of the product, packaging and labeling can also influence whether consumers notice a product in store, examine it, and purchase it (Owomoyela S K, 2013). If two competing brands of beers were equally priced most consumers would be inclined to buy the brand with the highest quality. As researches indicated many consumers take in to consideration quality in deciding which brand to buy.

### **Product Quality**

Product quality is the overall characteristics of a product that allow it to perform as expected in satisfying customer needs (Jean F, 2004). Level of quality is the amount of quality possessed by a product and consistency of quality is the degree to which a product is the same level of quality overtime. It can also be compared across competing products. Therefore, simply we can say that quality is the satisfaction for customers and it is an investment for owners.

Poor product quality can destroy the reputation of your company's products, but in most cases has an even more serious impact-when people see a company put out poor quality products, they strongly associate those poor quality products as coming from a poor quality company. A company that attains good reputation for the quality of its products and able to build the confidence of its customers and attracts them not only earns personal satisfaction and benefit but also contributes to the country's economic development" (Quality and Standards Authority of Ethiopia, Dec, 2003). Thus, we can interpret that poor quality products imply a poor quality company. One important point what we have to know is that products fail for a variety of reasons

such as failure to match product offering to customer needs, therefore, in order to protect such problems effective planning and management systems are critical that will be successful.

## **The Product Strategy**

The product strategy, the route by which to reach your long term product objectives will need to be developed specifically for each product or service. But, in general there are said to be four basic products strategies for growth in volume and profit: (Kotler P and Armstrong G, 2010, .pp. 29-35).

- ◆ Market penetration: the most frequently used strategy is to take the existing product in the existing market and try to obtain improved penetration of that market
- ◆ Product development: this involves a relatively major modification of the product or service, such as quality, style, performance, variety and so on.
- ◆ Market development: this depends on finding new uses for the existing product or service by taking it in to entirely new markets.
- ◆ Diversification: this quantum leap to a new product and market, involves more risk, and is more normally undertaken by organization which find themselves in markets which have limited, often potential.

## **Branding, Packaging and Labeling**

When conceiving, developing and managing its products, a firm needs to make and enact a variety of decisions regarding the brand, package and labels used with each item.

### **1. Branding**

A brand is a name, term, design, symbol, or other features that identifies the goods and services of one seller from those of other sellers (Armstrong, 2009, pp. 21). Marketers should realize that the more customers equate quality with their brands, the more they will buy. Consumers simply do not purchase brands that they either do not recognize or do not trust, no matter how much promotional activity is put behind them (Engle,2004,pp.29-31). Therefore, managers need to brand their products in the best way possible to gain brand awareness by uses in a better way than competitors.

## 2. Packaging

Packaging is the activity of designing and producing the container or wrapper for a product (McDonald, 2004). Since in recent times, packaging has become a potential marketing tool, a company needs to design the package for the safety of the product, to make the product identifiable, and to make it more appealing so as to increase profit.

## 3 Labeling.

A label is a tag or sticker attached to a container or package that provides information about the seller or the manufacture (McDonald, 2004). Labeling performs several functions:

- It identifies the product or brand and might also grade the product.
- It also convey such information as who made it, where it was made, when it was made, what it contains, how is it to be used, and how to use it safety . But one thing what we have to know is that misleading information is illegal action. Therefore, careful labeling should be necessary for the factory.

## **Why Some Products Fail and Others Succeed?**

According to Kurtz and Boone (2007), states that in general, consumer products fail more often than business products. Products fail for a variety of reasons:

- ▶ One of the most common reasons a product fails is failure to match product offerings to customer needs.
- ▶ Ineffective or inconsistent branding has also been blamed for product failures.
- ▶ New products sometimes fail because of poor timing, technical or design problems, over estimation of market size, poor promotion, or insufficient distribution.

When examining the problem of product failure, it is important to distinguish the degree of failure.

Absolute failure:-occurs when an organization loses money on a new product because it is unable to recover development, production, and marketing costs; therefore, the product is usually deleted.

Relative product failure:-occurs when a product returns a profit, but does not meet a company's profit or market share objectives; repositioning or improving the product might make this product a success.

Therefore, for a new product to be successful, it must provide a significant and perceivable benefit to a sizable number of customers. Effective planning and management are also critical to launch a new product that will be successful. Today successful product management is more important than ever before. Good product decisions are more critical than ever. Technology is changing rapidly. Products are developed, get adopted, and are replaced by better products at a fast pace. In addition, competition in the global marketplace makes it essential for firms to continuously offer new choices for consumers if they are to remain competitive with companies all around the world.

### **2.2.2. The price Strategy**

Price differs from the other three marketing mix; Product, distribution and promotion are all part of the process of providing something satisfying to the customer which contributes to the product being value to customers. Value refers to the benefits or satisfactions of needs and wants. Price mix includes retail/wholesale price, discounts, trade-in allowances, quantity discounts, credit terms, sales and payment periods (Londre, 2009). Other competitive factors being equal the further the price is above the industry average is the harder for a company to use non price enticements such as quality to overcome consumer resistance to higher prices. On the other side companies should take due consideration on the effect of the lower price not to be negated by the other factors, since low price alone will not attract buyers (Arthur A. Thompson, 2010).

According to Jean F, (2004) if the price is too high, and the market is competitive, sales may be correspondingly reduced. Indeed many economists would see price as the main determinants of sales volume. "On the other hand, many of the most sophisticated marketers have found ways to reduce the impact of price (Kurtz and Boone, 2007). Therefore, you need to balance the costs of producing a product with competition and the perception of your target customers to select the right product price. That is the reason why pricing takes creativity, time, research, good record keeping and flexibility.

## **Pricing objectives, strategy and methods**

Many pricing objectives are available for careful consideration. The one you select will guide your choice of pricing strategy. You will need to have a firm understanding of product attributes and the market to decide which pricing objectives to employ. Your choice of an objective does not tie you to it for all time. As business and market conditions change, adjusting your pricing objective may be necessary or appropriate.

The most important elements of an effective market strategy are the ability to maximize and protect the price of the product. Since price is the final measure of customer value and competitive advantage.

## **Methods for price your product**

### **A. Cost based pricing**

To calculate products cost you need to include the cost of production, promotion and distribution. Add the profit level you want from the business to the product cost subtotal to determine your product price. The amount of profit you add to the product cost subtotal can be set according to three different methods (a profit percentage with product cost, add a percentage to an unknown product cost and blend of total profit and product costs). Each of the three costs based pricing methods described begin with a product cost subtotal (Kotler, 1996). There for, the company designs what it considers being a good product, totals the cost of making the product, and sets a price that covers costs plus a target profit.

### **B. Competition based pricing**

Consumers will base their judgments of a products value on the prices that competitors charge for similar products (Kotler, 1996). The big advantage of competition based pricing is that you are focused on your industry and therefore your competition. An industry focus looks closely at the types of existing and emerging competition. Once you know what your competitors are doing, you can better decide how you will manage your business.

### **C. Customer based pricing**

Most business owners want to know “at what price do my customers think my product offers good value?” knowing your customers ensures you take a market focus with your business. You need to find out how your customer feels about various product prices and what they would do if the price changed. Customers change their buying habits according to product price. As a seller you need to find out how your target customers view your product and customer attitudes towards various prices or a price change (Kotler, 1996). As a result, pricing begins with analyzing consumer needs and value perceptions, and price is set to match consumers’ perceived value.

### **Discount and Allowance pricing**

Having set the overall price, the suppliers then has the option of offering different prices (usually on the bases of a discount) to cover different circumstances. The types of discounts and allowances most often offered are:

- Trade Discount- Members of supplier’s distribution chain (for example retailers and wholesalers) will demand and payment for their services (Kotler and Armstrong, 2010, .pp. 29-30).
- Quantity Discount-these who offer to buy larger quantities of the product or service are frequently given incentives). Sellers use the quantity discount to encourage buyers to buy more. This in turn can help the seller to reduce their own production costs, which can help reduce price for the buyers (Kotler and Armstrong, 2010, .pp. 31).
- Cash Discount- Where credit is offered, it is sometimes decided to offer an incentive for cash payment or for prompt payment (Kotler and Armstrong, 2010, .pp. 32-33).
- Seasonal Discount- Suppliers to markets which are highly seasonal (such as holiday market) will often price their product or service to match the day and with the highest prices at peak demand (Kotler and Armstrong, 2010, .pp. 35-36).
- Trade Allowances -In the durable goods market suppliers often attempt to persuade consumers to buy a new pieces of equipment by offering allowance against trade-in of their old one(Kotler and Armstrong, 2010, .pp. 40-41). Generally speaking, these are simply hidden discounts targeted at a group of existing competitive users.

- During Holiday seasons-simply the holidays is an annual festive period that surrounds Christmas and various other holidays (Kotler and Armstrong, 2010, .pp. 45-46).
- Defective products are among those purchased products- are also one of the seasons that price discount takes place.

From the above different types of discounts and allowances we can conclude that, discounts and allowances are reductions to the selling price of goods or services, they can be applied anywhere in the distribution channel between the manufactures, middlemen distributors, whole sellers, or retailers, and retail customer. Typically, they are used to promote sales, reduce inventory, and reward or encourage behavior that benefit the issuer of the discount and allowance. Thus, the company should focus the above price discount of seasons in order to serve and satisfy those customers in the best way and then in the long term the company achieving high profit from these price discounts.

### **2.2.3. Distribution (Place)**

Place, also known as Distribution, is a mechanism through which goods and services are moved from the service provider and manufacturer to consumer. Place mix includes distribution channels, warehousing facilities, mode of transportation and inventory control management.

It is the fact that the objectives of distribution channel is to make the products effectively available to the greatest possible number of users at the lowest possible distribution and selling cost. The field of distribution is made up of two distinct branches: channel of distribution and physical distribution that will be discussed as follow.

#### **A. Channel of Distribution**

Channel of distribution consists of a network of intermediaries those managers that manage the flow of goods and services from the producer to the final customer. The distribution system consists of channel intermediaries that provide a link between producers and final consumers. The idea that marketing system uses channels that maximizes efficiency and effectiveness, minimizes costs, and delivers the greatest customer satisfaction (Kotler and Armstrong, 2010: pp.: 87).

▶ Merchant middlemen: include merchant wholesalers and retailers who take title to and resell the goods.

▶ Agent middlemen: include agents, brokers and manufacturer's sales branches and offices who do not take title to the goods involved. They rather negotiate purchase, sales or both.

The longest most indirect channel includes producer, one or more wholesalers or agents, retailers and consumers. This channel is the most appropriate when the producer's objective is to achieve maximum market penetration with intensive distribution. The shortest channel, from producer to consumers, offers the most direct and quickest distribution route because no intermediaries are involved. It is easiest to manage and control (Anderson and Vince, 2000).

