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University የኢኮኖሚ
Committed to Excellence

**School of Graduate Studies
Marketing Management**

**The effect of Segmentation strategy on Revenue
generation ; The case of Queen's supermarket**

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MAY/2024

CERTIFICATION

This is to certify that the thesis entitles “The effect of marketing segmentation strategies on revenue generation at Queens’ Supermarket in Addis Ababa, Ethiopia”, is submitted to St. Mary University for the award of the Degree of Master of Marketing Management and it is a research work carried out by Ermias Fikre under my guidance and supervision. Therefore, I hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

Adviser’s Name

Date

Signature

**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
FACULTY OF BUSINESS**

**THE EFFECT OF MARKETING SEGMENTATION STRATEGIES ON
REVENUE GENERATION; TE CASE OF QUEEN'S SUPERMARKET**

**BY
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ACRONYMS/ ABBREVIATIONS

ETB Ethiopian Birr

MIDROC Mohammed International Development Research and Organization Companies

SPSS Statistical Package for Social Scientists

Abstract

The main objective of this study is to investigate the effect of marketing segmentation strategies on revenue generation at Queens' Supermarket in Addis Ababa, Ethiopia. It attempted to examine the effect of geographical segmentation, demographic segmentation, psychological segmentation and behavioral segmentation on revenue generation. Four independent variables were included in this study. The dependent variable in this study is revenue generation and independent variables are geographical segmentation, demographic segmentation, psychological segmentation and behavioral segmentation. In this study, descriptive and explanatory research design was used. Primary data, through structured questionnaire, was collected from samples of 176 employees of Queens' Supermarket in Addis Ababa. Simple random sampling method was used to draw the sample from the population of Queens' Supermarket in Addis Ababa. Data were analyzed using both descriptive and inferential statistics with the help of SPSS version 23. The result shows that geographical segmentation, demographic segmentation, psychological segmentation and behavioral segmentation has significant and positive effect on revenue generation at Queens' Supermarket in Addis Ababa at 5% level of significance. Hence, Queens' Supermarket should try to know the region where their product has not gotten to and segment their product to that region, so that they can increase their sales in the region and in the organization; give a reasonable attention to product segmentation because it's has the ability to provide every opportunity to every customers to buy according to their income, lifestyle, nature; encourage social class, style based and personality based segmentation which has influence on our product sales and encourage occasions/time, product benefits, buyer-readiness stage, customer loyalty status and attitude of customer based segmentation which has influence on product sales.

Key words: segmentation, marketing segmentation strategies and revenue generation

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Strategic planning of marketing activities is the basis of business success in modern business environment. Customers are not homogenous in their preferences and expectations. Formulating an adequate marketing strategy, focused on realization of company's strategic objectives, requires segmented approach to the market that appreciates differences in expectations and preferences of customers. One of significant activities in strategic planning of marketing activities is market segmentation. Strategic planning imposes a need to plan marketing activities according to strategically important segments on the long term basis. At the same time, there is a need to revise and adapt marketing activities on the short term basis. There are number of criteria based on which market segmentation is performed. The paper will consider effectiveness and efficiency of different market segmentation criteria based on empirical research of customer expectations and preferences. The analysis will include traditional criteria and criteria based on behavioral model. The research implications will be analyzed from the perspective of selection of the most adequate market segmentation criteria in strategic planning of marketing activities.

According to Boyd(2014), market segmentation is a process where the market is divided into customers consisting of people with the same needs and characteristics that direct them to respond to product / service offers and marketing programs certain strategies in the same way.

According Kotler et al., (2016) Geographical segmentation divides markets into geographical units such as countries, states, regions, districts, cities, or the environment. The company can operate in one or several areas, or operate in all but pay attention to local variations. That way it can adjust the marketing program to the needs and desires of local customer groups in the trade area, the environment, even individual stores. In a growing trend called grassroots marketing, marketers concentrate on making activities that are personally relevant to individual customers. Demographic variables are age, family size, family life cycle, gender, income, occupation, education, religion, race, generation, nationality, and social class are very popular among Marketers are that they are often associated with consumer needs and wants. Demographic characteristics aim to estimate the size of the market and the media how to use it to achieve them

efficiently. In psychographic segmentation, buyers are divided into groups based on psychological / personality traits, lifestyle, or values. People in the same demographic group can show very different psychographic profiles.

Customers are the concentration of all promoting activities of each organization (Iyanda, 2014). Organizations so haven't any alternative choice than to outline their product not as what the businesses create or manufacture however as what they are doing to satisfy customers. Excellence in customer service is often achieved once organizations crate efforts to grasp and answer customer expectations Akpan (2006). The customer has largely been seen as the lifeblood of each enterprise. The marketing concept as a business philosophy holds the position that the long-profit of a business is best achieved by focusing the coordinated activities of the organization towards satisfying the requirement of explicit market segment(s) (Gray , Matear , Bosh off& Matheson , 2018).

The satisfaction of those customers currently becomes the firm's final goal. so as to realize this, Organization got to place up marketing segmentation practice that is customer orientated philosophy, since no firm will turn out and satisfy the entire market, Therefore, for any firm to provide and market its produce and market its product effectively, it's to spot a sub-market among the mixture market, choose and reach with distint selling combine (Akpan, 2006)

The increasing world population has resulted in customers turning into various and various within the shopping for necessities wants and characteristics since companies cannot effectively serve all of them during a broad market. It is inevitable to spot those elements of the market that square measure profitable and might be serve effectively offer the accessible structure resources and capabilities, so this incorporate the adoption of effective segmentation of the markets (Adewale & Sajuyigbe, 2012). Marketing segmentation is often a customer's orientated philosophy that is per marketing concept. Market segmentation is outline as the method of dividing a market into undiversified segment that put together represent the market(Leader,2015).

1.2. Background of the Organization

Queen's supermarket Plc one of the sister company of MIDROC Investment group. MIDROC Investment Group is the largest business entity in Ethiopia operating as part of the global MIDROC International owned by the internationally acclaimed entrepreneur Sheikh Mohammed Hussein Ali Al-Amoudi. MIDROC- Mohammed International Development Research and Organization Companies, engaged in multifaceted business ventures, are operating in Africa, Europe, the Middle East and the United States of America. QUEENS' Supermarket Plc in this cluster has currently nine branches located in different parts of the city. The Supermarket strives to expand its branches and targeted to reach 30 outlets within the coming five years. QUEENS' supermarket has established supply chain links with MIDROC Investment group companies organized under Agriculture and Manufacturing Clusters and hence empowered itself in supplying fresh farm and manufactured products to consumers. The current paid capital is 65 million ETH Birr. Under the super market 934 permanent employees in 9 branches (Nani, Loli, Sara, Rehab, Summite, Rukia, Fetum, Amudi, lideta).

1.2. Statement of the problem

The statement of the problem for Queen's Supermarket in Addis Ababa, Ethiopia, highlights the critical challenges it faces in catering to its diverse customer base effectively. Situated in a bustling city known for its cultural and socioeconomic diversity, the supermarket must navigate unique market dynamics to thrive.

At the heart of its challenges lies the imperative for Queen's Supermarket to develop a comprehensive understanding of its customer demographics, preferences, and behaviors. Without this nuanced insight, the supermarket risks offering products and services that do not align with the specific needs and expectations of its diverse clientele. Consequently, there is a pressing need for Queen's Supermarket to conduct thorough market research and customer analysis to segment its customer base effectively and tailor its offerings and marketing strategies accordingly.

Furthermore, in a competitive marketplace where consumers are presented with various options, Queen's Supermarket must differentiate itself to attract and retain customers. This entails the identification and communication of unique value propositions that set it apart from competitors and resonate strongly with its target audience. Failure to articulate such distinctive advantages

may result in Queen's Supermarket being perceived as just another player in the market, thereby struggling to secure customer loyalty and market share.

In summary, Queen's Supermarket in Addis Ababa, Ethiopia, confronts significant challenges in understanding and catering to its diverse customer base while also distinguishing itself in a crowded marketplace. Addressing these challenges will require strategic initiatives focused on customer insights, segmentation, and the articulation of compelling value propositions tailored to the local context. Only by doing so can Queen's Supermarket achieves sustainable growth and competitive advantage in its market environment.

