



ST. MARRY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**THE EFFECT OF MARKETING MIX ELEMETS ON CUSTOMER
SATISFACTION IN THE CASE OF NATIONAL ALCOHOL AND LIQUOR
FACTORY**

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**Addis Ababa, Ethiopia,
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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
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REQUIREMENT FOR THE MASTERS OF MARKETING MANAGEMENT**

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ADDISABABA, ETHIOPIA

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of _____. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name_____Signature and date _____

CERTIFICATION

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

Advisor

Signature & Date

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ABSTRACT

This study aimed to investigate the effect of marketing mix elements (product, price, place, and promotion) on customer satisfaction at the National Alcohol and Liquor Factory in Ethiopia. The general objective of this research was to assess how these marketing mix elements influence customer satisfaction and to provide actionable recommendations for enhancing customer contentment. A quantitative research approach was employed, utilizing a cross-sectional survey design to collect data. The target population consisted of customers of the National Alcohol and Liquor Factory, with a sample of 385 respondents selected using a stratified random sampling technique to ensure representative coverage. Data was gathered through a structured questionnaire and analyzed using both descriptive and inferential statistical tools, including correlation and regression analysis, to determine the relationships between the marketing mix elements and customer satisfaction. The study found that all four marketing mix elements had a significant positive correlation with customer satisfaction. Regression analysis revealed that these marketing mix elements collectively explained 58.4% of the variation in customer satisfaction. Specifically, the product element, which included factors like quality, features, and packaging, had the strongest effect on customer satisfaction. This was followed by the price element, as customers were highly sensitive to pricing and valued competitive and fair pricing. The promotion element, including advertising, personal selling, and sales promotions, also played a crucial role in driving customer satisfaction. Finally, the place element, which captured aspects of distribution and accessibility, showed the least but still significant effect on satisfaction levels. Based on these findings, the study recommends that the National Alcohol and Liquor Factory should prioritize improving product quality and packaging, adopt competitive pricing strategies, enhance promotional activities, and optimize distribution channels to boost customer satisfaction. These strategic adjustments can help the company gain a competitive edge and improve market performance.

Keywords: marketing mix, customer satisfaction, alcohol and liquor industry, National Alcohol and Liquor Factory, Ethiopia

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Modern marketing is “a social and managerial process whereby individuals and groups obtain what they need and want through creating and exchanging products and value with others’ (Kotler, Armstrong, Sandra and Veronica, 1999). And now a day, the marketing competition in any sector becomes high and due to the continuous and rapid change and also dramatic innovation in the information technology the business environment becomes too dynamic.

Today’s companies are facing toughest competition than ever. 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, 2000:12).

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, 2010:7). 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.

Customers’ satisfaction generates positive and productive impact on business growth having significant number of customer’s means that the organization has strong competitive position over other businesses rivals. Satisfaction is a major cause behind revenue growth as satisfied customers return for another purchase (Sasser, 1990).

The marketing mix was first developed by McCarthy over 40 years ago. It was designed

to suggest that you should have a balanced mix of marketing activities within your marketing plan. It is a planned mix of the controllable elements known as a “mix” because each ingredient affects the other and the mix must overall be suitable to the target customer (Littler and Wilson, 1995).

Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objective in the target market. 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 and since, marketers can control the variables (Kotler, P. 2000).

According to Kotler and Keller (2012), marketing mix is the distribution and communication of the customer value to the market. There are four components from marketing mix to enter the market, which are product, price, place, and promotion.

Marketing mix is a business tool used by the management of organizations which enable them to remain in the global competitive environment (Souar, Mahi&Ameur, 2015). Marketing mix is considered one of the most important tools that of marketing process that measures customers" satisfaction (Isa, 2015). This refers to the major areas of decision making (4P"s) in the marketing process that is blended and mixed to obtain the results desired by the organization to satisfy the needs and wants of customers (Souar et al., 2015). It considers as one of the influencing strengths in achieving a material returns for the customer institutions, profitability, obtaining a competitive advantage, and gaining customers loyalty and trust to be loyal for the company and its products, this shows the success of marketing process in competition environment (Bu-Moarafi, 2006). Marketing mix is not a theory, but a conceptual framework that determines the principal decision making managers make in organizing their offerings to outfit consumers" needs (Goi, 2009). It is the set of controllable, tactical marketing tools of product, price, place, promotion which are the variables that marketing managers can control in order to best satisfy customers" needs (Souar et al., 2015).

Marketers must think about 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 price) 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. In addition, marketing managers can use them to attract and retain customers since they can be reshaped by a given marketing managers. Paul (1994) stated that marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources. Marketing strategy encompasses selecting and analyzing the target market(s) and creating and maintaining an appropriate marketing mix that satisfies the target market and company.