### **Selecting Channel of Distribution**

Some basic criteria must be established for selecting each channel intermediary. According to Engle (2009), four factors dominate the criteria including a channel member in to the company's distribution structure:

→Market Coverage- channel intermediaries should be selected for their ability to achieve the company's distribution objective of reaching the greatest number of potential customers with the fewest transaction.

→Degree of control desired- there is a potential loss of control when channel intermediaries are used. Thus, the marketer must make decisions concerning the degree of control desired over the marketing of the firm's products.

→Costs and other economic criteria- the cost of achieving desired market coverage must be consistent with distribution strategy objectives and should not be greater than the benefits to the company and its customers.

→Flexibility/Adaptability- the manufacturer must be able to respond to change in the market or the company. So a channel of distribution involves an agreement of exchange relationships that create value for buyers and sellers through the acquisition of goods and services.

## **B. Physical Distribution**

Physical distribution involves planning, implementing, and controlling the physical flows of materials and final goods from points of origin to points of use to meet customer needs at a profit (Engle, 2009). The starting point for designing the physical distribution system is to study what customers want and what competitors are offering.

There are a number of decisions that should be undertaken by the marketing executives of an organizations concerning physical distribution that affect customer satisfaction. They are described by Palmer (2000) as follows:

**Order processing:** Physical distribution begins with a customer order. The order department prepares multi copy invoice and dispatches them to various departments. Items out of stock are back ordered. Shipped items are accompanied by shipping and billing documents with copies going to various departments.

**Ware Housing:** It involves the physical facilities used primarily for storage of goods held in anticipation of sales and transfers with in a distribution channel. Every company has to store its goods while they wait to be sold. A storage function is necessary because production and consumption cycles rarely match. The company must decide on a desirable number of stocking locations.

**Inventory:** Inventory level represents another physical-distribution decision affecting customer satisfaction. Marketers would like their companies to carry enough stock to fill all customer orders immediately. The intent of inventory management is to provide a continuous flow of goods and to match the quantity of goods in inventory as closely as possible with sales demand.

**Transportation:** Marketers need to take an interest in their company's transportation decisions. The choice of transportation carrier will affect the pricing of the products, on-time delivery performance and the conditions of the goods when they arrive all of which affect customer satisfaction (Palmer, 2000).

### **2.2.4. Promotion**

Promotion activities are meant to communicate and persuade the target market to buy the company's products (Singh, 2012). Marketer needs to plan strategies to attract the present and

potential customers to the product. Product awareness with wholesalers, retailers, suppliers and others is made through various communication tools. The customer awareness is mostly done through company image and publicity. The message for the promotion is designed to get attention, hold the interest, arouse desires, and to perform action to buy. An appropriate tools must be designed for promotion, the most popular tools are advertising, sales promotion, public relation and publicity, sales force and direct marketing (Arachchige, 2002).

According to Keller (2005) before a business can be successful, it must attract people in buying its goods or services. Even though the product is available or where it can be purchased, customers will not usually know what the product does or how it is performing than other products they are currently using (ibid, pp. 43).

Thus, particularly a business uses a produce promotion in order to convince prospects to select its products or services instead of competitors. If the marketer effectively combines the four elements of the marketing mix, the more customers are satisfied and stay loyal, and as a result the more profitable sale of the product should result (ibid, pp. 98).

Therefore, promotion is necessary for the success in serving customers. Consumers also benefit from promotion because it is through this process that they determine which product or service will satisfy their needs.

### **The Promotional Mix**

Promotions encompasses the five forms of promotional mix-advertising, personal selling, sales promotion, publicity and public relations, which are available to marketing managers who are trying to influence the behavior and attitudes of existing and potential customers towards the marketer's company product and brands. These elements, in addition to attracting a new customer, can also be used to maintain customers and satisfy them on the purchase decision that they have made (Palmer, 2000).

The above-mentioned forms of promotion are interdependent. This means the success of the promotion is dependent up on the success of each form of promotion. Advertising will not succeed unless good personnel selling and sales promotion support it. Marketers must work hard to communicate openly and honestly with consumers and resellers. Consumers base their expectations on information they receive from marketers, friends and any other sources. If the

marketer exaggerates the product performance through its promotional tools, consumer expectations will not be met, and dissatisfaction will result. This suggests that marketers should make product claims that faithfully represent the product's performance so that buyers are satisfied.

Finally, promotion goes beyond afore-mentioned promotional tools. The product design, its price, the shape, color of its package and the stores that sell it. Thus, although the promotion mix is the company's primary communication activity, the entire marketing mix-promotion and product, price, and place must be coordinated for greatest impact (Harker, 2009).

### **Types of Promotional tools**

Communication is essential nowadays; we communicate with friends, relatives, family, colleagues etc. The media communication is very important in our society. Through media, we can be influenced. Media can make a person drink a certain juice or alcohol or go to a certain store. Commercials and constant attention and interest in something in particular, in the end, make others follow it or try it (McGraw, 2004).

Some of a few types of media communication as depicted bellow:

- ▶ Televisions:- Television news usually tells fewer stories in few worlds. And the producer decides which stories to include in news casts, how long they should be and in what order they appeal.
- ▶ Radio: - radio stations can be great for reaching a wide audience their news departments usually covers news with the smallest staffs, in the shortest time for each story, and with the most frequent deadlines.
- ▶ Magazine and other publication: - are a way to read a very specific audience with a story. These publications are typically organized around an interest group such as business, health care or higher education.
- ▶ Newspaper:-It is the most simple and cheap way to find out latest news. To support the above idea, communication through the media indicates the public and the information we gather and sent to the public. The mass media can influence an entire nation very easily. Therefore, the company using these media should care in transferring their products.

► Internet: - The Internet was described as one of the most effective communication, information and promotion tools in today marketing activities. It was advised to depended on accessibility and knowledge, explore and use different options (web sites, emails, web advertising) to contact your former clients to keep them updated, communicate with travel agencies and publicize on different web pages, among other things. (WTO, 2013)

## **2.2. Definition and Concepts of Customer Satisfaction**

### **2.2.1 The concept of customer satisfaction**

In today's highly competitive world customer satisfaction is important for all organizations to create and keep competitive advantage and to get feedback about the quality of marketing decisions (Ptterson, 1993; Taylor & Baker, 1994: as cited in Goode, Davis, Moutinho & Jamal, 2005). Satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, positive word of mouth and profitable relationships. Therefore a firm should concentrate on the improvement of service quality and charge appropriate fair price in order to satisfy their customers, which would ultimately help the firm to retain its customers (Gustafson et al., 2005). According to Hanif, Hafeez and Riaz (2010) customer satisfaction makes the customers loyal to one telecommunication service provider. Hence, customer satisfaction is very important in today's business world and the profitability and survival of any organization depends on the ability to create high degree of satisfaction.

### **2.2.2. Definition of Customers' Satisfaction**

Most researchers agree that satisfaction is an attitude or evaluation that is formed by the customer comparing their pre-purchase expectations of what they would receive from the product to their subjective perceptions of the performance they actually did receive (Sriyam, 2010). Kotler and keller (2006) defines satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's or service's perceived performance (or outcome) in relation to his or her expectations.

Customer satisfaction is also defined as an "evaluation of the perceived discrepancy between prior expectations and the actual performance of the product" (Samuel, 2006). These definitions of customer satisfaction have in common that, if the performance falls short of expectations, the

customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted. In conclusion, customer satisfaction is defined as a result of customer's evaluation to the consumption experience with the services. However, the customers have different levels of satisfaction as they have different attitudes and perceived performance from the product/service.

## **Determinants of Customer Satisfaction**

Customer satisfaction depend on- a product's perceived performance in delivering value relative to a buyer's expectation. If the products performance falls short of the customer's expectation, the buyer is dissatisfied. If the performance matches expectations, the buyer is satisfied. If performance exceeds expectations, the buyer is delighted (P. Kotler, et al 1999).

### **What Determines Customer Satisfaction**

The followings are some of the determinants of customer satisfaction (Zeithaml, Bitner, 2003). These are:

**Product and Service Features:** Customer satisfaction with a product or service is influenced significantly by the customer's evaluation of the product or service features. In conducting satisfaction studies, most firms will determine through some means (often focus groups) what the important features as well as overall service satisfaction.

**Customer Emotion:** Customers' emotions can also affect their perceptions of satisfaction with products and services. These emotions can be stable, preexisting emotions-example: mood state or life satisfaction.

**Attributions for Service Success or Failure:** Attributions are the perceived causes of events, influence perceptions of satisfaction as well. When they have been surprised by an outcome (the service is either much better or worse than expected), customers tend to look for the reasons and their assessment of the reasons can influence their satisfaction.

**Perceptions of Equity or Fairness:** Customers ask themselves: have I been treated fairly compared with other customers? Did other customers get better treatment, better prices, or better quality services? Did I pay a fair price for the service? Notion of fairness are central to customers' perceptions of satisfaction with products/services.

Other consumers, family members, and coworkers: In addition to products and service features one's own individual feelings and beliefs, consumer satisfaction is often influenced by other people.

### **2.2.3. Why Organizations Focus on Customer Satisfaction**

Businesses monitor customer satisfactions in order to determine how to increase their customer base, customer loyalty, revenue, profits, market share and survival. Although greater profit is the primary driver, exemplary businesses focus on the customer and his/her experience with the organization. They work to make their customers happy and see customer satisfaction as the key to survival and profit. Customer satisfaction in turn hinges on the quality and effects of their experiences and the goods or services they receive (McGraw, 2004). Thus the reason that why customer satisfaction is so important is that effective marketing focuses on two activities: retaining existing customers and adding new customers. Customer satisfaction measures are critical to any product or service company because customer satisfaction is a strong predictor of customer retention, customer loyalty and product repurchase.

### **2.2.4. How to Measure Customer Satisfaction: Overall Measures of Satisfactions**

Measuring satisfaction and building a satisfaction survey requires at least a basic knowledge of the satisfaction measurement literature, combined with your own customer satisfaction experiences.

Satisfaction measures involve four psychological elements for evaluation of the product or service experience: cognitive (thinking/evaluation), affective (emotional-feeling/like-dislike) and behavioral (current/future actions) and expectation elements (Kurtz and Boone, 2007).

#### **A. Satisfaction Measurement: Affective Measures of Customer Satisfaction**

A consumer's attitude (liking/disliking) towards a product can result from any product information or experience whether perceived or real. Again, it is meaningful to measure attitudes towards a product or service that a consumer has never used, but not satisfaction.