The need to increasing profit and sales volume has been one of the focal point of every firm (Adewale&Sajuyigbe, 2012). Both markets of services and tangible goods desire to improve profit and sales turnover and the objectives of profitability can only be achieved when firms properly grasp and apply effective and markets segmentation style. Companies are always faced with difficulty of identifying and selecting particular market target and satisfying them by blending the marketing mix elements thus market segmentation recognizes that every market is made up of distinguishable segments consisting of buyers with different needs (Adewale and Olateru , 2017) Sule (2017); Adewale and Sajuyigbe(2012); Boateng (2016) both concluded that marketing segmentation tailored towards the needs of consumer will lead to increase in performance of organization. But study by Hailemariam, Yitbarek ,PrasadaRao (2016) had a contrary view that it is difficult to access if performance of an organization is attributed to market segmentation.

This study geographically confined to Queen's Supermarket which is found in Addis Ababa branches and little study have been conducted in the study area, hence this study could fill gap related to this. The study also focused on variables such as geographical segmentation, demographic segmentation, psychological segmentation and behavioral segmentation due to time constraint. Moreover, quantitative research method was employed to triangulate the findings where the study used explanatory research design; however, previous study used descriptive research design. Hence, this study examine if there is any relationship between marketing segmentation and revenue generation of Queen's supermarket.

1.4. Research Questions

2.What is the effect of geographical segmentation on revenue generation of Queen's

supermarket

3. What is the effect of demographic segmentation on revenue generation of Queen's supermarket

4. What is the effect of psychological segmentation on revenue generation of Queen's supermarket

5. What is the effect of behavioral segmentation on revenue generation of Queen's supermarket

1.5. Objective of the study

1.5.1 General Objective

General objective of the study is to investigate the effect of marketing segmentation strategies on revenue generation at Queens' Supermarket in Addis Ababa, Ethiopia.

1.5.2 Specific objectives

The specific objectives of the study include:

- To examine the effect of geographical segmentation on revenue generation of Queen's supermarket
- To identify the effect of demographic segmentation on revenue generation of Queen's supermarket
- To analyze the effect of psychological segmentation on revenue generation of Queen's supermarket
- To examine the effect of behavioral segmentation on revenue generation of Queen's supermarket

1.6. Significance of the Study

The significance of the study for the intended research lies in its potential to yield valuable insights and benefits for both Queen's Supermarket and the wider retail industry in Addis Ababa, Ethiopia. Some key points highlighting the significance of the study include:

1. **Strategic Decision-Making:** The findings of the research will provide Queen's Supermarket with critical information to make informed decisions regarding segmentation strategies, product offerings, and marketing tactics. This will enable the supermarket to allocate resources effectively and optimize its operations to better serve its diverse customer base.

2. **Competitive Advantage:** By understanding the effectiveness of different segmentation approaches, Queen's Supermarket can identify opportunities to differentiate itself from competitors. This may include tailoring its product assortment, pricing strategies, and promotional activities to better meet the needs and preferences of target customer segments, thereby enhancing its competitive position in the market.

3. **Revenue Enhancement:** A deeper understanding of segmentation's impact on revenue generation will allow Queen's Supermarket to implement targeted strategies aimed at maximizing sales and profitability. This may involve optimizing product placement, improving customer engagement, and enhancing the overall shopping experience to drive increased revenue.

4. **Customer Satisfaction:** Through segmentation analysis, Queen's Supermarket can identify and address specific customer needs and preferences, ultimately leading to higher levels of customer satisfaction and loyalty. By offering personalized experiences and tailored solutions, the supermarket can strengthen its relationships with customers and foster repeat business.

5. **Contribution to Knowledge:** The study will contribute to the body of knowledge on retail management and segmentation strategies, particularly within the context of the Ethiopian market. It may serve as a valuable resource for academics, practitioners, and policymakers seeking to understand consumer behavior, market dynamics, and strategic decision-making in the retail sector.

Overall, the significance of the study lies in its potential to drive improvements in operational efficiency, competitiveness, and customer satisfaction for Queen's Supermarket, while also advancing understanding within the broader retail industry in Addis Ababa and beyond.

1.7. Scope of the Study

The core interest of the study was to investigate the effect of marketing segmentation strategies on revenue generation at Queens' Supermarket in Addis Ababa, Ethiopia. The study delimited to Queens' Supermarkets which is found in Addis Ababa. The geographical coverage was confined to Addis Ababa branches and the result cannot not necessarily represent the reality for the entire Supermarkets in Addis Ababa. The study focused by emphasizing on variables such as geographical segmentation, demographic segmentation, psychological segmentation and behavioral segmentation due to time constraint. Moreover, an only quantitative research method was employed to triangulate the findings. The study used explanatory research design.

1.8. Organization of the Study

This study paper organized into five chapters, the first chapter consists of background of the study, problem statement, objectives of the study, research hypothesis, significance of the study and the scope of the study. Chapter two presents the theoretical, empirical related literature and depicts the conceptual framework. Chapter three provides research methodology. Chapter four outlines data presentation, analysis and discussion and finally chapter five provides conclusion, recommendation suggestion for future research.

1.9. Definition of Key Terms

- 1 **Market:** - is one of the many varieties of system, institution, procedures, social relations and infrastructures whereby parties engage in exchange. It is a regular gathering of people for the purchase and sales of provisions and other commodities.
- 2 **Marketing:** - is the activity, set of institution and procedures for making, communicating, transporting and exchanging offerings that have value for customers, clients, associates and society at large. It is the study and management of exchange relationships.
- 3 **Market segmentation** is the practice of dividing your target market into approachable groups. Market segmentation creates subsets of a market based on demographics, needs, priorities, common interests, and other psychographic or behavioral criteria used to better understand the target audience.
- 4 **Marketing segmentation** is a marketing term that refers to aggregating prospective buyers into groups or segments with common needs and who responds similarly to a marketing

action. Market segmentation enables companies to target different categories of consumers who perceive the full value of certain products and services differently from one another.

- 5 **Revenue** is the money generated from normal business operations, calculated as the average sales price times the number of units sold. It is the top line (or gross income) figure from which costs are subtracted to determine net income. Revenue is also known as sales on income statement.
- 6 **Revenue generation** is the process of planning, marketing, and selling products, with the ultimate aim of generating income and increasing profitability.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

The review of related literature has two major sub-topics. These are: theoretical literature and empirical literature.

2.1. Theoretical Related Literature

2.1.1. Concepts of Market segmentation

According to modern authors in the field of marketing, one of basic strategies of strategic marketing is segmentation, the adequate application of which has become the basis for realization of competitive advantage in the market (Kotler & Keler, 2011, p. 118). The essence of segmentation is reflected in the division of market into a larger number of homogenous subgroups of customers with similar needs and expectations. For different segments different marketing strategies need to be defined in order to create competitive advantage with their implementation.

Market segmentation based on geography, Philip Kotler and Gary Armstrong (2012) stated that geographic segmentation requires dividing the market into different geographic units such as countries, regions, states, regions, cities, or even neighborhoods. The last type of market segmentation is geographic segmentation, namely the grouping of consumers according to location aspects such as where they live. Geographical is the location of an area seen from the reality on earth or the position of that area on the globe compared to the position of other areas. Geographical location is also determined by astronomical, geological, physiographical, and socio-cultural aspects. In geographic segmentation, grouping targets based on location aspects, for example: where the potential customer lives. This type of segmentation can be considered because the needs and uses of a product or service will vary depending on the weather, soil conditions, and location. Geographic segmentation divides consumers into several segments based on where they live. It is an alternative to market segmentation, besides demographic segmentation and psychographic segmentation. Geographical areas that are seen as potential and profitable will become the target of the company's operations. Segmentation Demographics see several aspects such as gender, age, education, occupation, marital status, and others. This type

of demographic segmentation is often used by companies in determining marketing strategies for the products or services they offer. According to Kotler & Keller (2014), demographic segmentation divides the market into groups based on variables such as age, family size, family life cycle, gender, income, occupation, education, religion, race, generation, nationality and social class. Geographic segmentation is important because several variables directly affect demand. Example: income. It is a major determinant of consumer purchasing power. In addition, buying behavior also varies between income groups. Demography or population science is the study of the dynamics of the human population. Demographics include the size, structure and distribution of the population, and how the population changes over time due to births, deaths, migration and aging. Differences in demographic conditions that can cause social inequality are differences in the number and composition of the population between residents in villages and cities, which cause differences in the productivity of the people of the two regions, causing social inequality. Psychographic segmentation is dividing buyers into different groups based on characteristics of social class, lifestyle, opinions, interests or personality. People who are in the same demographic group can have different psychographic characteristics. According to Mowen (2016), psychographics is the main technique used for research on consumer behavior as a measure of lifestyle. The Importance of Market Segmentation for Business Entrepreneurs Affects Marketing Performance. The term psychographics has the idea of describing (graphically) the psychological (psyco) factors that shape consumers.