Understanding customer satisfaction is an essential thing in the contemporary business environment. The buying decision of each customer differs from person to person. The marketing mix is an important element in the field of marketing. The steps taken by a business enterprise to improve sales is known as marketing effort. There for, marketing effort is not a single function but a combination of many different activities under taken by a firm to market its products. To attain success in the marketing effort, the various components should be coordinated. The various components and instruments used in the marketing process constitute the marketing mix. The selection of a target market serves as the basis for creating a marketing mix to satisfy the need of the market. Organization should also analyses customer needs, preference and behavior with respect to product design, pricing, distribution and promotion (Clark, 2007).

Dharmesta and Irawans (2007) proposed marketing mix is a combination from four variables, which are product, price structure, promotion activity, and distribution system. These four elements of marketing mix are related and affect each other, therefore an attempt to generate a marketing policy which leads to an effective service and customer loyalty is needed. In marketing mix, there are variables that mutually support each other, which later will be combined by the company to get a desired response from the target market. With such device, a company can affect the demand of its product.

So, the more the company understands the demand of the customers, the more satisfied the customers will be.

The relationship of marketing mix and customer satisfaction is not always the same due to it is being affected by several factors, one of which is the product itself. In an industry where a product has a low involvement, satisfaction is often become the dominant driving factor in forming the customer loyalty. While, a product with high involvement, other factors are more dominant in forming their customer loyalty. Despite of that customer satisfaction becomes one of elements in forming the customer loyalty in spite of its influence. Thus, when a customer feels satisfied with a product with high involvement, a customer will not necessarily become loyal due to other dominant factors in forming customer loyalty (Rahmiati, 2012).

The National Alcohol and Liquors factory is a governmental company, earmarked for privatization, producing pure alcohol and liquor. The headquarters in Addis Ababa with four additional sites, two in Addis (Mekanisa and Akaki) and one in Sebeta and the other in Maychew.

The branches were set up at different times from 1906 Sebeta branch to 1957 mekanisa branch but it was only after nationalization in 1974/1975 that the company's growth was really expanded.

Today the company has 468 permanent employees and it also employees up to 100 daily temporary workers. Most employees are semi-skilled. They included is tiller and alcohol refining workers and technicians based in the factories. The percentage of permanent and temporary employees is 82.4% and 17.6% respectively. The company is engaged in export (countries like USA, Australia, Israel and South-Sudan) and local sales of the local sales 60% are in Addis Ababa with the remaining 40% in other local cities.

The factory products are: Baro Gin (41% alcohol), Ouzo (41% alcohol), Double ouzo (43% alcohol), Aperitif (30% alcohol), Brandy (41% alcohol), Limon Liquor (41% alcohol), Pineapple Liquor (30% alcohol), Supermint Liquor (24% alcohol), Fernit (37% alcohol), Bitter (15% alcohol), Pure alcohol (96% alcohol), Denature alcohol (95% alcohol) and Cognac (37% alcohol). These products are available for the local market as well as

for export. Any foreign can buy import liquors, pure alcohol and denatured alcohol. Even though there was no efficient local competitor specially regarding to whisky and some other products but it's important for the company to have effective marketing strategies. Generally, Organizations should analyze customer needs, preference and behaviors with respect to product design, pricing, distribution and promotion. Because, marketing effort is not a single function rather a combination of many different activities undertaken by a firm to market its products (Clark, H. 2007)

For this reasons understanding the outcome of marketing mix strategies for National Alcohol and liquor factory is important to have a differential advantage in satisfying customer. Therefore, this study would try to assess the marketing mix elements (product, promotion, price and place) and its impact on customer satisfaction in Alcohol and liquor factory. Customer satisfaction is a very vital and it is a determinant factor for the long term survival of any business organization (Jeans F, 2004:54)

1.2 Statement of the problem

Marketers must know about their target consumers, their wants and preferences and then construct the mix elements in the appropriate way to formulate better marketing strategies and plans to satisfy the target consumers. And for achieving goal, the marketer should control over these marketing mix elements (Niharika, 2015).

In related to this, an effective marketing mix is the one which offers a product that solves the problems of customer problem, that is of low cost to the customer, that effectively communicates the benefits, and that can be purchased with the utmost convenience (Michael, J.2003).

As most of business entities were concerned with the customer satisfaction, and then it's crucial for them to assess the effect of marketing mix elements. Regarding to National Alcohol and Liquor factory, even though there was good development and high market share on the liquor industry in different products but concerning to some of its products based on the observed points and collected customer complains there was less development and declined market share and some dissatisfaction rates

Despite the flow in liquor production in the country, industry in siders believe that the

market is not saturated yet. Alazar Ahmed, private marketing expert and consultant in the alcohol industry, is among those who believe there is a mass market in the industry. "The market is still untapped, yet to see new players in the field," he said. Recent investment seen in the liquor market indicates that there is a growing demand in the market, says Sahle, Sales Manager of National alcohol and Liquor factory. "The growth in population and income helps the industry to revive. Market differentiation with the introduction of new brands to the country will further help the industry to boom in the coming years."