#### **B. Satisfaction Measurement: Cognitive Measures of Customer Satisfaction**

A cognitive element is defined as an appraisal or conclusion that the product was useful (or not useful), fit the situation (or did not fit), exceeded the requirements of the problem/situation (or did not exceed). Cognitive responses are specific to the situation for which the product was purchased and specific to the consumer's intended use of the product, regardless if that use is correct or incorrect.

#### C. Satisfaction Measurement: Behavioral Measures of Customer Satisfaction

It is sometimes believed that dissatisfaction is synonymous with regret or disappointment while satisfaction is linked to ideas such as, "it was a good choice" or "I am glad that I bought it." When phrased in behavioral response terms, consumers indicate that "purchasing this product would be a good choice" or "I would be glad to purchase this product." Often, behavioral measures reflect the consumer's experience individuals associated with the product (i.e. customer service representatives) and the intention to repeat that experience.

#### D. Satisfaction Measurement: Expectations Measures

Customer satisfaction is largely a reflection of the expectations and experiences that the customer has with a product or service. However expectations also reflect that influences the evaluation of the product or service. When we make major purchases, we research the product or service and gain information from the advertising, salespersons, and word-of-mouth from friends and associates. This information influences our expectations and ability to evaluate quality, value, and the ability of the product or service to meet our needs.

### **2.2.5. Key Performance Indicators of Customer Satisfaction**

Since my study will basically consists two variables (the dependent and Independent variables).Customer satisfaction is the dependent variable (the outcome) and that of marketing mix elements are the independent variables. Therefore, the degree of customer satisfaction is dependent up on the quality of marketing mix elements services. When the factory provides or exercise, better marketing mix elements service (when the customer satisfactions requirements are met), customers are satisfied. On the other hand, when the customer requirements are not met, customers are dissatisfied. One important thing what we have to know is that the factory should deliver more than the customer's requirements and generate additional perceived benefits (i.e. the

factory develops and exercises one of the best customer requirements called delightful)in addition to expected and normal customer requirements.

The Kano model is a theory of product development and customer's satisfaction developed in the 1980s by Professor Noriaki Kano, who is a member of the Japanese union of scientists and engineers, the sponsors of the Deming prize.

This model of customer requirements directs the product or service provider to pay attention to two dimensions and three types of requirements. The first dimension is need fulfillment. Measure the degree to which the customers' requirements are fulfilled.

The dimension ranges, naturally from completely unfulfilled to completely fulfill. The second dimension is the customers' subjective response to the first dimension. It is the dependent variable of customer satisfaction. This model of customer satisfaction predicts that the degree of customer satisfaction is dependent up on the degree of fulfillment, is for different for different types of customer expectations.

1. Expected: Expected requirements are those that are so obvious to the customer that they do not state requirements overtly. They are normally very obviously essential to the customer that stating these requirements is a bit silly. When these requirements are not met, the customer says nothing, and probably doesn't even notice. When these features services are not present, the customer complains. Continuing improving on meeting these kinds of needs will not elicit customer loyalty or delight.

2. Normal: Sometimes referred to as "Fundamental" quality customers overtly state these needs and are quite cognizant of them when these needs are met, customers are satisfied, when they are not met, and customers are dissatisfied. For many types of requirements in this category, it is possible to deliver more than customer requirements and generate additional perceived benefit.

3. Delightful: Customers have needs that they are not aware of these are referred to as "latent" needs. They real but, not yet in the customers awareness. If these needs are met by a provider, there is no customer response. They are not dissatisfied, because the need is unknown to them if a provider understands such a need and fulfills it; the customer is rapidly delighted ((Philip Kotler & Gary Armstrong, 2010).

## 2.2. Empirical Literature

Empirical findings are one of the important components of literature review in research study of any type. This type of literature contributes a lot to the effectiveness of the investigation by revealing the gap that the researcher wants to find out and how the researcher undertakes the study. Here under the researcher reviews some important issues which are directly related to the investigation under study.

Dereje, B.V. Prasada & Wako. (2014) conducted a study on “The impact of marketing mix elements on consumer Satisfaction: MOHA Soft Drinks Industry S.C, Hawassa Millennium Plant.”. The aim of this study is explore the impact of marketing mix elements (product, price, promotion, and place) on customer satisfaction. A total of 80 respondents were selected based on simple random sampling and efforts have been made to have representative sample and the results are considered as representative of the population. The data collected was analyzed using three statistical methods, that is, mean analysis, Pearson correlation and regression analysis. Based on multiple regression analysis, on the regression analysis part, it is clearly shown that marketing mix explains customer satisfaction. The regression analysis indicated that 59.2% customer satisfaction is explained by marketing mix. Each independent variable is also regressed against customer satisfaction and the result shows that all the independent variables can explain the dependent variable i.e. customer satisfaction. the findings revealed that among the 4Ps tested, that is, price, promotion, place and product, The correlation coefficient between place and customer satisfaction is the highest of all correlation results of marketing mix dimensions which is 0.671. This shows that place dimension is a major determinant of customer satisfaction and customers will critically evaluate the distribution systems gained from the company. By having committed and good distribution systems the company can continue retaining existed customers and attracting new customers to generate more profit. To this extent the place dimension of marketing plays great role. Therefore, the company is expected to have product availability and offer the products as they want.

Owomoyela, Olasunkanmi & Oyeniyi (2013) conducted a study on “The impact of marketing mix elements on consumer loyalty: An empirical study on Nigerian breweries Plc”. The research paper investigated the effect of marketing mix elements on consumer loyalty with special reference to Nigerian breweries Plc. The survey method was used in this study. Data was

collected from sixty (60) respondents, six managers and ten sales representatives of Nigerian breweries Plc, ten distributors and thirty four consumers from different joints in Ibadan were selected respectively. Correlation coefficient and multiple regression analysis were used to analyze the data. The result indicated that marketing mix elements (price, product, place and promotion) were jointly predictors of consumer loyalty. The predictor variables jointly explained 64% of the variance of consumer loyalty, while the remaining 36% could be due to the effect of extraneous variables. This implies that marketing mix elements have significant effect on consumer loyalty/ retention. McCarthy (1964) also noted that marketing mix is the pillar of any business organization, which means every element of marketing mix plays an important role in influencing consumer loyalty.

### 2.3. Conceptual Frame Work

Conceptual frameworks are particularly useful as organizing devices in empirical research. Conceptual frameworks are abstract representations, connected to the research's goal that directs the collection and analysis of data. Carroll's (1991) cited in the works of Moharana (2013) had described the fundamental model which could be argued to reflect the outcome of the discussion.

**Independent variables**

Marketing mix elements

**Dependent variable**

Customer Satisfaction

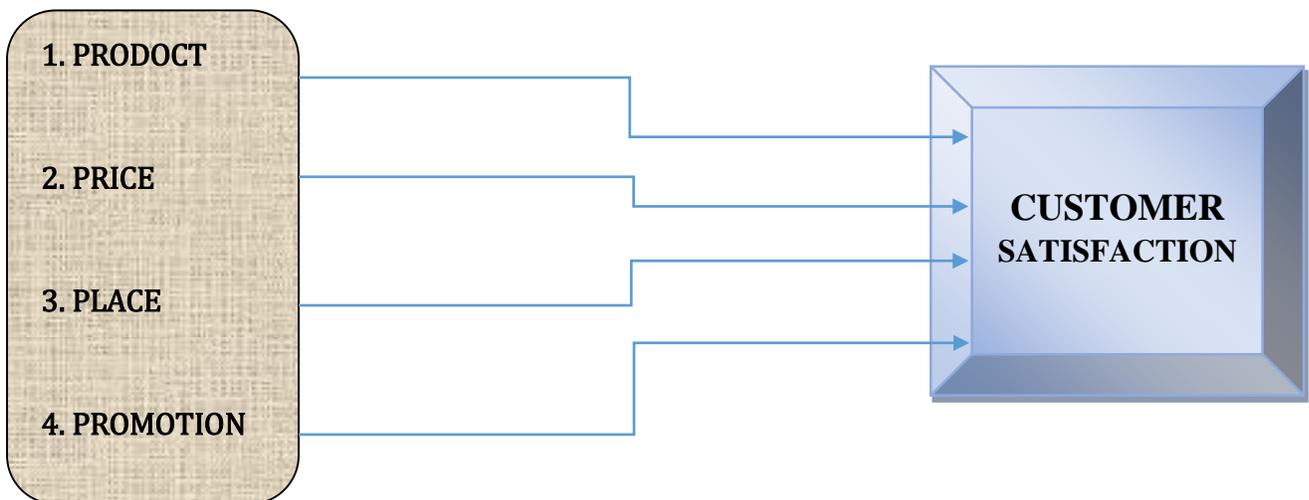


Figure 1: Conceptual Framework

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Research Design**

The main objective of this study is to assess the influence of Marketing mix elements on customer satisfaction. To conduct this study, descriptive research methods were used. Because descriptive method is used to describe the event that was happening and characteristic about the application or phenomena that is being under study. In order to investigate the objectives and answer the hypothesis, descriptive method specifically the correlation research method was applied.

The researcher used the Cross-sectional field survey method to assess the relationship between marketing mix practices and Customer Satisfaction of Dashen Brewery SC consumers in Addis Ababa city. In the cross-sectional field survey, independent and dependent variables were measured at the same point in time by using a single questionnaire. In addition, the study also said to be associational in design because there was the intent to establish the relationship between dependent and independent variables.

#### **3.2 Research Approach**

On this study, the researcher used Mixed research method design usually features, which includes an implicit purpose statement, research questions, and rationale for using quantitative and qualitative methods and data in the study (Creswell, 2003). In this study, mixed methods design consists of both quantitative and qualitative data in a single study. Qualitative research approach involves open-ended questions usually research made interview and quantitative helps to express numbers.

##### **3.2.1 Types of Mixed Method Design**

There are six types of mixed method designs in the literature of mixed methods research. Three of them are sequential (explanatory, exploratory and transformative); the other three are concurrent (triangulation, nested and transformative) (Creswell, 2003).

The study used sequential explanatory strategy type of mixed method design. It is characterized by the collection and analysis of quantitative data and followed by the qualitative data.

### **3.3 Target Population**

The study will use target population for reliability of the study therefore; the researcher was select the following as target population. Consumers of Dashen brewery products, in Addis Ababa. There are more than 2000 bars, restaurants, hotels and groceries that the Dashen brewery products are sold In Addis Ababa city. From this the researcher selected 50 of them for this study. Those 50 hotels, bars, restaurants and groceries found in Addis Ababa are scattered in the different part of the city, and on average they serve a total of 10000 customers per day.