An example of psychographic segmentation: Marlboro cigarettes take the psychographic segmentation of a male, adventurous and full of challenges cigarette, the Nokia 8880 mobile phone product targets exclusiveness in its product and form. Psychographic segmentation divides buyers into different groups based on characteristics of social class, the lifestyles, opinions, interests or personality of people in the same demographic group can have different psychographic characteristics. Psychographic segmentation is a way for marketers to position their products so that they find the right customer match based on the attitude and lifestyle of the buyer or customer. Problems in segmentation market, namely: sources owned by the company, product homogeneity, product life cycle stages, market homogeneity, and competitive marketing strategies. Research gap: there are differences in the results of research on the effect of market segmentation on marketing performance. Result: significant positive. Researcher: Philip Kotler

and Gary Armstrong (2012), Kotler & Keller (2009). Result: not significant positive: researchers: Mulyani (2015), Nasution (2014).

2.1.2.Bases for Market Segmentation

The largest problem is how to subdivide the market." (Moriarty & Reibstein 1986) Companies have many variables to use, alone or in combinations, when trying to find the best way to view their markets. Often researchers group the different segmentation variables into four broad categories; geographic variables, demographic variables, psychographic variables, and behavioral variables. Players in the banking industry segment their market into more or less homogeneous groups, in terms of their needs and expectations from the banking industry. Marketing strategy of a bank should involve dividing or categorizing the market into major segments; targeting the segments to be catered by the bank; and finally, developing the products and marketing programs to take care of the selected segments. Each segment of the market may demand different products and require different marketing mix to address the demand. Banks should, therefore, develop the profile of different market segments and then the targeted market segments should be selected based on their attractiveness. After banks have identified the market segments that they might address, the next steps will be positioning of the product into the targeted market segment. Retail market can be segmented on the basis of demography, geography, social class and cultural value.

2.1.2.1 Demographic Segmentation

This variable divides customers into segments based on demographic values. Among the demographic bases are age, gender, family size, family life cycle, income, occupation, education, religion, race, generation, social class and nationality (Armstrong and Kotler, 2005). The demographic segmentation is often used in market segmentation for the reason that the variables are easy to identify and measure; finally they provide a description of the target customers so marketers can target a desired target market.

2.1.2.2 Geographic Segmentation

The geographic segmentation divides customers into segments based on geographical areas such as nations, states, regions, counties, cities or neighborhoods. It is important to segment according to geographic, due to the fact that the purchasing behavior of the customers are influenced by where they live, work etc. (Gunter and Furnham, 1992). Furthermore as a result of an increase in

the globalization today the geographic segmentation has been linked to other differences in socio-economic and demographic characteristics. The result of this type of segmentation is referred to as geodemographics (Gunter and Furnham, 1992).

2.1.2.3 Psychographic Segmentation

This variable is derived from two principal profile of customers; personality profiles and lifestyle profiles (psychographics). Psychological profiles are often used as a supplement to geographic and demographics when these does not provide a sufficient view of the customer behavior. Psychographic segmentation therefore divides people according to their attitudes, values, lifestyles, interests and opinions (Pickton and Broderick, 2005). Furthermore some marketers have used personality variables to segment the markets.

2.1.2.4 Behavioral Segmentation

This is based on the customers' attitude toward, use of, or response to a product. Many marketers believe that the behavioral variables such as occasions, benefits, user status, usage rate, buyer-readiness stage, loyalty status and attitude are the best starting points for constructing market segments. By combining the different behavioral variables, it is possible for marketers to get a view of a market and its segments and thereby the marketer can enhance its targeting strategies (Kotler and Keller, 2009).

2.1.3. Benefits of Market Segmentation

Globally, the need for market segmentation arises as markets are becoming increasingly diverse and it is rare for mass marketing to be a profitable strategy. Market segmentation therefore enables more accurate and effective communication of benefits in relation to needs (Peattie, & Peattie, 2009). Market segmentation also helps to identify growth opportunities for the bank. Market segmentation leads to better understanding of the customers and competitors, more effective allocation of resources, and capitalization on the opportunities (i.e. niche markets) (Pawels, , Srinivasan, , Silva-Risso, & Hanssen, 2003).. Research has shown that companies that implement formal, research-based segmentation strategies receive higher revenues and market share than competitors. Pi., and Huang (2011) Market segmentation can bring about many benefits for companies such as the following; Better communications with and understanding of customers' needs and wants. Improved design of products and services which better fit the needs of the segment. Gaining a reputation for expertise and quality in serving specific segments of the

market. Enabling the most profitable customer groups to be given special attention thus improving loyalty and retention, also more efficient use of company resources.

2.2. Empirical Related Literature

Market segmentation is very important marketing tool that is used to disaggregate heterogeneous demand into the distinct groups of customers (Dickson & Ginter, 1987). It is a rational strategic decision to adjust marketing activities and marketing mix according to the characteristics of different market segments (Bass, Tigert, & Lonsdale, 1968).

Complexity in customer requirements also makes it more difficult to identify market segments. Customers evaluate products and services based on the evaluation of their value. Value is defined in literature as the difference of benefits received by customers and sacrifice invested in it (Maričić & Đorđević, 2012, p. 17). In the benefits evaluation process customers do not evaluate only functional elements and product characteristics, but also a series of other benefits such as: social, hedonistic, altruistic benefits, etc. (Maričić & Đorđević, 2012). Likewise, in the evaluation of sacrifice they do not only consider money investments, but other sacrifice such as the effort in obtaining the product, psychological, functional, economic and social risk, availability of information (Ma et al., 2014). Criteria of market segmentation based on descriptive features of customers belong to traditional criteria (Kotler & Keler, 2011). Market segmentation based on traditional criteria implies division of customers based on geographic, demographic, economic, sociological or psychographic criteria (Maričić, 2010). The basic logic in application of criteria is that customers characterized by some of descriptive variables (e.g. degree of education) have similar expectations and preferences. Apart from segmentation of customers on the basis of traditional criteria, in theory and in practice, behavioral type of segmentation is also applied, and it implies the division of customers by attitudes on benefits offered by certain products, conditions of procurement and brand (Kotler & Keler, 2011, p. 201). This type of segmentation basically starts from the values that customers expect and prefer. The basic logic is based on the notion that there are customers with different descriptive features who have the same or similar expectations and preferences (Maričić & Đorđević, 2012).

Key elements in planning of marketing activities in strategic marketing are (Chernev, 2012): identifying target segments of customers; developing the concept of value for customers;

analyzing company's resource capabilities to design value for customers and stakeholders; designing value through the chain of cooperation with other companies in the supply chain; and realizing competitive advantage. Strategic approach to market segmentation is of high importance in company's marketing activities. Researchers have indicated the fact that efficiency and marketing activities in the long term, as well as business results of the company, directly correlate with the degree of adaptation of marketing strategy to different market segments (Gilo & Porat, 2006). Strategic market segmentation implies having business and marketing efforts adequately focused at a specific group of customers, with similar expectations and preferences, which can generate profit and enable adequate market positioning of the company.

2.2.1. Revenue

Revenue is money brought into a company by its business activities. There are different ways to calculate revenue, depending on the accounting method employed. Accrual accounting will include sales made on credit as revenue for goods or services delivered to the customer. Under certain rules, revenue is recognized even if payment has not yet been received.