For the past years, a few researches have done in relating with customer satisfaction on liquor company's and most of them are how pricing in the company's profitability.

"The Assessment of marketing mix in increasing Customer Satisfaction by Zelalem June, 2011 concludes that 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."

A lot of research empirical evidence indicated that marketing strategy, can affect customer satisfaction in different industries. This study would like to identify the range of effect of marketing mix on customer satisfaction currently in National alcohol and Liquor factory provide their product in different price, product type feature, distribution and promotional strategy.

There for, this research attempt to examine how marketing mix strategy affects customer satisfaction in National alcohol and Liquor factory.

In this regard, a research should be carried out for these growing and highly competitive market environments to evaluate the customer satisfaction level of National alcohol and Liquor factory. And Need to assess the marketing mix elements; product, price, promotion and place/distribution. Consequently, it's very decisive for the company to adjust their marketing strategy based on the review of the level of customer satisfaction on the product line. Hence, the effect of marketing mix elements had a big impact on the customer satisfaction of every sector. Therefore, the research assesses and measures the effect of the major and controllable elements of marketing mix elements effect separately to understand the gap on the customer satisfaction of National Alcohol and Liquor factory. Specifically, the 4ps are considered in my study since these

variables are highly plays a pivotal role in determining the customer satisfaction in case study area and the role of marketing mix in determining the customer satisfaction in my case study area were not conducted by many researchers which initiated me to do so on the topic and aimed to fill this gap.

1.3 Research question

- What is the effect of product attributes on customer satisfaction in the case of National alcohol and Liquor factory?
- How does pricing attributes affect customer satisfaction in the case of National alcohol and Liquor factory?
- What is the effect of promotional activities on customer satisfaction in the case of National alcohol and Liquor factory?
- How does distribution strategy affect customer satisfaction the case of National alcohol and Liquor Factory?

1.4 Objectives of the study

1.4.1 General Objective

The general objective of this research is to assess the effect of marketing mix on customer satisfaction in the case of National alcohol and Liquor factory.

1.4.2 Specific Objectives

- To identify the effect of product attributes on customer satisfaction in the case of National alcohol and Liquor factory
- To determine effect of pricing activities on customer satisfaction in the case of National alcohol and Liquor factory

- To examine effect of promotional activities on customer satisfaction in the case of National alcohol and Liquor factory
- To investigate effect of distribution strategies on customer satisfaction in the case of National alcohol and Liquor Factory.

1.5 Significance of the study

The study provides the National Alcohol and Liquor Factory with a deeper understanding of how each marketing mix element (product, price, place, promotion) influences customer satisfaction. This knowledge allows for more informed decision-making regarding product development, pricing strategies, distribution channels, and promotional activities. Strategic Resource Allocation: By identifying which marketing mix elements have the most significant impact on customer satisfaction, the factory can allocate its resources more effectively. This ensures that investments are made in areas that will yield the highest returns in terms of customer satisfaction and loyalty. Contribution to Academic Knowledge: The study adds to the body of knowledge in the field of marketing by providing empirical evidence on the relationship between marketing mix elements and customer satisfaction in the alcohol and liquor industry. This can serve as a reference for future research. Framework for Further Studies: The methodology and findings of this study can be used as a framework for other researchers conducting similar studies in different industries or geographic regions. It provides a basis for comparative analysis and further exploration of marketing mix impacts.

Identification of Research Gaps: The study may highlight areas where further research is needed. Other researchers can build on these findings to explore new dimensions of marketing strategies and their effects on customer satisfaction. Researchers studying customer satisfaction in other sectors can use this study as a benchmark. It provides a detailed analysis of how marketing mix elements can be applied and measured, facilitating cross-industry comparisons.

In summary, this study is significant for both the National Alcohol and Liquor Factory and the academic community. It provides practical insights for enhancing marketing strategies and customer satisfaction within the organization while contributing valuable

knowledge and a research framework for other scholars in the field of marketing.

1.6 Scope of the study

Geographically the study was confined to the National Alcohol and Liquor Factory's operations and its customer base within the geographic boundaries of specific area Addis Ababa, Ethiopia

Justification: This area is chosen due to the factory's significant market presence and the accessibility of its customers for data collection. Focusing on this region ensures that the study captures the most relevant data for the factory's primary market, making the findings directly applicable to its core operations. Additionally, limiting the study to a specific area helps manage logistical challenges and resource constraints, ensuring a thorough and detailed analysis

Conceptually the study focused on the four primary elements of the marketing mix: product, price, place, and promotion. Each element will be analyzed in terms of its impact on customer satisfaction.