### **3.4 Sampling Techniques**

To conduct this study non probability sampling technique is used, Non probability sampling (or non-random sampling) provides a range of alternative techniques to select samples based on your subjective judgement) from different type of this technique, the researcher will select Judgmental or purposive sampling technique means hand picking individuals from the population based on judgment or selecting the samples from the entire universe based on the researcher own criteria. (M. Saunders, P. Lewis, A. Thornhill, 2009) the researcher interviewed the marketing officer of the company about the marketing mix strategy and the researcher has also distributed questionnaires to the consumers of the Dashen Brewery.

In light of many constraints it will be hard to consider a higher fraction of this population. Besides this there is a limitation in increasing the sample size where one extra sample may not justify the cost incurred. Increasing the sample size is subject to the „law“ of diminishing returns. Large gains are made initially, but they decrease as the sample size increases Norman (2003).The researcher uses the following standardized formula to get the right sample size with a 95% confidence interval and a 5% sampling error where samples were drawn proportionately from two districts according to their size. The study use simple random sampling method to distribute questionnaires to the respondents. As the number of consumers is infinite and is difficult to prepare source list, the researcher used survey from infinite population. The total population for this study was taken from 50 selected bars, restaurants, hotels and groceries in Addis Ababa that they serve on average a total of 10000 Dashen brewery product customers per day. In this case, the researcher calculated sample size from the total population using the following formula, which is presented by Taro Yamane (1967).

$$n = \frac{N}{1+Ne^2}$$

Where, n = sample size of consumers of Dashen brewery

N = Total number of study population

(e) = Sampling error (0.05)

**N=10000**

$$n = \frac{N}{1+Ne^2} = \frac{10000}{1+10000(0.05)^2} = 384$$

**n=384**

Therefore, the number of respondents taken was 384 plus 5% contingency (403 consumers) to compensate invalid responses.

### **3.5 Source of Data**

For the purpose of this study both quantitative and qualitative data have been used in this study to answer the research questions and meet the objectives of the study, data were collected from primary and secondary sources.

#### **Primary Data**

According to Kelly, raw data (also known as primary data) is a term for data collected from a source. Raw data has not been subjected to processing or any other manipulation, and are also referred to as primary data. Although raw data has the potential to become "information," extraction, organization, and sometimes analysis and formatting for presentation are required for that to occur.

#### **Secondary Data**

A clear benefit of using secondary data is that much of the background work needed has already been carried out, for example: literature reviews, case studies might have been carried out, published texts and statistics could have been already used elsewhere, media promotion and personal contacts have also been utilized (Kelly, 2005). Literature review was the first step in this

research. The intent is to collect enough evidence to validate a theory and apply the theory to the real world. Data evidence and figures were from both direct and indirect resources.

Primary data from survey and interviews and secondary information from academic books, journals, Annual reports and internet websites are the two main sources for this research.

### **3.6 Data Collection Method**

To collect the required information and necessary data from the respondents, the researcher were used qualitative data collection method.

- Questionnaire: survey questionnaire is going to be used to collect the primary data from the sampled population. Both open ended and close ended questionnaires were distributed where they consume Dashen products at the different hotels, bars, restaurants and groceries found in Addis Ababa city.
- Interview: sampled population was selected by purposive sampling and an expert from marketing or from marketing department head of the factory.

### **3.7 Data Analysis**

Different statistical and computer related tools and techniques are used to analyse marketing mix elements effect on customer satisfaction. For general analysis of data mean, median, and mode and other descriptive and inferential statistics are used. Inferential statistics is a technique used by researchers to study samples and make generalizations about the population (Zulfiqar and Bala, 2016).The study analysed inferential statistics using Pearson correlation to determine relationship between variables. Tables and figures will be used to present findings.

The collected data was analysed and interpret by using quantitative techniques, regression and ANOVA analysis was used. Regression analysis is used to show how customer satisfaction affected by different elements of marketing mix. To analyse the data, different kinds of statistical methods including descriptive statistics (frequency, percentage and average) and inferential statistics (correlation and multiple regressions) was used. The data were analyzed using descriptive statistics with the help of Statistical package for social scientists (SPSS) version 26.0 software.

### 3.8 Validity, Reliability and Ethical consideration

#### 3.8.1 Validity

Validity is concerned with whether the findings are really about what they appear to be about (Sounders et. al., 2003). Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure (Sounders et. al., 2003). Numbers of different steps will be taken to ensure the validity of the study:

- Data was collected from the reliable sources, from respondent who has experiences in using the product of the factory.
- Survey question were made based on literature review and frame of reference to ensure result validity.

#### 3.8.2 Reliability

It is another important test of sound measurement. A measuring instrument is reliable if it provides consistent results Kothari (2004). The two variants of reliability will be assured through standardizing the condition under which the instrument administered (stability aspect) and employing the same design of measurement for the whole sample (equivalence aspect). For this purpose Cronbach's Alpha-values was applied to determine the reliability of the construct as a measurement instrument. The questionnaire was distributed to 10 respondents" to check the reliability and consistency of the instrument and the result of reliability test for the questionnaire are shown in the following table.

Table 3. 1: Reliability test

##### Reliability Statistics

Cronbach's Alpha	N of Items
.883	17

Source: SPSS survey result

Typically, a Cronbach alpha value of above 0.7 is usually considered to offer reasonable reliability for research purposes Constructs were identified and their reliability coefficients (Cronbach's) as ranged from 0.883 Since, instruments were developed based on research questions and objectives;

it is possible to collect necessary data from respondents. Then, instruments are consistent with the objectives of the study.

### **3.8.3. Ethical consideration**

Marketing research requires serious ethical considerations. Cognizant of this fact the researcher took precautions while securing the necessary information for the accomplishment of the research objective. The researcher exerted effort to get the consent of the organization under study prior to the collection of data .Besides, the employee who participated in the interview have been informed in advance about the objective of the study so as to insure their voluntariness. Customers who are the subject the survey were briefed about the importance of the study and their valuable contribution in providing information. These people were treated with respect and care at the same time they were assured that the data obtained from them is kept confidential and only be used for academic research. The researcher took maximum effort to avoid conflict of interest that may arise as a result of working in the organization.

# CHAPTER FOUR

## DATA ANALYSIS AND PRESENTATION

### 4.1 Introduction

This chapter presents analysis, interpretation and findings of information collected through self-administered questionnaires with 384 randomly selected customers of DBSC, The analysis is based on the information obtained from 384 customers. The analysis also incorporated information obtained through an interview with the Marketing Department of the factory.

The basic assumptions are marketing mix selected attributes namely product ,price ,promotion, place, impact on customer satisfaction. A multiple regression modeling approach was proposed as an effective method for studying the relationships. The result of this multiple regression model analyzed and discussed in this chapter.

A total of 384 questionnaires were administered and data were collected from consumers of Dashen brewery in Addis Ababa. From the 384 questionnaires distributed only 361 (94%) have been collected and analyzed using the descriptive statistics (frequency statistics). The frequency and the percentage of the characteristics of respondents are summarized in the table below.

### 4.2 Respondents' Profile

The demographic backgrounds of the respondents in Three parameters were presented to understand the profiles of the respondents i.e., age, gender and occupation

Table 4. 1: Ages of Respondents

	age 21-30 years old	age 31-40 years old	age 41-50 years old	age above 50 years olds	Total
Frequency	145	105	81	30	361
Percentage	40.2%	29.1%	22.4%	8.3%	100%

Source: SPSS Survey result, 2020

Concerning the age of the respondents from the total 361 respondents, 145(40.2%) are from 21-30 age group, 105(29.1%) are from 31-40, 81(22.4%) are from 41-50 the rest 30(8.3) respondents are categorized above 50 years. This indicates that there is a potential advantage for working by

young customers especially to achieve future objectives of the company's marketing mix strategy. The respondents are above the age group that is allowed legally to drink alcohols.

Table 4. 2: Respondents' gender

Respondents	Gender		Total
	Male	Female	
Number	249	112	361
Percentage	69%	31%	100%

Source: SPSS Survey result, 2020

According to the result of the study, out of the total respondents, 249(69%) of them are male consumers of Dashen beer products whereas the rest 112(31%) are female consumers. This shows that majority of Dashen beer drinkers are males' part of the population.

Table 4. 3: Respondents occupational background

Respondents	Occupations					Total
	Student	Civil servant	Employee of private organization	Business man	others	
Frequency	69	63	148	39	42	361
Percentage	19.1%	17.5%	41.0%	10.8%	11.6%	100%

Source: SPSS Survey result, 2020

As far as occupation is concerned, 19.1% respondents are students, civil servant, 17.5% and 41% respondent are privet workers and business man or woman 10.8% ,11.6% are involve in other sectors. This implies that most of Dashen Brewery Consumers are private employee and Students.

### 4.3 Marketing Mix's

Under this chapter the results of the data obtained on the 4p's of marketing mix (product, price, promotion and place/distribution) will be presented in the following way:

### 4.3.1. Product

It is also known that effective marketing requires a clear understanding of the customer's characteristics. Dashen Brewery factory has been supplying its products to various types of customers throughout the country. When planning to develop a new product or modify existing product, the decision of which product and design to manufacture or modify needs to be based on research. When the demand for existing products is on the downturn, the possibility of changing or modifying the design, size features, or colour becomes necessary in order to maintain sales (Kurtz and Boone, 2007.120).

Table 4. 4: Customers response regarding product

No	Items	Respondents	
		frequency	%
1	How often do you consume products of the factory?	206	57.06
	A. Always	137	37.95
	B. Rarely	18	4.99
	C. Not at all		
	Total	361	100
2	Which type of the factory product do you consume mostly?	206	57.06
	A. Dashen Beer	54	14.96
	B. Jano Beer	101	27.98
	C. Balageru Beer		
	Total	361	100
3	Have you ever quit consumption (buying and selling) of the factory products and switch to other brands?		
	A. Yes	247	68.42
	B. No	114	31.58
	Total	361	100

4	If your answer for item no 3 is yes, the reason maybe:	103	41.71
	A. Low price	48	19.43
	B. Better promotion		
	C. Better quality	68	27.53
	D. Better distribution channel	28	11.33
Total		247	100

Source: own Survey result, 2020

According to item number 1, customers were requested how often they take the products of the factory. Above half (57.06%) of the respondents replied they always take the product while 37.95% of them replied rarely. Only 4.99% of the respondents said none at all. From this the majority of respondents are frequently uses the factory product.

Currently the company produce three types of beer products namely, Dashen beer, Jano beer, Balageru beer. Out of the total 361 respondents considered, 206(57.06%) of the consumers prefer Dashen beer, 54(14.96%) prefer Jano beer and the remaining 101(27.98%) of the respondents like Balageru beer mostly to drink. This shows that the majority of consumers of the Dashen brewery are Dashen beer consumers.