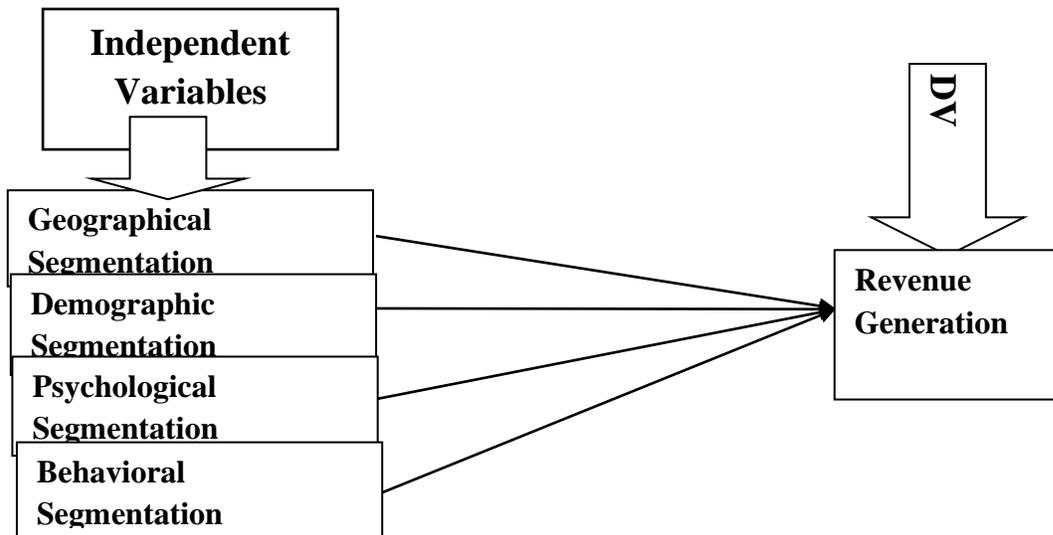
It is necessary to check the cash flow statement to assess how efficiently a company collects money owed. Cash accounting, on the other hand, will only count sales as revenue when payment is received. Cash paid to a company is known as a "receipt." It is possible to have receipts without revenue. For example, if the customer paid in advance for a service not yet rendered or undelivered goods, this activity leads to a receipt but not revenue.

Revenue is known as the top line because it appears first on a company's income statement. Net income, also known as the bottom line, is revenues minus expenses. There is a profit when revenues exceed expenses.

2.3. Conceptual Framework

Conceptual framework means that concepts that relate to one another were used to explain the research problem. Since revenue generation at Queens' Supermarket is influenced by various factors, there is a need to understand what influences revenue generation. These factors include **geographical segmentation, demographic segmentation, psychological segmentation and**

behavioral segmentation. The influence of these factors to the revenue generation is very important but it is noteworthy that the management has no (little) control over them (Wanjiku, 2009). Nevertheless, the factors must be closely monitored to ensure that stringent measures are taken within the best time to either take advantage of the opportunities or combat the threats found in the external environment.



Source: Lestaria , Baktionob & Wulandarc (2020)

Figure 2. 1: Conceptual Framework

CHAPTER THREE

METHODOLOGY OF THE STUDY

3.1. Description of the study area

QUEENS' Supermarket has strategically developed robust supply chain connections with companies within the MIDROC Investment Group, specifically those organized under the Agriculture and Manufacturing Clusters. This strategic collaboration has empowered QUEENS' Supermarket to ensure a consistent supply of fresh farm produce and manufactured goods to its discerning customers. By leveraging these supply chain links, QUEENS' Supermarket maintains a competitive edge in offering high-quality products to meet the diverse needs and preferences of consumers.

Presently, QUEENS' Supermarket boasts a substantial paid-up capital of 65 million Ethiopian Birr, reflecting its financial stability and robust operational capacity. This capital investment underscores the supermarket's commitment to sustainable growth and excellence in service delivery.

In terms of workforce, QUEENS' Supermarket prides itself on its sizable team of 934 permanent employees spread across nine branches. These branches, namely Nani, Loli, Sara, Rehab, Summite, Rukia, Fetum, Amudi, and Lideta, serve as strategic touchpoints to cater to the needs of customers across various locations. Through the dedication and expertise of its workforce, QUEENS' Supermarket ensures seamless operations and exceptional customer service standards across its extensive network of branches.

Overall, QUEENS' Supermarket's strategic supply chain partnerships, robust financial standing, and dedicated workforce position it as a leading player in the retail industry, poised for continued growth and success in meeting the evolving needs of its customers.

3.2. Research Approach

This study applied quantitative research approach in order to investigate the effect of marketing segmentation strategies on revenue generation at Queens' Supermarket in Addis Ababa, Ethiopia. A quantitative approach is one in which the researcher collects, analyzes, and or “integrates” quantitative data in a single study to understand a research problem (Creswell,

2003). Quantitative research; is an approach for testing objective theories by examining the relationship among variables. These variables in turn can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures building in protections against bias, controlling for alternative explanations, and being able to generalize and replicate the finding (Creswell 2013).

3.3. Research Design

The study used both descriptive and explanatory research design. This descriptive kind of research is used to obtain information concerning the current status of the phenomena to describe what exists with respect to variables or conditions in a situation. The descriptive research design was used with the help of quantitative study techniques to describe the characteristics of objects, people group, organization or environments. In other words, descriptive research tried to paint a picture of a given situation by addressing who, what, when, where and how questions. Descriptive research design was used to describe independent and dependent variables and it is a scientific method of carrying out a systematic or formal inquiry in which data is collected and analyzed in order to describe the current conditions, terms concerning in a certain specific field Problem (Mugenda, 2003).

Explanatory research design was also be used to explain and predict the cause-and-effect relationships between variables. Explanatory research seeks explanations of observed phenomena, problems, or behaviors. Explanatory research seeks answers to why and how types of questions. It attempts to “connect the dots” in research, by identifying causal factors and outcomes of the target phenomenon (Bhattacharjee, 2012).

3.4. Population and Sampling Design

3.4.1. Population of the Study

According to Donald et al (2003), population is the total collection of elements about which we wish to make some inferences or it is the entire group of people, events or things of interest that the researcher wishes to investigate. So, this study needs to make a survey that includes stakeholders involved in Queen's Supermarket operations, employees of Queens' Supermarket in Addis Ababa, Ethiopia. The target population was 934 respondents of Queens' Supermarket.

3.4.2. Sample Size Determination

From the total population, the sample size was calculated using Slovin's sampling formula as follows;

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

n = sample size

N = the size of the population (934)

e = level of precision (0.05)

$$n = \frac{934}{1+934(0.05)^2} = \underline{280}$$

3.4.3. Sample Selection Technique

Sampling is a process that involves the selection of enough number of individual units of study from the study population so that by studying the total individual units (sample), will aid in understanding the properties and characteristics of the population elements at large. According to Bryman (2008), sampling is the process of selecting several objects or individuals for a study in a manner that the selected objects or individuals can be used to represent the entire population. This study was used convenient sampling method to draw the sample from the population. Convenience sampling involves recruiting individuals primarily because they are available, willing, or easy to access or contact on a practical level.

3.5. Source of Data

3.5.1. Primary Source of Data

The study was used both primary and secondary data as sources of information. Primary data was collected from employees of Queens' Supermarket that is sampled for this study through questionnaire. Primary data largely come from respondents was collected especially to answer key research questions.

3.5.2. Secondary Source of Data

As sources of secondary data sources, the researcher reviewed different books, journals, archived researches, internet and documented reports.

3.6. Methods of Data Collection

The researcher used survey questionnaire as an important method in this study. In line with this the researcher developed a questionnaire containing closed ended questions as an instrument of data collection to increase statistical efficiency of the data. This questionnaire was distributed to 280 respondents on the issue related with the effect of marketing segmentation strategies on revenue generation at Queens' Supermarket in Addis Ababa, Ethiopia. A set of questionnaire anchored on Likert-type scale (ranged from strongly disagrees to strongly agree) was designed to measure the degree to which respondents agree or disagree.

3.7. Methods of Data Analysis

Once data is processed using computerized system, further transformation of the these data to look for patterns and relationship between and/or among data groups was done. In this study, descriptive statistics was used to analyze and describe a collection of quantitative data on the effect of marketing segmentation strategies on revenue generation at Queens' Supermarket in Addis Ababa, Ethiopia by using frequency tables, percentages, arithmetic mean, and standard deviation as well as inferential statistics analysis (multiple linear regression) through the use of Statistical Package for Social Scientists (SPSS) version 23 relevant methods of data analysis.

3.8. Validity & Reliability Analysis

3.8.1. Validity of Research Instrument

Validity is the degree to which a test measures what it purports to measure (Creswell,2009). Its primary purpose is to increase the accuracy and usefulness of findings by eliminating or controlling as many confounding variables as possible, which allows for greater confidence in the findings of a given study. To increase the validity of the study the researcher followed the following techniques. First, the instrument was tested by distributing questionnaire. Second the questionnaire was refined based on the respondent comment and finally the proper detection obtained from advisor was taken. Furthermore statistical inferences were used to test the relationship of variable and to give inference for the dependent variable.