Methodologically The study employed a quantitative research methodology, utilizing structured surveys to collect data from a representative sample of the factory's customers

1.7 Organization of the study

The study is made up of five chapters.

Chapter I: This chapter contains introductory part that is comprised of background of the study, statement of the problem, research questions and objectives, significance of the study, scope of the study and operational definitions. Chapter II: This chapter deals with literature review in the company of conceptual clarification and theoretical framework. In this chapter, the definition of key terminologies, review of previous empirical studies and conceptual frameworks are incorporated and illustrated. Chapter III: Descriptions of the study area and research methods used in the field would be discussed under this chapter. Details about type and sources of data, research design strategy, population and sampling, data collection instruments and data analysis and interpretation would be discussed in this chapter. Chapter VI: This chapter is all about analysis of the data collected. Under this chapter wide-ranging emphasis would be

given for the investigation of effect of marketing mixes on customer satisfaction of National Alcohol and liquor Factory in Addis Ababa City, Chapter V: This chapter presents the summary of the study, draws some important conclusions and recommendations.

1.8 Operational Definitions of Key Terms

Marketing Mix

Product: This term refers to the alcoholic beverages produced by the National Alcohol and Liquor Factory. It includes aspects such as the quality, variety, packaging, and features of the products.

Price: This term encompasses the pricing strategies used by the factory, including the perceived value for money and price competitiveness relative to similar products in the market. Price will be evaluated through customer satisfaction with the cost and their perception of the product's value.

Place: This refers to the distribution channels and physical or online locations where the factory's products can be purchased. It includes retail outlets, online stores, and direct sales points. Place will be measured by customer satisfaction with the convenience and accessibility of these purchase locations.

Promotion: This term includes all marketing communications aimed at promoting the factory's products. It covers advertising, sales promotions, public relations, and other promotional activities. Promotion effectiveness will be assessed by customer awareness, recall of marketing messages, and the perceived impact of these promotions on their purchase decisions.

National Alcohol and Liquor Factory - This term refers to the specific company under study that produces and sells alcoholic beverages. It encompasses all operations, marketing efforts, and customer interactions related to the factory's products. For this study, it includes the entire range of the factory's activities relevant to marketing mix elements and customer satisfaction.

These operational definitions provide clear, measurable criteria for the key terms used in the study. They ensure consistency in understanding and evaluating the concepts, facilitating accurate data collection and meaningful analysis.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical Review

2.1.1 Marketing Mix

As McCarthy (1964) suggests that, managing the marketing mix is the central task of marketing professionals. The marketing mix is the set of marketing tools – often summarized as the ‘four ps’: the product, its price, promotion and place – that the firm uses to achieve its objectives in its target market (cited in Michael, 2003). Most of the scholars agreed that, each firm strives to buildup such a composition of 4’P’s, which can create highest level of consumer satisfaction and at the same time meet its organizational objectives,

In related to this, most marketing professionals the marketing mix is designed to meet those customer needs and wants. Each element of the mixed designed to meet a customer need (Lauterborn, B. 1990)

Accordingly marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market. And also Kotler said, marketing mix is the set of controllable variables (product, price, place (distribution) and promotion) that the firm can use to influence the buyer’s response. The marketer should focus on each elements goal and strategy in order to influence the consumers and to reach high level of customer satisfaction (Kotler, P.2000)

Marketers should target their market for blending the mix elements. Firstly, marketers must know about their target consumers, their wants and preferences and then construct the mix elements in the appropriate way to formulate better marketing strategies and plans to satisfy the target consumers. For achieving goal, the marketer should control over these marketing mix elements to work in the changing environment i.e. internal and external (Niharika, 2015).

According to Michael, J(2003) the marketing mix elements and their major attributes

are:



Figure 1 marketing mix elements and attributes

Source: Adapted from Michael, J(2003)

Most marketing professionals would answer that the right marketing mix is the one that maximizes customer satisfaction and results in the highest sales or market share. Each element of the mix is designed to meet a customer need. As Lauterborn, B. suggested that the sellers' four Ps with the function to match correspondent customers need, which can be grouped into four Cs (cited in Kotler, 2015)

2.1.1.1 Product

Product is anything that offered to a market for attention, acquisition, use or consumption and that might satisfy a want or need. Products include more than just

tangible goods. Broadly defined, products include physical objects, services, persons, places, organizations, ideas or mixes of these entities. Meanwhile, one of the basic functions of marketing is that developing products and services that will meet legitimate customer (consumer) needs, then consumers are buying more than asset of tangible attributes (Kotler, p.et.al, 1999)

According to Marilyn, A. &John, D. (2007) the product is at the heart of the marketing exchange. If the product fails to deliver to customer expectations, then all has been in vain.