With reference to item number 3, this inquired whether the customers have quit consumptions (buying and using) of the factory products and switch to other brands. 68.42% of them replied Yes where as 3.58% of them responded No. Since the brand is a name, term, design, symbol or other features that identifies the goods and services of one seller from those of other sellers. Therefore, the reason of switching of other brand may be because of higher prices as well as Preferred to better quality beer.

As per item number 4, customers were asked to mention the reason why they switch to other brands. As it can see from the table above, most of the respondents switch to other brands because of higher price and Finding better quality product. Providing quality products or services means buying a guarantee ticket to bring your customers in to your hands. An owner of quality or services has something worth winning at hand when he/she enters the market competition. Quality should be the heart of every business. It is quality what matters in the

assessment of the efficiency of competitiveness (Quality & Standards Authority of Ethiopia, 2003, volume no 4: pp.: 19).

The response from the consumers shows that the company provides quality products. Furthermore, the interview from the marketing managers also witnessed about the company's product quality. They said, the factory has latest equipment that make its production modern. In each stage of the fermentations, there are laboratory technicians who controlled the quality of the Brewery. Due to this the company is a pioneer to receive the ISO awards among the Ethiopian breweries.

Quality should be from market or customer perspective with respect to color, clarity and foam of beer: Here, the important point is that quality perspectives should be based on customers' preference, not on internal evaluation. So, the ultimate objectives of product quality should be to delight the customers in every way possible.

#### 4.3.2. Pricing

The basic principle in pricing is that the relationship between the price of a product and the value it gives to customers has to be fair and proper. Also, the pricing decision of a factory must be coordinated with product design, distribution and promotion decisions to form a consistent and effective marketing program.

According to the interview made with the marketing department head, the objective of the pricing strategy of the company is to sale the products with a price that could be affordable to the customers and to keep a healthily profit margin (after setting affordable price to the customers the factory achieves a profit in the long run).

Table 4. 5: Customers response regarding price

No	Items	Respondents	
		frequency	%
1	Does the factory provide price discount?	236	65.37
	A. Yes B. No	125	34.62

	Total	361	100
2	If your answer for item no 1 is yes, on which season does the factory provide price discount?	64	27.11
	A. During holidays	102	43.24
	B. During purchase of huge (many) products	35	14.83
	C. During defective products among those purchased products.	15	6.35
	D. Cash payment		
	E. Trade allowance	20	8.47
	Total	236	100
3	Does the factory provide credit sales in order to encourage the customers?	232	68.42
	A. Yes	129	31.58
	B. No		
	Total	361	100
4	If your answer for item no 3 is yes, how long the factory can provide the credit sales guarantee?	84	36.20
	A. Up to 3 months	38	16.37
	B. 3-6 months	58	25
	C. 7-9 months	37	15.94
	D. 10-12 months		
	E. More than 1 year	13	5.6
	Total	232	100

Source: own survey result, 2020

Price is an important characteristic of the brands. To the consumer, higher prices generally signify better quality or status, while lower prices signify more affordable, mass-produced drinks. Because taste differences between beers may be indistinguishable to ordinary consumers, some traditional beers may be sold as "premium" at a higher price (Ascher, 2012:25).

As depicted from reference number 1 & 2, 65.37% of the respondents says that the factory provides a price discount during holidays, purchase of huge(many) products, when there is defective products among those purchased products, cash payment, and trade allowance.

From the above table (item number 3 & 4 majority of the respondents (68.42%) response that the factory provides its credit sales to the customers. However, some respondents (31.58%) responded that the factory does not provide its credit sales to their customers.

As depicted from reference number 4, 36.20%, 16.37 %, 25% and 15.94% of the respondents responded that the factory provided its credit sales guarantee, up to 3 months, 3-6 months, 7-9 months and 10-12 months respectively. However, only 5.6% of the respondent says that the factory provided its credit sales guarantee more than 1 year. Since, from this result the factory exercises poor credit sales guarantee to those customers. Therefore the factory should develop such activity in order to satisfy and encourage customers by providing best and long credit sales guarantee.

### **4.3.3. Promotion**

A differential advantage can be achieved by the creative use of promotional tools. Whenever companies intend to design effective promotion tools, the usage of promotional strategy is needs to plan for the optimal use of the elements of promotion advertising, public relations, personal selling and sales promotion. The main function of a marketer's promotional strategy is to convince target customers that the goods and services offered provide a differential advantage over the competition (Lamb Jr. 2004)

According to the interview made, the company's promotional strategy is to arouse customer's awareness, to create brand preferences and to maintain the existing customers of the company. The company carries out its promotional campaign using different promotional tools and mechanisms.

Advertising is one of the promotional tools intensively utilized by the company. Because through it the company believes that it can reach more audience than other promotional tool. Personal selling is the other promotional tools used by the company in its promotional mix. It involves direct relationship between the sellers and the customers. In addition to the above two promotional tools the company does its promotional activity through television, radio, magazine, newspaper,

participation special sponsorship programs, meeting participants as a promotion etc. But Advertising through any medium, the first draft of this bill had lighter restriction on broadcast ad ban on alcohol products. The draft only restricted advertising alcohol beverages with over 10% alcohol volume, between 9:00 PM and 6:00 AM. This was amended to ban advertising of all alcoholic beverages between 6:00 AM and 9:00 PM. This ban was hard to won with both the alcohol industry and media stations opposing its implementation in fear of losing profit.

Table 4. 6: Customer Responses regarding promotion

No	Items	Respondents	
		frequency	%
1	Which promotional mixes applied by Dashen brewery company satisfied you most	86	23.82
	A. Advertising	112	31.02
	B. Public Relation	58	16.07
	C. Sales Promotion	46	12.75
	D. Direct marketing	59	16.34
	E. Personal Selling		
	Total	361	100
2	Have you ever seen or heard the products being promoted on any medium?	72	19.94
	A. Yes	289	80.06
	B. No		
	Total	361	100

Source: Own survey result, 2020

According to the response of consumers for item number 1, 86(23.82%) respondents prefer watching TV as a means to know the advertising of the company, 58(16.07 %) of them responds public Relation and 112(31.02%) of the consumers replied Sales promotion. The remaining 46(12.75%) and 59 (16.34%) of the respondents prefer Direct marketing and personal selling

respectively. From the response of the consumers, one can understand Sales promotion is more valuable to satisfy consumers of the products of the Dashen brewery.

As depicted from item number 2 most of the respondents replied that they didn't hear on any medium the Dashen products promoted (80.06%), this is because of the restriction on broadcast ad ban on alcohol products in Ethiopia applied on May, 2019.

#### 4.3.4. Place (distribution)

The Place (distribution) is the most important marketing decision in a factory can make. The design of an organization's distribution system is a key factor in creating customer value and in differentiating one company's offering from that of another.

In an interview made with the head of the marketing department, the distribution system of the factory has the primary objective of satisfying its customers' needs by making available best quality products to the market at a fair price. With the objective above, the company uses door-door retailing distribution strategy, in which personal contact between a sales person and an individual prospect occurs at the prospective customer's businesses. The researcher was able to contact some of the factory agents at the factory's premises. Despite the factory's well treatment given to them during their stay at the factory's premises, they didn't want to deny from revealing the fact that they spent longer hours at the factory premises. Many times they couldn't get the actual quantity of the product up on request.

Customers were requested using questionnaires and their response have been listed below in the following table.

Table 4. 7: Customers response regarding place (Distribution)

No	Items	Respondents	
		frequency	%
1	Is the product available at your neighbourhood (the area near to a particular place)?	245	68
	A. Yes B. No	116	32

	Total	361	100
2	2. Do you get the actual quantity of the product on your request?	285	79
	A. Yes	76	21
	B. No		
	Total	361	100
3	If your answer for item no 2 is yes, who is responsible for the transport (delivery) system?	93	32.63
	A. Yourself (customers)	104	36.49
	B. The factory	88	30.87
	C. Another party		
	Total	285	100

Source: own Survey result, 2020

As table 4 shows, 245 out of 361 respondents involved in the study revealed that the product is available at their neighborhood. Which is 68% of the respondents. 116 out of 361 included in the study said that the product is not available at their neighborhood.

With regard to item number 2, 79% and 21% of respondents answered positively and negatively respectively whether they get the actual quantity of the factory products on request.

As depicted from item number 3, 63.5 % of the respondents state that the customers and another party are responsible for the transport or delivery systems. However, 36.49% of them respond that the factory is responsible for the transport or delivery system.

#### **4.4 Variable analysis**

Variable analysis has been used to test whether the dataset exactly detects the stated dimensions. The output of Variable analysis is obtained by using principal components analysis. The final statistics comprising of the reliability result and the communality for all the 21 questions raised in the five dimensions.

#### 4.4.1 Mean and Standard Deviation

Descriptive statistics (mean and standard deviations) of the respondent scores were computed. Analysis has been done by comparing these mean scores and deviations among respondents. The reason for using descriptive statistics is to compare the different factors that affect the level of customer satisfaction by using the means and standard deviations values.

The mean value depicting the overall customer's satisfaction. As far as this descriptive statistics is concerned, customer's satisfaction on marketing mix is above satisfactory level with a mean value of on a 5 point Likert scale. This implies that product, price, promotion, place have an impact on the customer satisfaction.

Table 4. 8: Descriptive statistics of variables

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
product	361	3.3878	.88808
price	361	3.2271	.61322
promotion	361	3.2253	.73809
place	361	3.2244	.75878
customer_satisfaction	361	3.2388	.52413
Valid N (listwise)	361		

Source: SPSS survey result, 2020

Table 4.8 suggests that all marketing service mix dimensions rated as above satisfactory. From this we can deduce that all explanatory variables play a fundamental role in the customer satisfaction on marketing mix of Dashen brewery company.

Empirical evidence in this research also suggests that marketing mix factors have a significant degree of impact on customer satisfaction. This empirical evidence has provided significant support for the marketing mix literature, which substantively advocate marketing mix factors have an impact on customer satisfaction Sukati, Chin, Satit& Tat (2012).

Generally all the above mentioned points are summarized, product, which has the highest mean value of 3.38, is the dominant marketing mix elements that have strong relation with the customer satisfaction. Followed by promotion with mean value of 3.23(SD=0.88), place 3.22(SD=0.61), and price 3.22(SD=0.75) It implies that the brewery companies should give due consideration for

improving all marketing mix strategy especially the place(distribution) mix as the mean value for this elements is relatively low.

#### 4.4.2 Correlation Test between Study Variables

In this section the correlation between customer satisfaction and explanatory variables; product, price, place, promotion, has been presented and analyzed. A correlation matrix is used to ensure the correlation between explanatory variables.