3.8.2. Reliability of Research Instrument

Table 3. 1: Reliability Statistics

Constructs	Cronbach's Alpha value
Geographical Segmentation	0.725
Demographic Segmentation	0.838
Psychological Segmentation	0.703
Behavioral Segmentation	0.756
Revenue Generation	0.812

Source: Output Survey, 2024

The reliability of a standardized test is usually expressed as a correlation coefficient, which measures the strength of association between variables. While different level of reliability are required, depending on nature and purpose of scale, Nunnally (1998) as cited by Pallant(2013) recommends a minimum level of 0.7. As shown in above Table:3.1, Cronbach's Alpha value for geographical segmentation (0.725), demographic segmentation (0.838), psychological segmentation (0.703), behavioral segmentation (0.756) and revenue generation (0.812) are in the recommended range which shows that the data is reliable.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

Introduction

This chapter presents research finding of the study carried out to investigate the effect of marketing segmentation strategies on revenue generation at Queens' Supermarket in Addis Ababa, Ethiopia. The study was targeted 191 employees of Queens' Supermarket in Addis Ababa, Ethiopia. Out of this only 176 of them returned back questionnaires representing 92% response rate.

4. Data Presentation

4.1. Demographic Characteristics of Respondents

Table 4. 1: Demographic Characteristics of Respondents

Gender of respondents	Frequency	Percent
Male	116	65.9
Female	60	34.1
Total	176	100.0
Age of respondents	Frequency	Percent
Below21	26	14.8
21-29	74	42.0
30-38	55	31.3
Above39	21	11.9
Total	176	100.0
Education level of respondents	Frequency	Percent
Elementary (1-8)	29	16.5
High School and 12 completed	81	46.0
College Diploma	36	20.5
Degree	21	11.9
Masters	9	5.1
Total	209	100.0
Experience of Respondents	Frequency	Percent
Below3	9	5.1
4-5	83	47.2
6-10	51	29.0

Above11	33	18.8
Total	176	100.0

Source: Output Survey, 2024

As shown in table 4.1 above, the majority of respondents 116 (65.9%) are male and the remaining 60(34.1%) respondents are female. This indicates the majority of sampled respondents are male. In line with age of respondents, majority of respondents 72(42%) are between 21-29 age, followed by those who are between the age of 30-38 which constitutes 55(31.3%), then those below 21 years which constitutes 26(14.8%), then by those who are above 39 which constitutes 21(11.9%). This indicates the majority of sampled respondents are those in the younger age category. Regarding education of respondents, the majority 81 (46%) of respondents attained high school and 12 completed, followed by those who have a college diploma which constitutes 36(20.5%), then followed by those who have attained elementary 29(16.5%), then followed by those who have a degree 21(11.9%) and finally followed by those who have a masters 9(5.1%). Concerning experience of respondents, most of the respondents have an experience for 4 to 5 years which constitutes 83(47.2%) followed by those who have an experience from 6 to 10 years which constitutes 51(29%) then by those above 11 years which constitutes 33(18.8%) and finally followed by those who have one up to 3 years' experience which constitutes 9(5.1%). This implies that most respondents have medium level of experiences.

4.2. Result of Descriptive Statistics

In this part of the thesis all Likert type questionnaires were get into analysis and interpretation. For five point Likert types questionnaires according to Al-Sayaad, Rabea&Samrah (2006), as cited by Bassam (2013),the mean range from 1-1.8, 1.8-2.6, 2.6-3.4,3.4-4.2 and 4.2-5 falls in response option of strongly disagree, disagree, neither agree nor disagree, agree and strongly agree category. Therefore, while making interpretation of the results of mean and standard deviation the scales where obtained from the sample of respondents were reassigned in line with this category to make the interpretation easy and clear.

4.2.1. Geographical Segmentation

Table 4. 2:Geographical Segmentation

Geographical Segmentation	N	Mean	Std. Deviation
Region or customer background based segmentation has a lot to do with on Revenue generation of the company	176	3.75	.705
Climate based segmentation has a lot to do with on Revenue generation of the company	176	3.32	.788
Urban/rural based segmentation has a lot to do with on Revenue generation of the company	176	3.47	.658
The sales of our customer mostly are influence by where they live and work	176	3.35	.658
Grand Mean/Standard Deviation		3.47	.702

Source: Output Survey, 2024

As shown in Table 4.2, the respondents agree that region or customer background based segmentation has a lot to do with on Revenue generation of the company with a mean score of 3.75 and a standard deviation of 0.705. Similarly, the respondents agree that climate based segmentation has a lot to do with on revenue generation of the company with a mean score of 3.32 and a standard deviation of 0.788. Additionally, the respondents agree that urban/rural based segmentation has a lot to do with on Revenue generation of the company with a mean score of 3.47 and a standard deviation of 0.658. Similarly, the respondents agree that the sales of our customer mostly are influence by where they live and work which is supported by a mean score of 3.35 and a standard deviation of 0.658. In the same vein, the grand mean of the overall items were 3.47 with standard deviation 0.702. The response is also found in the response category of 3.32-3.75. Thus, region or customer background based segmentation, climate based segmentation, urban/rural based segmentation has a lot to do with on Revenue generation of the company and the sales of our customer mostly are influence by where they live and work.

4.2.2. Demographic Segmentation

Table 4. 3:Demographic Segmentation

Demographic Segmentation	N	Mean	Std. Deviation
The rate of gender in the society has influence on our product sales	176	3.46	.666
The age of our customers affect our sales	176	3.35	.667
Profession or Occupation based segmentation has a lot to do with on Revenue generation of the company	176	3.37	.729

Revenue based segmentation has influence on our product sales	176	3.14	.599
Religion based segmentation has influence on our product sales	176	3.47	.748
Grand Mean/Standard Deviation		3.35	.681

Source: Output Survey, 2024

As shown in Table 4.3, the respondents agree that the rate of gender in the society has influence on our product sales with a mean score of 3.46 and a standard deviation of 0.666. Similarly, the respondents agree that the age of our customers affect our sales with a mean score of 3.35 and a standard deviation of 0.667. Additionally, the respondents agree that profession or occupation based segmentation has a lot to do with on revenue generation of the company with a mean score of 3.37 and a standard deviation of 0.729. Similarly, the respondents agree that revenue based segmentation has influence on our product sales which is supported by a mean score of 3.14 and a standard deviation of 0.599. Additionally, the respondents agree that religion based segmentation has influence on our product sales with a mean score of 3.47 and a standard deviation of 0.748. Moreover, the grand mean of the overall items were 3.35 with standard deviation 0.681. The response is also found in the response category of 3.14-3.47.

Hence, the rate of gender in the society has influence on our product sales, the age of our customers affect our sales, profession or occupation based segmentation has a lot to do with on revenue generation of the company, revenue based segmentation has influence on our product sales and religion based segmentation has influence on our product sales.

4.2.3. Psychographic Segmentation

Table 4. 4: Psychographic Segmentation

Psychographic Segmentation	N	Mean	Std. Deviation
Social Class based segmentation has influence on our product sales	176	3.24	.635
Lifestyle based segmentation has influence on product sales of the company	176	3.39	.748
Personality based segmentation has influence on our product sales	176	3.46	.666
Grand Mean/Standard Deviation		3.36	.683

Source: Output Survey, 2024

As shown in Table 4.4, the respondents agree that social class based segmentation has influence on the product sales with a mean score of 3.24 and a standard deviation of 0.635. Similarly, the

respondents agree that lifestyle based segmentation has influence on product sales of the company with a mean score of 3.39 and a standard deviation of 0.748.

Additionally, the respondents agree that personality based segmentation has influence on our product sales with a mean score of 3.46 and a standard deviation of 0.666. Moreover, the grand mean of the overall items were 3.36 with standard deviation 0.683. The response is also found in the response category of 3.24-3.46. Thus, social class based segmentation has influence on the product sales, style based segmentation has influence on product sales of the company and personality based segmentation has influence on our product sales.