A product is more than a simple set of tangible features. Consumers tend to see products as complex bundles of benefits that satisfy their needs. Marilyn, A.&JohnD.(2007)the basic ~~and~~ of a product may be represented as a series of four bands representing the core product,thetangibleproduct,theaugmentedproductandthepotentialproduct.

The core product: represents the central meaning of the product and conveys it essence. This is centrally related to the key benefits expected by customers. The tangible product: is related to the core product to the extent that it places flesh on the bones of the former. The augmented product: includes those add-on extras which are not an intrinsic part of the product but which may be used to enhance the product benefits. The potential product: constitute salvation of what it could be in the future, while the first three layers describe how the product is now Also according to Kotler, now a day when developing products, marketers must first identify the core consumer needs that the product will satisfy, then design the actual product and finally find ways to augment it in order to create the bundle of benefits that will best satisfy consumers.

Product Decision Elements

In the development and marketing of individual products or service the consumers consider product decision elements. Accordingly, Product purchase decision focusing on the major elements (Kotler, P. et al.1999)

- ❖ **Product attributes:** Decisions about attributes are particularly important as they greatly affect consumer reactions to a product. Tangible product attributes, such as quality, features and design.

- **Product quality; stands** for the ability of a product to perform its functions, it includes the product's overall durability, reliability, precision, ease of operation and repair, and other valued attributes. From a marketing point of view, quality should be measured in terms of buyers' perceptions.
- **Product feature:** Features are a competitive tool for differentiating the company's product from competitors' products by adding higher-level models or features which add value for customer.
- **Product design and style:** contributes to a product's usefulness as well as to its looks. And also creates products that are easy, safe, inexpensive to use and service, and simple and economical to produce and distribute.
- ❖ **Branding:** a brand is a name, term, sign, symbol, design or a combination of these elements that identifies the product or services of one seller and differentiates them from those of competitors. Nowadays, people do not buy a product-they buy a brand.
- ❖ **Packaging:** Packaging includes the activities of designing and producing the container or wrapper for a product. Packaging performs a vital function for most products. In recent times, many factors have made packaging an important and marketing tool. An increase in self-service means that packages must now perform many sales tasks - from attracting attention, to describing the product, to making the sale.
- ❖ **Labelling:** the label describes who made it, where and when it was made, the contents, how it is to be used etc. and its most straightforward function is to identify the product or the brand.
- ❖ **Mid product-support services:** Customer service is another element of product strategy, company's offer to the marketplace usually includes some services, which can be minor or a major part of the total offer. In fact, the offer can range from a pure good on the one hand to a pure service on the other.

2.1.1.2 Price

As Marilyn A. & John D. (2007) define: The price of a product or service will determine how consumers perceive it, reflect on its brand positioning, influence the choice of marketing channel, affect how it is promoted and have an impact on the level of customer service expected by target customers. The price ingredient of the marketing

mix will also affect the viability of the supplying organization

Price is the only element in the marketing mix that produces revenue; all other elements represent costs. Price is also one of the most flexible elements of the marketing mix.

Unlike product features and channel commitments, price can be changed quickly (Kotler. et.al. 1999). Although, that pricing decisions are the most difficult to make because of the complexity of the interaction between three groups involved

In the marketing process: consumers, the trade and competitors in addition that the nature and structure of the competition; the product life cycle(PLC); the legal considerations (MarilynA. &John D., 2007).

Factors considered in pricing decision

A company's pricing decisions are affected both by internal company factors and external environmental factors (Kotler, P. et al., 1999). Internal Factors Affecting Pricing Decisions Internal factors affecting pricing include the company's marketing objectives, marketing mix strategy, costs and organization. Marketing objective, Marketing mix strategy, Cost, Organizational consideration External factors affecting pricing decision External factors that affect pricing decisions include the nature of the market and demand, competition and other environmental elements market and demand, competition and other environmental elements

Price Setting

Even though there are different price setting methods but most of scholars are agreed on three common pricing approaches that are available to the marketer include: cost-based pricing's Demand-based pricing; competition oriented pricing;

Cost-Based Pricing

In setting a price normally it is advisable to cover all relevant costs. Costs for this purpose may be divided into two categories, fixed and variable costs. Taken together with price, these may be used to calculate the break-even quantity (fixed costs divided by price less variable cost per unit).