Table 4. 9: Correlations analysis

		<b>Correlations</b>				
		product	price	promotion	place	customer_satisfact ion
product	Pearson Correlation	1	.186**	.638**	.704**	.801**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	361	361	361	361	361
price	Pearson Correlation	.186**	1	.243**	.177**	.179**
	Sig. (2-tailed)	.000		.000	.001	.001
	N	361	361	361	361	361
promotion	Pearson Correlation	.638**	.243**	1	.619**	.675**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	361	361	361	361	361
place	Pearson Correlation	.704**	.177**	.619**	1	.721**
	Sig. (2-tailed)	.000	.001	.000		.000
	N	361	361	361	361	361
customer satisfaction	Pearson Correlation	.801**	.179**	.675**	.721**	1
	Sig. (2-tailed)	.000	.001	.000	.000	
	N	361	361	361	361	361

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

Source: SPSS survey result, 2020

The correlation between dependent and independent variables along with the casual effect was analyzed using Statistical Package for Social Science (SPSS). The above correlation matrix provides the correlation between variables with Pearson correlation coefficient to show the strength of relationship among the variables (independent & dependent).

Pearson correlation analysis was used to provide evidence of convergent validity and Pearson correlation coefficients reveal magnitude and direction of relationships either positive or negative and the intensity of relationship. Correlation is perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo and Festinger, 2005).

A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 Field (2005). A correlation analysis with Pearson's correlation coefficient ( $r$ ) was conducted on all variables in this study to explore the relationships between variables. To interpret the strengths of relationships between variables, the guidelines suggested by Field (2005) were followed, mainly for their simplicity. His classification of the correlation coefficient ( $r$ ) is as follows: 0.1 – 0.29 is weak; 0.3 – 0.49 is moderate; and  $> 0.5$  is strong.

Hence, product, promotion and place have a strong, positive and significant correlation with Customer satisfaction ( $r=0.801$ ,  $p<0.01$ ,  $r=0.675$ ,  $p<0.01$   $r=0.721$ ,  $p<0.01$ ) respectively. These results imply how important the marketing mix strategy has a great role in the Customer satisfaction of the company. On the other hand, price has weak, yet positive and significant correlation with customer satisfaction ( $r=0.179$ ,  $p<0.01$ ). The predictor variable product has strong positive correlation( $r=0.801$ ), followed by place ( $r=0.721$ ), promotion ( $r=0.675$ ) then price ( $r=0.179$ ) respectively.

The results indicate that the independent variables (predictor variable) have positive correlation with the dependent variable. Accordingly, it is possible to conclude that there is a positive, significant and strong correlation or relationship between marketing mix (4Ps) strategy and customer satisfaction so that any improvement in one of the dimensions will positively affect to Customer satisfaction.

#### **4.4.3 Measurement of Reliability**

In survey based research it is important to validate the scales used for reliability and validity. Reliability refers to the extent to which the items measure accurately and consistently what they intend to measure. The instrument for this study contains 22 items that are in a Likert scale type.

George and Mallery (2003) provide the following rules of thumb:  $> .9$  excellent,  $> .8$  Good,  $> .7$  Acceptable,  $> .6$  Questionable,  $> .5$  Poor, and  $< .5$  Unacceptable p.231 (as cited in Gleam &

Rosemary, 2003). If correlations between items are too low, it is likely that they are measuring different traits and therefore should not all be included in a test that is supposed to measure one trait. Table 4.10 illustrate the reliability of the independent and dependent variables

Table 4. 10: Measure of Internal Consistency- Cronbach's alpha for all variables

**Reliability Statistics**

Cronbach's Alpha	N of Items
.835	17

Source: SPSS result, 2020

Based on the results presented in the above table, it can be concluded that all the scales used in the study were reliable. Thus, they can be used to measure the variables under study. A Cronbach’s alpha of 0.835 is obtained which is well above what is considered acceptable by scholars which is 70% (Gleam & Rosemary, 2003). The cronbach’s alpha for all the items are also above 70 %.

## **4.5 Assumptions for Testing Regression Analysis**

Before proceeding to regression analysis, the basic parametric statistical test assumptions of normality, linearity and multicollinearity tests are undertaken and the below result is obtained.

### **4.5.1 Normality Test**

Test for normality, its determining whether the data is well modeled by normal distribution or not. Test for normal distribution could be checked by graphical (Histogram or dot plot) method of tests. The normality assumption assumes a critical role when the study is dealing with a small sample size, data less than 100 observations. (Gujarati, 2004).

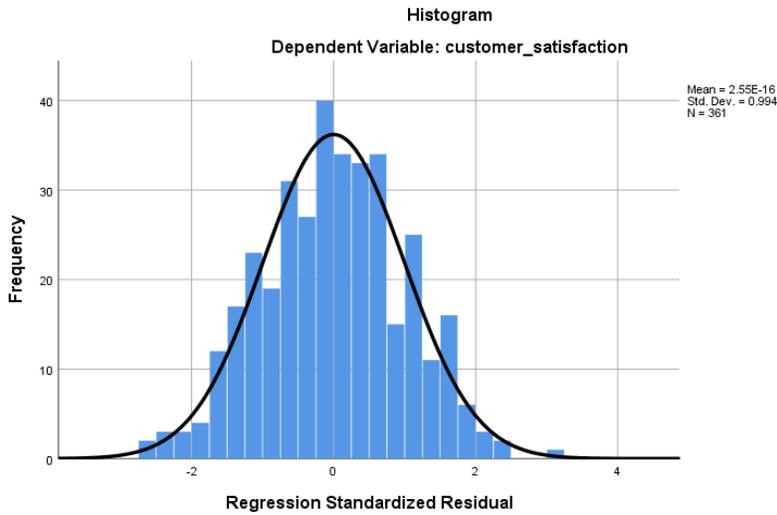


Figure 2: Histogram for Normality Test

As Garson (2012) and Field (2009) noted, normal distribution take the form of a symmetric bell shaped curve. Accordingly, as we observed from the above figure (figure 2), the histogram look like a normal distribution (bell-shaped curve) and the distribution is roughly normal. Moreover, the curve is perfectly skewed (symmetrical). and then the researcher concluded that the normality assumption is not violated.

#### 4.5.2 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine whether the relationship between the dependent variable and the independent variables is linear; P-P plots (probability–probability plot).of the regression residuals through SPSS software has been used and it is presented as follows. The strength of the relationship is indicated by the closeness of the points to an imaginary straight line. If, as the values for one variable increase, so do those for the other, you have a positive relationship. If, as the values for one variable decrease, those for the other variable increase, you have a negative relationship.

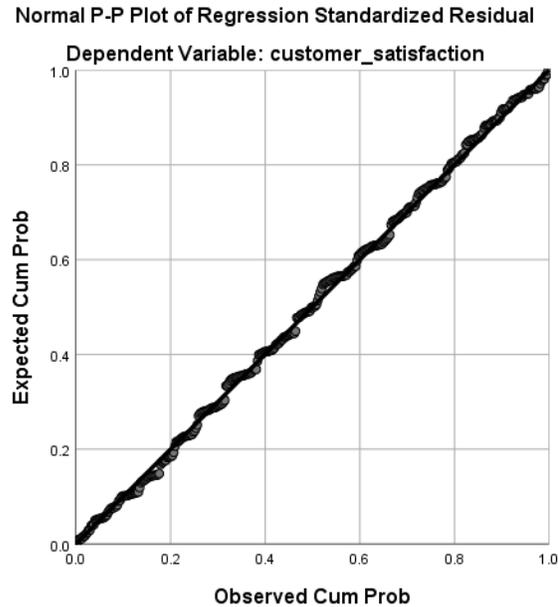


Figure 3: Test for Linearity of Data

As In general, the normal distribution makes a straight diagonal line, and the plotted residuals are compared with the diagonal and the values for residual variable increase, so, the result was positive and direct relationship with the independent variables.

#### 4.5.3 Multicollinearity Test

A test of Multicollinearity was conducted to determine the correlation of the independent variable. Multicollinearity refers to the extent to which an independent variable can be explained by other independent variables in the analysis (Gujarati & Porter, 2004). In other word, Multicollinearity refers to the existence of more than one exact linear relationship between independent variable and if too high this can have harmful effect on regression. Two major approaches were utilized in order to determine the presence of Multicollinearity among independent variables in this study. These methodologies involved calculation of Tolerance test (t-test) and Variance Inflation Factor (VIF). The VIF indicates whether a predictor has a strong linear relationship with the other predictor(s). And the Tolerance level is less or equal to 1 and VIF (1/Tolerance) value are well below 10 is acceptable (Malhotra N. K., 2007).

Table 4. 11: Multicollinearity Test

**Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	product	.438	2.284
	price	.939	1.065
	promotion	.524	1.908
	place	.456	2.195

a. Dependent Variable: customer satisfaction

Source: SPSS survey result, 2020

As can be seen from this data, all of the Tolerance level is less than 1; and all VIF values are well below 10. Thus, the measures selected for assessing independent variable in this study, so there is no perfect multicollinearity. That is, there are no perfect linear relationships among the explanatory variables and the variable is accepted.

#### 4.5.4 Homoscedasticity Test

Homoscedasticity is an assumption in regression analysis that the extent to which the data values for the dependent and independent variables have equal variances and heteroscedasticity is the inverse or unequal variance. That is, at each point along any predictor variable, the spread of residuals should be fairly constant. For a basic analysis we first plot \*ZRESID (Y-axis) against \*ZPRED (X-axis) on SPSS because this plot is useful to determine whether the assumptions of random errors and homoscedasticity have been met. The graph of \*ZRESID and \*ZPRED should look like a random array of dots evenly dispersed around zero. If this graph funnels out, then the chances are that there is heteroscedasticity in the data. If there is any sort of curve in this graph then the chances are that the data have broken the assumption of linearity (Pallant, 2005).