4.2.4. Behavioral Segmentation

Table 4. 5: Behavioral Segmentation

Behavioral Segmentation	N	Mean	Std. Deviation
Occasions/time based segmentation has a lot to do with on Revenue generation of the company	176	3.25	.782
Product benefits based segmentation has a lot to do with on Revenue generation of the company	176	3.24	.807
Buyer-readiness stage has influence on our product sales	176	3.55	.840
Customer loyalty status based segmentation has a lot to do with on Revenue generation of the company	176	3.66	.698
Attitude of customer has influence on our product sales	176	3.53	.785
Grand Mean/Standard Deviation		3.44	.782

Source: Output Survey, 2024

As shown in Table 4.5, the respondents agree that occasions/time based segmentation has a lot to do with on revenue generation of the company with a mean score of 3.25 and a standard deviation of 0.782. Similarly, the respondents agree that product benefits based segmentation has a lot to do with on revenue generation of the company with a mean score of 3.24 and a standard deviation of 0.807. Additionally, the respondents agree that buyer-readiness stage has influence on our product sales with a mean score of 3.55 and a standard deviation of 0.840. Similarly, the respondents agree that customer loyalty status based segmentation has a lot to do with on revenue generation of the company which is supported by a mean score of 3.66 and a

standard deviation of 0.698. Additionally, the respondents agree that attitude of customer has influence on product sales with a mean score of 3.53 and a standard deviation of 0.785. Furthermore, the grand mean of the overall items were 3.44 with standard deviation 0.782. The response is also found in the response category of 3.24-3.66. Hence, occasions/time based segmentation, product benefits based segmentation, buyer-readiness stage, customer loyalty status and attitude of customer has influence on product sales.

4.2.4. Segmentation Strategy and Revenue Generation

Table 4. 6: Segmentation Strategy and Revenue Generation

Segmentation strategy and Revenue Generation	N	Mean	Std. Deviation
Market segmentation helps to enhance the revenue generation of the company	176	3.83	.713
The revenue generation of Queen’s supermarket receive from market segment is significant	176	3.39	.813
Customers still operate their account with Queen’s supermarket because of the service they receive from their market segment	176	3.52	.676
Customers in different market segments receive the same level of service like what they receive from their segment	176	3.39	.693
Queen’s supermarket market share is relatively higher compared to other supermarket due to segmentation strategy.	176	3.39	.725
segmentation strategy profitability is relatively higher compared to other supermarket due to segmentation strategy	176	3.16	.603
Grand Mean/Standard Deviation		3.44	.703

Source: Output Survey, 2024

As shown in Table 4.6, the respondents agree that market segmentation helps to enhance the revenue generation of the company with a mean score of 3.83 and a standard deviation of 0.713. Similarly, the respondents agree that the revenue generation of Queen’s supermarket receive from market segment is significant with a mean score of 3.39 and a standard deviation of 0.813. Additionally, the respondents agree that customers still operate their account with Queen’s supermarket because of the service they receive from their market segment with a mean score of 3.52 and a standard deviation of 0.676. Similarly, the respondents agree that customers in different market segments receive the same level of service like what they receive from their segment which is supported by a mean score of 3.39 and a standard deviation of 0.693.

Additionally, the respondents agree that Queen’s supermarket market share is relatively higher compared to other supermarket due to segmentation strategy with a mean score of 3.39 and a standard deviation of 0.725.

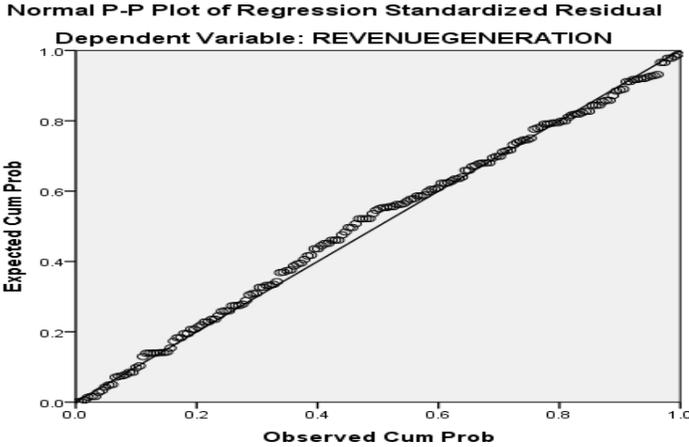
Moreover, the respondents agree that segmentation strategy profitability is relatively higher compared to other supermarket due to segmentation strategy which is supported by a mean score of 3.16 and a standard deviation of 0.603. Moreover, the grand mean of the overall items were 3.44 with standard deviation 0.703. The response is also found in the response category of 3.16-3.83. Thus, market segmentation helps to enhance the revenue generation of the company, the revenue generation of Queen’s supermarket receive from market segment is significant, customers still operate their account with Queen’s supermarket because of the service they receive from their market segment, customers in different market segments receive the same level of service like what they receive from their segment, Queen’s supermarket market share is relatively higher compared to other supermarket due to segmentation strategy and segmentation strategy profitability is relatively higher compared to other supermarket due to segmentation strategy.

4.3. Inferential Analysis

4.3.1. Assumption of Multiple Regression Test

A. Normality Test

Figure 4. 1: Normality Test using plot p-p plot



Source: Output Survey, 2024

The above Figure: 4.1 assessed the assumption that the residuals are normally distributed by producing a normal probability plot (p-p plot). In this plot, the ordered values of the standardized residuals are plotted against the expected values from the standard normal distribution. If the residuals are normally distributed, they should lie, approximately, on the diagonal (Mark Tranmer, 2006, p. 38). Based on this, the figure shows the normal probability plot. Therefore, based on above diagram, normality test was met.

B. Multicollinearity Test

Table 4. 7: Indicates Multi Co- linearity Test

Constructs	Collinearity Statistics	
	Tolerance	VIF
GEOGRAPHIC SEGMENTATION	.465	2.153
DEMOGRAPHIC SEGMENTATION	.551	1.815
PSYCHOLOGICAL SEGMENTATION	.634	1.578
BEHAVIORAL SEGMENTATION	.479	2.089

a. Dependent Variable: REVENUEGENERATION

Source: Output Survey, 2024

The rule of thumb for a large VIF value is ten (Keith, 2006; Shieh, 2010). Based on this, the VIF value of this study is less than critical value of 10 indicated that there was no problem of multi-co linearity. Small values for tolerance and large VIF values show the presence of multicollinearity (Keith, 2006) as cited by (Ballance, 2010, p. 10). Thus, we require (Fah, 2007, p. 76) a VIF value less than ten and a tolerance value approach to one; this means that the variable is completely uncorrelated with the other independent variables.

4.3.2. Correlation Analysis

4.3.2.1. Pearson's Product Moment Correlation Coefficient

Correlation analysis is used to describe the strength or magnitude and direction of the linear relationship between two variables (Pallant, 2010, p.128). In this paper pearson's product moment correlation is used whether there is significant relation between the independent variables namely motivation, job security, work environment, training and work life balance with the dependent variable employee performance.

Table 4. 8: Correlation result interpretation guide

Correlation value in range	Interpretation
0.00 to 0.19	Weak/ very low correlation
0.20 to 0.39	Low correlation
0.40 to 0.59	Moderate correlation
0.60 to 0.79	High correlation
0.8 to 1.0	Very high correlation

Source: Adopted from Marczyk et al. (2005)

The Pearson coefficient r ranges from -1 up to 1. -1 shows perfectly negative relationship, 0 show no relationship and 1 perfectly positive relationship. For the rest of the values is used the above guideline.

Table 4.9: Pearson's Product Moment Correlation Coefficient

		REVENUEGENERATION
GEOGRAPHIC SEGMENTATION	Pearson Correlation	.747**
	Sig. (2-tailed)	.000
	N	176
DEMOGRAPHIC SEGMENTATION	Pearson Correlation	.749**
	Sig. (2-tailed)	.000
	N	176
PSYCHOLOGICAL SEGMENTATION	Pearson Correlation	.585**
	Sig. (2-tailed)	.000
	N	176
BEHAVIORAL SEGMENTATION	Pearson Correlation	.749**
	Sig. (2-tailed)	.000
	N	176
REVENUEGENERATION	Pearson Correlation	1
	Sig. (2-tailed)	
	N	176

Source: Output Survey, 2024

Table 4.9; depicts that the correlation between geographical segmentation and revenue generation of Queen's supermarket. This coefficient shows that there is a positive relationship between geographical segmentation and revenue generation of Queen's supermarket. The (**) highlights that the probability of this correlation coefficient occurring by chance alone is less than 0.05 (5 percent). This correlation coefficient is therefore statistically significant. Thus, there is positive and significant relationship between geographical segmentation and revenue generation of Queen's supermarket ($r=0.747, p<0.05$). Its small significance level ($p < 0.05$) indicate that it is very unlikely that these variables are independent of each other. This implies that at 5% level of significance the geographical segmentation plays a significant role in influencing revenue generation of Queen's supermarket. Since the values of r-obtained were between 0.60 to 0.79, it was categorized as strong correlation (Evans, 1996). Additionally, there is positive and significant relationship between demographic segmentation and revenue generation of Queen's supermarket ($r=0.749, p<0.05$) which is statistically significant at 95% confidence level. This implies that demographic segmentation plays a significant role in influencing revenue generation of Queen's supermarket. Since the values of r-obtained were between 0.60 to 0.79, it was categorized as strong correlation.