Demand –Based pricing

Demand-based pricing looks outwards from the production line and focuses on

customers and their responsiveness to different price levels. Demand-based pricing allows the price to group when demand is strong and, vice versa, for the price to go down when demand is weak **Competition – Based pricing**

This method involves setting prices on the basis of what competitors are charging. Once the firm identifies its competitors, it conducts a competitive evaluation of its product (kotler,p.,and keller,k.l(2016).

2.1.1.3 Place (Distribution)

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)

And according to Marilyn A.& John D.(2007) Trade becomes more sophisticated, the services of various intermediaries along the supply chain may need to be used to ensure that the goods or services reach the consumer in the right manner at the right place, time and price.Itistheprocessofmovinggoodsandservicesthroughtheseintermediariesto reach the end user.

Distribution determine how well target customers gain access to the firm's product or service and whether the distribution channel system is cost effective for the organization concerned (Kotler. et al.,1999)

The channels of distribution used within the market place have evolved to match the needs of the users of these services and they continue to be adapted to meet those needs. The objective is to move the goods or services efficiently, with the lowest possible number of intermediaries between the producer and the end user or retailers.

Constraints of Distribution

According to Marilyn A. & John D. (2007) a number of factors affect the nature of the supply chain that evolves to suit the needs of the producer and to meet customer demand.

❖ **Customer Characteristics**

- **Number:** The number of customers that a producer targets influences the selection of the intermediaries which used within the supply channel.
- **Geographical dispersion:** AS the geographical distance between the supplier and the consumer increases, the process of moving the goods within the supply chain becomes more complex
- **purchasing pattern:** Customers vary in the frequency with which they shop and the volumes of products that they purchase, so that some customers purchase small quantities of products frequently, while others purchase larger quantities of the same products but on a less frequent schedule

❖ **Buyer's susceptibility to different selling methods**

Customers may prefer one form of sales approach to another and not all customers have the same preferences.

According to Marilyn A. & John D. (2007) The Product characteristics will influence the choice of the channels of distribution to be used. Perishability: Products have differing degrees of perishability that influence the type of storage and warehousing required and the distance that such products can be moved, Bulk, Products standardization, Service Support Requirement, Unit Value Size of the Company, Product Mix, Past Channel Mix Experience ((Kotler. et.al. 1999)

2.1.1.4 Promotion

Now a day treatment of the promotional mix, which its advocates call 'integrated marketing communications', may well result in the permanent replacement of 'promotion' (Michael.J2003)

Marketing communication includes all the identifiable efforts on the part of the seller that are intended to help persuade buyers to accept the seller's message and store it in retrievable form (John, B.,2008)

In related to this, Marilyn A. & John D. (2007): the scope of marketing communications is immense, including all advertising, sales promotions, personal selling, Internet marketing and media relations. Any form of paid-for communication may be viewed as a marketing communication.

Although the definitions vary, the four components that make up marketing communication are as follows: (John, B., 2008).

1.**Advertising:** Any paid form of non-personal presentation of ideas, goods, or services by an identified sponsor. Although some advertising is directed to specific individuals (as, for example, in the use of direct mail), most advertising messages are tailored to a group, and employ mass media such as radio, television, newspaper, and magazines.

2.**Personal selling:** An oral presentation in conversation with one or more prospective purchasers for the purpose of making sales. It includes several different forms, such as sales calls by a field representative (field selling), assistance by a sales clerk (retail selling), having an Avon representative call at your home (door-to door selling), and so forth.

3.**Public relations:** A non-personal stimulation of demand for a product, service, or business unit by planting commercially significant news about it in a published medium (i.e., publicity) or obtaining favorable presentation of it through vehicles not paid for by the sponsor. Although commissions are not paid to the various media, there are salaries and other expenses that mean public relations are not a costless form of promotion.

4.**Sales promotion:** Those marketing activities that add to the basic value of the product for a limited time period and thus directly stimulate consumer purchasing and dealer effectiveness. These activities include displays, shows and exhibitions, demonstrations, and various non-recurring selling efforts not in the ordinary routine. As the provision for an additional incentive to buy, these tools can be directed at consumers, the trade, or the manufacturers own sales force.

2.1.2 Customer Satisfaction and Measurement

The concept of customer satisfaction has drawn the attention of practitioners and academics from last several years based on the fact that customers are the primary source of Profit for most of the firms operating in the market (Tam, 2004). Customer

satisfaction facilitates the measure of how service and products provided by company meet customer expectation. It is a key performance indicator in business terms. Typically, service firms monitor and examine the satisfaction level of customers on an ongoing base by using different scales like Liker, to measure the level of customer satisfaction which is mainly based on service encounter experienced on their last visit (Peterson and Wilson, 1992). Quality and customer satisfaction both have long been recognized as crucial role for success and survival in today's competitive market. Considerable evidence exists in literature that supports relationship between company's performance and level of satisfaction reported by customers (Anderson et al., 1994; Bolton, 1998). Therefore, it is argued that customer satisfaction should be considered the ultimate goal for all firms (Morgan et al., 2005; Mittal et al., 1999).