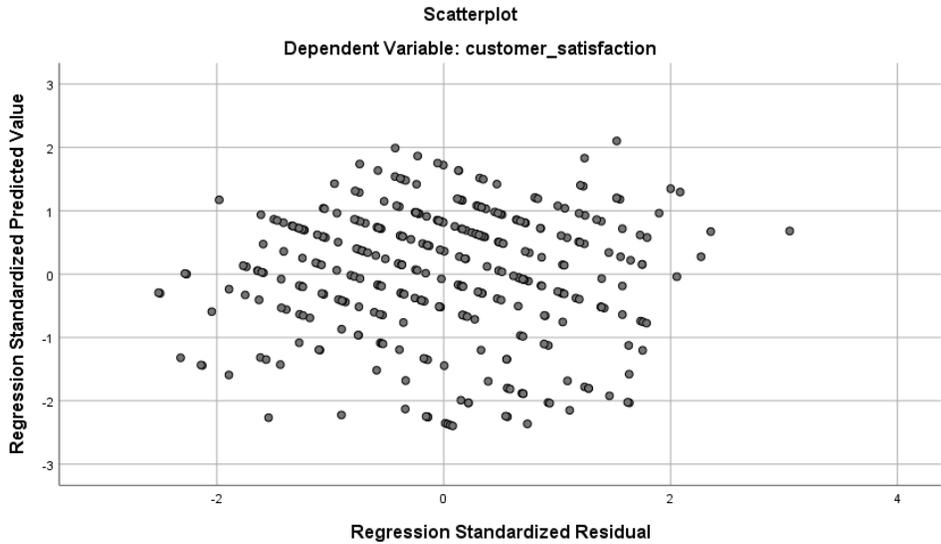


Figure 4: Scatter plot to test Homoscedasticity

As depicted from the scatter plot, the graph of \*ZRESID and \*ZPRED look random array of dots evenly dispersed around zero hence we conclude that the assumption of Homoscedasticity was proved in this particular study.

**4.5.5 Independent of Residuals**

Multiple linear regression model assumes that the residuals are independent of one another. The Durbin-Watson statistic is used to test for the presence of serial correlation among the residuals. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are not correlated if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50.

Table 4. 12: Independence of Residuals Test

<b>Model Summary<sup>b</sup></b>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.845 <sup>a</sup>	.714	.711	.28187	2.178

a. Predictors: (Constant), place, price, promotion, product  
 b. Dependent Variable: customer satisfaction

Source: SPSS survey result, 2020

As the table shows that the assumption of independence of residuals is met. Durbin Watson value for this study is in the range of 1.5-2.5. Unless the residuals are independent of one another the assumption of independence residuals is not violated.

Generally, the study discussed five major assumption that must be fulfilled before analyze the data using multiple linear regression model. Since all the five assumptions were not violated, the researcher examined the data collected by the questionnaires using multiple regression model as follow. Regressions fit a predictive model to data and use that model to predict the values of dependent variable from one or more independent variables (Andy, 2005). Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable.

#### **4.6 Regression Analysis**

Regression analysis is a statistical tool for the investigation of relationships between variables (Malhotra N. K., 2007). Multiple regression is an extension of simple linear regression. It is used when we want to predict the value of a variable based on the value of two or more other variables. The variable we want to predict is called the dependent variable (or sometimes, the outcome, target or criterion variable). The variables we are using to predict the value of the dependent variable are called the independent variables (or sometimes, the predictor, explanatory or regressor variables). Multiple regression, also allows you to determine the overall fit (variance explained) of the model and the relative contribution of each of the predictors to the total variance explained (Laerd Statistics, 2013).

The multiple regression model was used to determine the degree to which The marketing mix elements(Product, Price, Promotion and Place) impact on the Customer satisfaction in terms of the Adjusted R-squared value, the regression coefficients (Beta coefficient) and the p-values for the significance of each relationship.

Table 4. 13: Regression Model Summary

Model Summary <sup>b</sup>									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.845 <sup>a</sup>	.714	.711	.28187	.714	222.182	4	356	.000

a. Predictors: (Constant), place, price, promotion, product

b. Dependent Variable: customer satisfaction

Source: SPSS survey result, 2020

As shown from the above Table 13, the regression analysis, there is a positive statistical relationship between marketing mix elements (the independent variable) and Customer satisfaction (the dependent variable). The coefficient of determination (R-squared) indicates the proportionate amount of variation in the response variable (customer satisfaction) explained by the independent variable (marketing mix 4Ps) in the linear regression model. The larger the R-squared is, the more Impacts of Marketing mix strategies on Customer Satisfaction in the case of Dashen Brewery Company in Addis Ababa city. Variability is explained by the linear regression model. Thus, 71.4% ( $R^2 = .714$ ) of the total variation on Customer Satisfaction is explained by the 4 Ps of marketing mix elements. While the remaining 28.6% is explained by other variables (out of this model).

Table 4. 14: ANOVA of the Model

ANOVA <sup>a</sup>						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	70.612	4	17.653	222.182	.000 <sup>b</sup>
	Residual	28.285	356	.079		
	Total	98.897	360			

- a. Dependent Variable: customer satisfaction
- b. Predictors: (Constant), place, price, promotion, product

Source: SPSS survey result, 2020

The significance level is 0.00 which is less than 0.05. This indicates that the model was statistically significant at the 5% level of significance.

In the above ANOVA table F test and p value indicate the explanatory power of the independent variable. And obviously, the null hypothesis is that; the model has no explanatory power. Which means the entire coefficient on the independent variables is zero or none of the independent variables help to predict the dependent variable. But, as it is shown in the above ANOVA table p- value for both is 0.000 and which is less than 0.05 and it is statically significant. So we conclude that there is very strong evidence to reject the null and accept the alternative. Since the p-value is statically significant we can say that there is supported relationship between marketing mix strategy practices and Customer Satisfaction.

Table 4. 15: Regression Coefficients of independent variables

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.244	.097		12.889	.000
	product	.294	.025	.499	11.639	.000
	price	-.006	.025	-.008	-.259	.796
	promotion	.149	.028	.210	5.353	.000
	place	.167	.029	.242	5.758	.000

- a. Dependent Variable: customer satisfaction

Source: SPSS survey Result, 2020

The unstandardized coefficient under Table -15 are used in the prediction and interpretation of the study multiple regression model. In multiple regressions we use an equation of

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + e_i$$

$$CS = 1.244 + 0.294PP - 0.006PR + 0.149PM + 0.167PL$$

Where; CS= Customer Satisfaction

PP= Product

PR= Price

PM= Promotion

PL= Place

The prediction and interpretation of the study multiple regression model is presented as follows:-

- $B_0 = (1.244)$ : this is the intercept (Constant) and it represents the autonomous variable i.e. Customer satisfaction that do not dependent on the marketing mix elements. Whether the 4ps are added or not, this level of Customer Satisfaction (1.244 units) is attained.
- $\beta_1 = (0.294)$ : this is the slope & it represents the Customer satisfaction that is influenced by the product. It indicates that a unit increase in the Product Strategy of the factory Customer satisfaction increases by 0.294 units positively.
- $B_2 = (-0.006)$ : this is the slope & it represents the Customer satisfaction that is influenced by the price. It indicates that a unit increase in the Price Strategy of the factory Customer satisfaction increases by 0.006 units' negatively.
- $B_3 = (0.149)$ : this is the slope & it represents the Customer satisfaction that is influenced by the promotion. It indicates that a unit increase in the Promotional Strategy of the factory Customer satisfaction increases by 0.149 units positively.
- $B_4 = (0.167)$ : this is the slope & it represents the Customer satisfaction that is influenced by the place. It indicates that a unit increase in the Place (Distribution) Strategy of the factory Customer satisfaction increases by 0.167 units positively.

The findings also indicated that Product ( $\beta = 0.294$ ;  $p < 0.05$ ) is the highest predictor of Customer satisfaction followed by Place ( $\beta = 0.167$ ;  $P < 0.05$ ), Promotion ( $\beta = 0.149$ ;  $P < 0.05$ ) and Price ( $\beta = -0.006$ ;  $P > 0.05$ ), respectively

## 4.7 Hypothesis Testing

Hypothesis testing is based on standardized coefficients beta and P-value to test whether the hypothesis is rejected or not.

**Hypothesis 1:** Product strategy has a significant and positive impact on Customer Satisfaction

**H<sub>0</sub>:** Product strategy has significant and positive effect on Customer Satisfaction.

**H<sub>a</sub>:** Product strategy has significant and positive effect on Customer Satisfaction.

- ✓ The results of multiple regression as presented in Table 15 illustrate there is a positive and significant relationship between product and Customer Satisfaction with ( $\beta = 0.294$  and  $p < 0.05$ ), at 95% confidence level. From this the researcher concluded that the null hypothesis that product will have significant and positive effect on Customer Satisfaction and the null hypothesis is accepted.

**Hypothesis 2:** Pricing strategy has a significant and positive impact on Customer Satisfaction

**H<sub>0</sub>:** Pricing strategy has significant and positive effect on Customer Satisfaction.

**H<sub>a</sub>:** Pricing strategy has not significant and negative effect on Customer Satisfaction.

- ✓ The result of multiple regressions as presented in Table 15 illustrate there is a Negative and insignificant relationship between pricing strategy and Customer Satisfaction. ( $\beta = -0.006$  and  $p > 0.05$ ), at 95% confidence level. From this the researcher concluded that the alternative hypothesis that Pricing strategy will have insignificant and Negative effect on Customer Satisfaction is supported by the data set and the null hypothesis is rejected or not supported by the data set.

**Hypothesis 3:** Promotion strategy has a significant and positive influence on organizational Customer Satisfaction

**H<sub>0</sub>:** Promotion strategy has significant and positive effect on Customer Satisfaction

**H<sub>a</sub>:** Promotion strategy has significant and positive effect on Customer Satisfaction.

- ✓ The result of linear regression as presented in Table 15 illustrate there is a positive and significant relationship between promotion strategy and Customer Satisfaction with ( $\beta = 0.149$  and  $p < 0.05$ ), at 95% confidence level. From this the researcher concludes that the null hypothesis that Promotion strategy will have significant and positive effect on Customer Satisfaction is supported by the data set.

**Hypothesis 4:** Place Strategy has a Significant and positive influence on Customer Satisfaction

**H<sub>0</sub>:** Place strategy has significant and positive effect on Customer Satisfaction.

**H<sub>a</sub>:** Place strategy has significant and positive effect on Customer Satisfaction.

- ✓ The result of linear regression as presented in Table 15 illustrate there is a strong positive and significant relationship between place strategy and Customer Satisfaction with ( $\beta=0.167$  and  $p<0.05$ ), at 95% confidence level. From this the researcher concluded that the null hypothesis that place strategy will have significant and positive effect on Customer Satisfaction is supported by the data set.