Additionally, there is positive and significant relationship between psychographic segmentation and revenue generation of Queen's supermarket ($r=0.585, p<0.05$) which is statistically significant at 95% confidence level. This implies that psychographic segmentation plays a significant role in influencing revenue generation of Queen's supermarket. Since the values of r-obtained were between 0.40 to 0.59, it was categorized as moderate correlation.

There is also positive and significant correlation between behavioral segmentation and revenue generation of Queen's supermarket ($r=0.749, p<0.05$). This indicates that there is a statistically significant ($p < 0.05$) linear relationship between these two variables such that the more behavioral segmentation, the more it influences revenue generation of Queen's supermarket. The (**) highlights that the probability of this correlation coefficient occurring by chance alone is less than 0.05 (5 percent). This correlation coefficient is therefore statistically significant. Since the values of r-obtained were between 0.60 to 0.79, it was categorized as strong correlation.

4.3.3. Regression Analysis

A. Coefficient of Determination

Table 4. 8: Model summary for independent variable

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.880 ^a	.774	.769	.439

a. Predictors: (Constant), BEHAVIORAL, PSYCHOLOGICAL, DEMOGRAPHIC, GEOGRAPHIC

Source: Output Survey, 2024

As illustrated on Table 4.10 above, model summary is used to measure the statistical significance of the effect of the four independent variables on revenue generation of Queen’s supermarket. Accordingly, the linear regression of the different independent variables and the dependent variable is explained. As the output from SPSS showed that, the Adjusted R Square describes the amount of variance explained by a set of predictor variables. In this study, the value is 0.769, which indicates that 77% of the variance in the dependent variable is explained by the independent variables in the model. Thus, the value of adjusted $R^2 = 0.769$ shows that 77% of revenue generation of Queen’s supermarket is attributed to due to geographical segmentation, demographic segmentation, psychological segmentation and behavioral segmentation and the remaining 33% of the variance is explained by variables which are not included in the model.

B. Analysis of Variance (ANOVA)

Table 4. 9: Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	113.299	4	28.325	146.714	.000 ^b
	Residual	33.013	171	.193		
	Total	146.312	175			

a. Dependent Variable: REVENUEGENERATION

b. Predictors: (Constant), BEHAVIORAL, PSYCHOLOGICAL, DEMOGRAPHIC, GEOGRAPHIC

Source: Output Survey, 2024

From ANOVA Table 4.11 above, the processed data had a significance level of 0.000 which shows that the data was ideal for making conclusion on population’s parameter as the value of significance (p-value) is less than 0.05. The significance value which is less than 0.05 is an

indication that the model is statistically significant. Thus indicates, possibility of rejecting null hypothesis and at least one independent variable has significant effect on revenue generation of Queen’s supermarket.

C. Regression Coefficients

Table 4.13: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-3.995	.376		-10.628	.000
GEOGRAPHIC	.217	.041	.285	5.338	.000
DEMOGRAPHIC	.285	.039	.360	7.359	.000
PSYCHOLOGICAL	.099	.029	.155	3.386	.001
BEHAVIORAL	.601	.117	.269	5.123	.000

a. Dependent Variable: REVENUEGENERATION

Source: Output Survey, 2024

The output from SPSS shows that the p-values for geographical segmentation, demographic segmentation, psychological segmentation and behavioral segmentation are less than 0.05. Thus, we can conclude that these variables significantly and positively affect revenue generation of Queen’s supermarket.

The Unstandardized coefficient is used for constructing the equation and explaining each independent variables contribution on the dependent variable on average other things keeping constant. Therefore, the regression equation of the model is written as follow.

$$Y = \beta_0 + \beta_1GS_1 + \beta_2DS_2 + \beta_3PS_3 + \beta_4BS_4 + E$$

Where:

Y = is the dependent variable- Revenue Generation

GS₁= geographical segmentation, DS₂= demographic segmentation, PS₃= psychological segmentation and BS₄= behavioral segmentation are the independent variables. B₀ is the intercept term, constant which would be equal to the mean if all slope coefficients are 0. The β₁, β₂, β₃

and β_4 are the coefficients associated with each independent variable which measures the change in the mean value of Y, per unit change in their respective independent variables.

Thus: Revenue Generation = $-3.995 + 0.217$ geographical segmentation + 0.285 demographic segmentation + 0.099 psychological segmentation + 0.601 behavioral segmentation.

4.4. Analysis and Discussion

4.4.1 The Effect of Geographical Segmentation on Revenue Generation of Queen's Supermarket

In the Table 4.13 above, the p-values for geographical segmentation were (0.000) which is less than 0.05. Thus, we can conclude that geographical segmentation significantly and positively affects revenue generation of Queen's supermarket. The unstandardized coefficient of geographical segmentation is 0.217, holding other predictors constant, one unit of increase in geographical segmentation results in a 0.217 increase in revenue generation of Queen's supermarket. This is supported by (Gunter and Furnham, 2012) which states purchasing behavior of the customers are influenced by where they live, work.

On the other hand, standardized beta coefficient of geographical segmentation with beta value of 0.285, shows that average amount the dependent variable, revenue generation of Queen's supermarket, increases by 0.285, when the geographical segmentation increases by one standard deviation (all Other independent variables are held constant). This indicates geographical segmentation affects revenue generation of Queen's supermarket with beta value of 0.143.

4.4.2. The Effect of Demographic Segmentation on Revenue Generation of Queen's Supermarket

The p-values for demographic segmentation were (0.000) which is less than 0.05. Thus, we can conclude that demographic segmentation significantly and positively affects revenue generation of Queen's supermarket. The unstandardized coefficient of demographic segmentation is 0.285, holding other predictors constant, one unit of increase in demographic segmentation results in a 0.285 increase in revenue generation of Queen's supermarket. This coincides with the theory of (Armstrong and Kotler, 2005) which states demographic bases such as age, gender, family size, family life cycle, income, occupation, education, religion, race, generation, social class and nationality significantly and positively affects revenue generation.

On the other hand, standardized beta coefficient of demographic segmentation with beta value of 0.360, shows that average amount the dependent variable, revenue generation of Queen's supermarket, increases by 0.360, when the demographic segmentation increases by one standard deviation (all Other independent variables are held constant). This indicates demographic segmentation affects revenue generation of Queen's supermarket with beta value of 0.360.

4.4.3. The Effect of Psychological Segmentation on Revenue Generation of Queen's Supermarket

The p-values for psychological segmentation were (0.001) which is less than 0.05. Thus, we can conclude that psychological segmentation significantly and positively affects revenue generation of Queen's supermarket. The unstandardized coefficient of psychological segmentation is 0.099, holding other predictors constant, one unit of increase in psychological segmentation results in a 0.099 increase in revenue generation of Queen's supermarket.

On the other hand, standardized beta coefficient of psychological segmentation with beta value of 0.155, shows that average amount the dependent variable, revenue generation of Queen's supermarket, increases by 0.155, when the psychological segmentation increases by one standard deviation (all Other independent variables are held constant). This indicates psychological segmentation affects revenue generation of Queen's supermarket with beta value of 0.155.

4.4.2. The Effect of Behavioral Segmentation on Revenue Generation of Queen's Supermarket

The p-values for behavioral segmentation were (0.001) which is less than 0.05. Thus, we can conclude that behavioral segmentation significantly and positively affects revenue generation of Queen's supermarket. The unstandardized coefficient of behavioral segmentation is 0.601, holding other predictors constant, one unit of increase in behavioral segmentation results in a 0.601 increase in revenue generation of Queen's supermarket. This coincides with (Kotler and Keller, 2009) which states, the different behavioral variables, it is possible for marketers to get a view of a market and its segments and thereby the marketer can enhance its targeting strategies (Kotler and Keller, 2009).

On the other hand, standardized beta coefficient of behavioral segmentation with beta value of 0.269, shows that average amount the dependent variable, revenue generation of Queen's

supermarket, increases by 0.269, when the behavioral segmentation increases by one standard deviation (all Other independent variables are held constant). This indicates behavioral segmentation affects revenue generation of Queen's supermarket with beta value of 0.269.