In any business, customers are the most important aspect of a successful company and the customers must be looked after managed properly. The definition of customer satisfaction has been widely debated as organizations increasingly attempt to measure it. Customer satisfaction can be experienced in a variety of situations and connected to both goods and services. It is a highly personal assessment that is greatly affected by customer expectations. Satisfaction also is based on the customer's experience of both contact with the organization (the "moment of truth" as it is called in business literature) and personal outcomes.

Customer satisfaction measures how well a company's products or services meet or exceed customer expectations. These expectations often reflect many aspects of the company's business activities including the actual product, service, company, and how the company operates in the global environment. Customer satisfaction measures are an overall psychological evaluation that is based on the customer's lifetime of product and service experience. Customer satisfaction differs depending on the situation and the product or service. A customer may be satisfied with a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute or any of these (Kurtz and Boone: pp. 176). To add some basic ideas from the above concept, customers are satisfied when their expectation is met and delighted when their expectation is exceeded. Satisfied customers remain loyal longer, buy more, are less sensitive and talk favorably about company. To be known, customer satisfaction has to

be measured and there are several established ways of doing this. Therefore, the company should care about their customer's satisfaction, because if you do not truly care about your customer's you are not a good marketer.

The following are some famous definition of customer satisfaction.

Customer satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to his or her expectations (Harker,2009: pp,21).

Customer satisfaction is the state in which customer needs, wants and expectation throughout the product or service's life are met or exceeded resulting in repeat purchase, locality and favorable word-of-mouth (Kotler& Armstrong, 2010: pp,111).

Customer satisfaction is an outcome of purchase and use resulting from the buyers' comparison of the rewards and costs of the purchase in relation to the anticipated Consequences (Churchill and Surprenant, 1982).

Aaker (2008) defined marketing strategy as process that can allow organization to concentrate resource on optimal opportunities with goal of increasing sales and achieving sustainable competitive advantage. Based on the forgoing statement, it can therefore be said that marketing strategy is an organizations strategy that combines all of its marketing goals into one comprehensive plan. It involves participating in selling business objectives and formulating corporate and business unit strategy.

And he also further discussed, marketing strategy involves all basic and long term marketing activities of an organization including strategic direction of the organization, formulation evaluation and selection of market- oriented strategies that therefor contribute to the goals of the organization and its marketing objectives, which is to satisfy consumer profitably. The ultimate objective of any marketing strategy is consumer's satisfaction without which no organization can meet its goals. Consumer satisfaction is the overall impression of consumer about suppliers and their product or services.

Customer satisfaction with a purchase depends upon the product's performance relative to a buyer's expectations; a customer might experience various degrees of satisfaction. If the product's performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If

performance exceeds expectations, the customer is highly satisfied or delighted (Kotler,P. et.al 1999)

In addition to this, they elaborated that expectations are based on the customer's past buying experiences, the opinions of friends and associates, and marketer and competitor information and promises

Regarding to consumer satisfaction three general components can be identified: 1. Consumer satisfaction is a response (emotional or cognitive) 2. The response pertains to a particular focus (expectations, product, consumption experience, etc.) and 3. The response occurs at a particular time (after consumption, after choice, based on accumulated experience, etc.) (Joan L. & Joseph A. 2002)

Leon, G. &Lesile, L. (2007) Customer Satisfaction measurement includes qualitative and quantitative measures, as well as a variety of contacts methods with the customers. Customer satisfaction surveys measure how satisfied the customers are with relevant attributes of the product or service, and relative importance of these attributes (using attribute scale) Generally, these survey use 5–point semantic differential scales ranging from “very dissatisfied” to “very satisfied”. Research shows that customers who indicate they are very satisfied (typically a score of 5 on the satisfaction scale) are much more profitable and loyal than customers who indicate that they are satisfied (a score of 4).

Consecutively, through satisfying customers, organizations could improve profitability by expanding their business and gaining a higher market share as well as repeat and referral business (Elliott, K.& Shin, D. 2001 Satisfying basic needs: Allows a company to get into the market.

- ✓ Dissatisfies or Basic Needs (Must be) – Expected features or characteristics of a product or service (legible forms, correctly spelled name, and basic functionality). These needs are typically “unspoken.” If these needs are not fulfilled, the customer will be extremely dissatisfied.
- ❖ Satisfying performance needs: Allows a company to remain in the market.
- ✓ Satisfiers or Performance Needs (one dimensional) – Standard characteristics that increase or decrease satisfaction by their degree (cost/price, ease of use, speed). These needs are typically “spoken.”