Table 4. 16: Summary of Hypothesis

<b>Hypothesis</b>	<b>Description</b>	<b>Regression Result</b>	<b>Conclusion</b>
<b>H1</b>	Product strategy has significant and positive effect on Customer Satisfaction.	$\beta= 0.294$ , $p<0.05$	<b>Supported</b>
<b>H2</b>	Price strategy has significant and positive effect on Customer Satisfaction.	$\beta= -0.006$ , $p>0.05$	<b>Rejected</b>
<b>H3</b>	Promotion strategy has significant and positive effect on Customer Satisfaction.	$\beta= 0.149$ , $p<0.05$	<b>Supported</b>
<b>H4</b>	Place strategy has significant and positive effect on Customer Satisfaction.	$\beta= 0.167$ , $p<0.05$	<b>Supported</b>

Source: Own survey from SPSS result

# CHAPTER FIVE

## SUMMARY, CONCLUSION AND RECOMMENDATION

### Introduction

This chapter aims to review the problem of the research and conclude the findings with regard to the objectives of the study. Recommendation that focuses on how the problem identified could be addressed also included in this chapter.

### 5.1 Summary of Major Findings

The demographic background of the respondents revealed that,

- ❖ The demographic characteristics of respondents show that 69% of the respondents were Male employees while the remaining 31% were Females.
- ❖ Among the respondents the age of majority were between 21 and 40 years which is 69.1% and above 41 years old that accounts 30.7%.
- ❖ In regards to occupation of the respondents 19.1% were Students, 17.5.4% Civil servant , Employee of private organization were the majority of the respondents 41% and Business man and others were the rest 22.41%.

The empirical results from correlation and regression analysis show that,

- ❖ Product, Promotion and Place have a strong, positive and significant correlation with Customer satisfaction ( $r=0.801$ ,  $p<0.01$ ,  $r=0.675$ ,  $p<0.01$   $r=0.721$ ,  $p<0.01$ ) respectively. On the other hand, price has weak, yet positive and significant correlation with customer satisfaction ( $r=0.179$ ,  $p<0.01$ )
- ❖ There is a positive and significant relationship between Product, Promotion and Place and Customer Satisfaction with ( $\beta= 0.294$  and  $p<0.05$ ), ( $\beta= 0.149$ ,  $p<0.05$ ), ( $\beta= 0.167$ ,  $p<0.05$ ) respectively. On the other hand there is Negative and insignificant relationship between pricing strategy and Customer Satisfaction ( $\beta= -0.006$  and  $p>0.05$ ).
- ❖ Variability is explained by the linear regression model. Thus, 71.4% ( $R^2 = .714$ ) of the total variation on Customer Satisfaction is explained by the 4 Ps of marketing mix elements.

- ❖ The findings also indicated that Product ( $\beta = 0.294$ ;  $p < 0.05$ ) is the highest predictor of Customer satisfaction followed by Place ( $\beta = 0.167$ ;  $P < 0.05$ ), Promotion ( $\beta = 0.149$ ;  $P < 0.05$ ) and Price ( $\beta = -0.006$ ;  $P > 0.05$ ), respectively.

## **5.2 Conclusion**

The essence of every marketing activity is to attract customers and increase their desires for specific product or service. Thus organizations pursue consumers' satisfaction with large amount of resources but to what extent Dashen Brewery Share Company has met this objective in Addis Ababa. The General objectives of the study was to assess the marketing mix elements on customer satisfaction of the Dashen Brewery Share Company. Also To understand pricing objectives, strategy and methods applied by the company, and to compare the quality of the product with regard to the Price changed.

Based on the findings of the investigation, it was concluded that the marketing strategies of Dashen Brewery Company have significant positive impact on its consumers in Addis Ababa. That the marketing mix strategy of DBSC has significant positive effect on consumer satisfaction in Addis Ababa. Also, it was concluded that the pricing strategy has insignificant negative effect on consumers' satisfaction such that consumers were positive that it will results in increase benefits to them when the pricing strategy conducted again by the company. Equally, product mix of quality strategy of DBSC Company has significant positive effect on consumers' satisfaction such that the more the company innovates quality product the better its chances of sustaining its customers and win over new ones.

To conclude the study, customers are satisfied with the quality of the products and the distribution (place) systems of the factory yet they are not satisfied with the price and that of the promotional practices of the factory.

## **5.3 Recommendations**

Based on the findings made and the conclusions drawn, the following recommendations were proffered: Dashen Brewery Share Company should retain its current Brewing marketing strategies in Addis Ababa because there have significant positive influences on consumers' satisfaction. This is an indication that the strategies are working in Addis Ababa. However, DBSC

should investigate to find out whether the strategies are also effective in other market outside Addis Ababa.

Dashen Brewery Company should evolve other marketing strategies such as, trade and cash discounts to increase and sustain customers' loyalty and other customer friendly marketing strategies to increase consumers' satisfaction.

Dashen Brewery Company should review its marketing mix strategy to place more emphasis on its customers instead of product. This is not to say that the concept of 4Ps should be downplayed rather Customer solution, Cost to the customer, Convenience and Communication (4Cs) should be amplified. The current market development and expansion strategy of DBSC is appreciated and Product innovation is very necessary if the product is to stay relevant and attract new users therefore, DBSC should do more to innovate not only existing product but new products and processes.

In order to alleviate the problems in the pricing of the products, the factory should set its pricing technique based on the analysis of the customer's perception of the product value. Moreover, the prices has to be set to attract more customers and to increase their level of satisfaction by developing good relationship with suppliers of raw materials to maintain the lowest possible price structure throughout the whole process. Also The factory should continue by providing credit on sales in order to encourage customers by satisfying more. During holidays, purchase of huge (many) products, when there is and cash payment the factory should provide such type of discounts in order to minimize the risk of their customers.

The factory must choose distributors that reach its customers most effectively and other intermediaries that add value to the distributive process. The factory has to do more to expand its local market coverage and increase its market share by selling the products even in rural areas. Thus effective management of the distributive systems delivers the most customer value and satisfaction.

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# APPENDIX

## **Appendix A**

**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF MARKETING MANAGEMENT**  
**Master's Program**

### **Questionnaire**

The purpose of this study is to find out the level of customer satisfaction with regard to the price quality, price charged, the distribution mechanism and promotion utilized by the factory. It may be beneficial to those who are interested to make further study on the subject area. Thus, your free will and cooperation in giving the reliable information is very important. Filling out, these questionnaires may not take that much of your time. Any information provided will only be used for academic purpose. As a result it will be kept confidential and utmost anonymity.

### **General instruction**

1. Please do not write your name in the questionnaires
2. Your participation is voluntary .i.e., there is no penalty if you do not participate.
3. Please simply circle on questions in part one with the appropriate choices to the closed-ended questions or give an explanation to the open-ended questions.
4. Questions in part two were assessed by using a five point Lickert scale. Each question of the questionnaire is assigned a number indicating strongly disagree measured as 1, disagree measured as 2, undecided measured as 3, agree measured as 4, and strongly agree measured as 5. Put ✓ mark for suitable answer

## **Part 1: Demographic Information**

1. Gender

A. Male

B. Female

2. Age

A. 21 -30 years

B. 31-40 years

C. 41-50 years

D. Above 50 years

3. Occupation

A. Student

B. Civil servant

C. Employee of private organization

D. Business man

F, Others

## **Part 2: Questions related to marketing mix**

### **Product related issues**

1. How often do you consume products of the factory?

A. Always

B. Rarely

C. Not at all

2. Which type of the factory product do you consume mostly?

A. Dashen Beer

B. Jano Beer

C. Balageru Beer

3. Have you ever quit consumption (buying and selling) of the factory products and switch to other brands?

A. Yes

B. No

4. If your answer for item no 3 is yes, the reason maybe:

- A. Low price
- B. Better promotion
- C. Better quality
- D. Better distribution channel

**Price related issues**

1. Does the factory provide price discount?

- A. Yes
- B. No

2. If your answer for item no 1 is yes, on which season does the factory provide price discount?

- A. During holidays
- B. During purchase of huge (many) products
- C. During defective products among those purchased products.
- D. Cash payment
- E. Trade allowance

If any others specify-----  
-----

3. Does the factory provide credit sales in order to encourage the customers?

- A. Yes
- B. No

4. If your answer for item no 3 is yes, how long the factory can provide the credit sales guarantee?

- A. Up to 3 months
- B. 3-6 months
- C. 7-9 months
- D. 10-12 months
- E. More than 1 year

**Promotion related issues**

1. Which promotional mixes applied by Dashen brewery company satisfied you most

- A. Advertising
- B. Public Relation

- C. Sales Promotion
- D. Direct marketing
- E. Personal Selling

2. Have you ever seen or heard the products being promoted on any medium?

- A. Yes
- B. No

**Place related issues**

1. Is the product available at your neighbourhood (the area near to a particular place)?

- A. Yes
- B. No

2. Do you get the actual quantity of the product on your request?

- A. Yes
- B. No

3. If your answer for item no 2 is yes, who is responsible for the transport (delivery) system?

- A. Yourself (customers)
- B. The factory

C. Another party

In general, suggest some ideas that the factory has to do to increase your level of Satisfaction----

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**Part 3. Questions related to marketing mix and that are closed ended with Lickert scale**

No	Product related issues	Response Scale				
		1	2	3	4	5
PP1	On average, are you satisfied the quality of the factory product?					
PP2	Do you like the way the factory product is packaged?					
PP3	Are you more satisfied with beer like refrigerated beer?					

	<b>Price related issues</b>	<b>Response scale</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
PR1	The price of Dashen brewery products is reasonable compared to the other Ethiopian brewery products?					
PR2	Are you satisfied with the current overall pricing system of the company?					
PR3	How much (on average) are you satisfied with the credit services?					
	<b>Promotion related issues</b>	<b>Response scale</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
PM1	Can you increase consumption if free bottles of beer or other rewards are given?					
PM2	Have you ever been initiated towards purchased by the promotions made by the factory?					
PM3	How would you evaluate the promotions made for the factory with its quality?					
	<b>Place related issues</b>	<b>Response scale</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
PL1	To what extent are you satisfied with the distribution system of the factory?					
PL2	The retailers of DB have refrigerator and provide Cool products for the consumers?					
PL3	Dashen brewery products are available in most supermarkets, shops and other off- trade areas?					
	<b>Customer satisfaction related issues with marketing mix</b>	<b>Response rate</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
CS1	Are you satisfied overall product attribute of Dashen brewery company?					
CS2	Are you satisfied overall price settlement of the Dashen brewery company?					

CS3	Are you satisfied over all promotional activity of Dashen brewery company?					
CS4	Are you satisfied over all distribution channel of of Dashen brewery company?					
CS5	Are you satisfied with the service or product that is provided in general?					

## **Appendix B**

### Interview Questions

This interview aims at the assessment of marketing mix elements on customer satisfaction and

Focus on the following points.

1. Explain the brief history of the factory?
2. What problems do you encounter in modifying your product?
3. What factors do you consider in setting price?
4. What problems are encountered in the distribution system?
5. What promotional tools does the factory use?
6. How does the factory handle its customers?
7. What is your future plan proposed to make things smooth for the survival of the business?