4.5. Hypotheses Test

Proposed hypothesis tested based on the results of the multiple regression analysis. By looking at the Sig.-value in table 4.13, it is possible to interpret whether the particular independent variable has a significant relationship with the dependent variables. Hypothesis is rejected when the Sig. value is smaller than 0.05; and a null hypothesis is accepted when the p value is equal or larger than 0.05 (Pallant, 2010).

The hypothesis which states that geographical segmentation has no effect on revenue generation of Queen's supermarket is tested at 5% level of significance. Based on this, the p-value of geographical segmentation (sig=0.000) is less than 0.05. Thus, the null hypothesis is rejected and concluded that the geographical segmentation has significant effect on revenue generation of Queen's supermarket.

The hypothesis which states that demographic segmentation has no effect on revenue generation of Queen's supermarket is tested at 5% level of significance. Based on this, the p-value of demographic segmentation (sig=0.000) is less than 0.05. Thus, the null hypothesis is rejected and concluded that the demographic segmentation has significant effect on revenue generation of Queen's supermarket.

The hypothesis which states that psychological segmentation has no effect on revenue generation of Queen's supermarket is tested at 5% level of significance. Based on this, the p-value of psychological segmentation (sig=0.001) is less than 0.05. Thus, the null hypothesis is rejected and concluded that the psychological segmentation has significant effect on revenue generation of Queen's supermarket.

The hypothesis which states that behavioral segmentation has no effect on revenue generation of Queen's supermarket is tested at 5% level of significance. Based on this, the p-value of behavioral segmentation (sig=0.000) is less than 0.05. Thus, the null hypothesis is rejected and concluded that the behavioral segmentation has significant effect on revenue generation of Queen's supermarket.

Table 4. 14: Hypotheses Test

No	Variables	P-Values	Hypothesis Result
1	Geographical segmentation	.000	Rejected
2	Demographic segmentation	.000	Rejected
3	Psychological segmentation	.001	Rejected
4	Behavioral segmentation	.000	Rejected

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

Introduction

This chapter presents conclusion and recommendation based on the findings of the study.

5.1. Summary of Major Findings

The main objective of this study was to investigate the effect of marketing segmentation strategies on revenue generation at Queens' Supermarket in Addis Ababa, Ethiopia. The study was targeted 191 employees of Queens' Supermarket in Addis Ababa, Ethiopia. Out of this only 176 of them returned back questionnaires representing 92% response rate.

The chapter is guided by research objective which is to examine the effect of geographical segmentation, demographic segmentation, psychological segmentation and behavioral segmentation on revenue generation.

The descriptive statistics reveals that region or customer background based segmentation, climate based segmentation, urban/rural based segmentation has a lot to do with on Revenue generation of the company and the sales of our customer mostly are influence by where they live and work with the grand mean of the overall items were 3.47 with standard deviation 0.702.

In the same vein, demographic segmentation is observed also high which is evinced by the mean value which is 3.35. Hence, the rate of gender in the society has influence on their product sales, the age of our customers affect our sales, profession or occupation based segmentation has a lot to do with on revenue generation of the company, revenue based segmentation has influence on our product sales and religion based segmentation has influence on our product sales.

Additionally, psychological segmentation is observed also high which is evinced by the mean value which is 3.36. Thus, social class based segmentation has influence on the product sales, style based segmentation has influence on product sales of the company and personality based segmentation has influence on our product sales.

Moreover, behavioral segmentation is observed also high which is evinced by the mean value which is 3.44. The response is also found in the response category of 3.24-3.66.Hence,

occasions/time based segmentation, product benefits based segmentation, buyer-readiness stage, customer loyalty status and attitude of customer has influence on product sales.

Four independent variables were included in this study. The dependent variable in this study is revenue generation and independent variables are geographical segmentation, demographic segmentation, psychological segmentation and behavioral segmentation. The results provide strong evidence that geographical segmentation, demographic segmentation, psychological segmentation and behavioral segmentation significantly and positively affect revenue generation.

5.2. Conclusion

The results provide strong evidence that geographical segmentation significantly and positively affects revenue generation at Queens' Supermarket in Addis Ababa. Thus, region or customer background based segmentation, climate based segmentation, urban/rural based segmentation has a lot to do with on Revenue generation of the company and the sales of our customer mostly are influence by where they live and work.

The results provide strong evidence that demographic segmentation significantly and positively affects revenue generation at Queens' Supermarket in Addis Ababa. Hence, the rate of gender in the society has influence on our product sales, the age of our customers affect our sales, profession or occupation based segmentation has a lot to do with on revenue generation of the company, revenue based segmentation has influence on our product sales and religion based segmentation has influence on our product sales.

The results provide strong evidence that psychological segmentation significantly and positively affects revenue generation at Queens' Supermarket in Addis Ababa. Thus, social class based segmentation has influence on the product sales, estyle based segmentation has influence on product sales of the company and personality based segmentation has influence on our product sales.

The results provide strong evidence that behavioral segmentation significantly and positively affects revenue generation at Queens' Supermarket in Addis Ababa. Hence, occasions/time based segmentation, product benefits based segmentation, buyer-readiness stage, customer loyalty status and attitude of customer has influence on product sales.

5.3. Recommendation

The results provide strong evidence that geographical segmentation significantly and positively affects revenue generation at Queens' Supermarket in Addis Ababa. Thus, Queens' Supermarket should try to know the region where their product has not gotten to and segment their product to that region, so that they can increase their sales in the region and in the organization.

The results provide strong evidence that demographic segmentation significantly and positively affects revenue generation at Queens' Supermarket in Addis Ababa. Hence, Queens' Supermarket should give a reasonable attention to product segmentation because it's has the ability to provide every opportunity to every customers to buy according to their income, lifestyle, nature.

The results provide strong evidence that psychological segmentation significantly and positively affects revenue generation at Queens' Supermarket in Addis Ababa. Thus, Queens' Supermarket should encourage social class, style based and personality based segmentation which has influence on our product sales.

The results provide strong evidence that behavioral segmentation significantly and positively affects revenue generation at Queens' Supermarket in Addis Ababa. Hence, Queens' Supermarket should encourage occasions/time, product benefits, buyer-readiness stage, customer loyalty status and attitude of customer based segmentation which has influence on product sales.

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Part Two: The effect of Segmentation strategy on Revenue generation

The statements deal with the effect of Segmentation strategy on Revenue generation ; The case of Queen’s supermarket. Please show the extent to which these statements reflect your agreement on the effect of Segmentation strategy on Revenue generation ; The case of Queen’s supermarket. Please circle a number that shows your level of agreement with the following statements where (1-Strongly Disagree. 2- Disagree. 3-Neutral, 4-Agree. 5-Strongly Agree).

1	Geographical Segmentation	1	2	3	4	5
1.1.	Region or customer background based segmentation has a lot to do with on Revenue generation of the company					
1.2	Climate based segmentation has a lot to do with on Revenue generation of the company					
1.3	Urban/rural based segmentation has a lot to do with on Revenue generation of the company					
1.4	The sales of our customer mostly are influence by where they live and work					

2	Demographic Segmentation	1	2	3	4	5
2.1	The rate of gender in the society has influence on our product sales					
2.2	The age of our customers affect our sales					
2.3	Profession or Occupation based segmentation has a lot to do with on Revenue generation of the company					
2.4	Revenue based segmentation has influence on our product sales					
2.5	Religion based segmentation has influence on our product sales					

3	Psychographic Segmentation	1	2	3	4	5
3.1	Social Class based segmentation has influence on our product sales					
3.2	Lifestyle based segmentation has influence on product sales of the company					
3.3	Personality based segmentation has influence on our product sales					

4	Behavioral Segmentation	1	2	3	4	5
4.1	Occasions/time based segmentation has a lot to do with on Revenue generation of the company					
4.2	Product benefits based segmentation has a lot to do with on Revenue generation of the company					

4.3	Buyer-readiness stage has influence on our product sales					
4.4	Customer loyalty status based segmentation has a lot to do with on Revenue generation of the company					
4.5	Attitude of customer has influence on our product sales					

5	Segmentation strategy and Revenue generation	1	2	3	4	5
5.1	Market segmentation helps to enhance the revenue generation of the company					
5.2	The revenue generation of Queen's supermarket receive from market segment is significant					
5.3	Customers still operate their account with Queen's supermarket because of the service they receive from their market segment					
5.4	Customers in different market segments receive the same level of service like what they receive from their segment					
5.5	Queen's supermarket market share is relatively higher compared to other supermarket due to segmentation strategy.					
5.6	segmentation strategy profitability is relatively higher compared to other supermarket due to segmentation strategy					