- ❖ Satisfying excitement needs: Allows a company to excel, to be world class.

Delighters or Excitement Needs – Unexpected features or characteristics that impress customers and earn the company “extra credit.” These needs also are typically “unspoken.”

2.2 Empirical Review

Empirically many research papers are computed and different outcomes are demonstrated by different researchers. The following are some of illustrations which support such a statement.

Sukati, Chin, Satit& Tat (2012) have conducted a study on “The relationship between marketing mix and customer decision making over travel agents” The aim of this study is to investigate the relationship between the 4Ps, namely price, promotion, place and product, and customer decision making over travel agents in Palembang, Indonesia. Travel agents have seriously considered for these 4Ps activities to ensure that they allocate their resources effectively and efficiently. A total of 215 respondents were selected from customers of three travel agents in Palembang, Indonesia. The data collected was analyzed using three statistical methods, that is, mean analysis, Pearson correlation and regression analysis. Based on multiple regression analysis, the findings revealed that among the 4Ps tested, that is, price, promotion, place and product, only price and product stood out as the most important marketing mix to affect customers’ decision making over travel agents. Both price and product emerged as two of the strongest predictors. In terms of product, the perception of high product quality and high customer satisfaction will directly lead to high levels of purchase intention and repeat buying thus resulting in increased sales volume. When customers see that travel agents have a complete package of products, they will be more interested to buy from that particular travel agent. Product attributes such as product quality, complete and accurate information, capability to give suggestions and assistance, superior service, and so on may influence customer decision making over travel agent.

On the other hand, travel agents must also remember to offer a reasonably prized tour package in order to gain the trust and satisfaction of their customers. This is extremely

important because price reflects customers' perception of the value of products or services and all other marketing decisions are closely related with the price decision. In this respect, travel agents can retain existing customers by offering an attractive and competitive price, giving special discounts for a certain market that include business markets or customer markets resulting in increased sales.

The impact of price on customer decision making is voluminous and vital. The reason for this is because present day customers are smart and possess the ability to differentiate between good and bad travel agents in terms of the price they pay and the quality of the travel package received

Haruna Isa Mohammad (2015) of Nigeria studied on 7ps marketing mix and retail bank customer satisfaction in north east Nigeria His study analyzed customer satisfaction using 7Ps marketing mix elements to retail bank customers in North east Nigeria. His main objectives include examining product, price, place, promotion people, process and physical evidence as drivers of retail bank customer satisfaction. Seven hypotheses were formulated to address the objectives.

Data were collected from a sample size of 405 respondents comprising of academic and senior non-academic staff in universities and polytechnics in North east region of Nigeria through questionnaire administration. The study used correlation and regression analysis. The results found that product, process and physical evidence were significantly related to customer satisfaction while price, promotion, place and people are not significantly related. It was also found that process is the most influential driver while price is the least influential. Finally, the study recommends that management should improve the marketing mix elements by applying the right mix to attract and retain customers .SatnamUbeja(2014), in his study explored on a study of sales promotion mix on customer satisfaction with Reference to shopping Malls indoor and come up with the outcome that profiling customers by their choice of sales promotion mix provide more meaningful waysto identify and understand various customer segment and to target each segment with more focused marketing strategies.'

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.

NorsyaheeraAbd Wahab¹ and LailatulFaizah Abu Hassan (2005) also studied the influence of marketing mix and customer satisfaction on customer loyalty among hijab consumers. This study aimed to investigate the relationship between marketing mix and customer loyalty in the hijab industry, as well as the mediating effect of customer satisfaction. The study confirmed that customer satisfaction is really important in order to create loyal customers, it is indeed important that marketing mix and its elements can help business providers to know the factors that their customers are looking for when buying hijabs. B.K. Suthar, R. Lathangiet.al, (2014), did their research on the Impacts of Marketing Mix and Customer Perception on Brand Loyalty. The collected data reveals on positive relationship among different dimensions of marketing mix and customer perception on brand loyalty of Bharat Sanchar Nigam Limited as one of the Cellular Service Providers (CSPs) in Vadodara Telecom District of Gujarat.

The study impact of internal marketing on customer loyalty (Case study: Iran Insurance Company Kermanshah province) is also carried out by Farhad Rahmati, et.al, (2013). The results of this study showed that internal marketing through the marketing mix and

customer satisfaction has influenced the customer loyalty. Also, the results showed that employees and organizations must consider the process of overall marketing strategies with regard to competitive conditions in order to attain customer loyalty and satisfaction.

Siti Rapid et.al (2017) conducts a research study on customer in the Retail industry and the finding reveals that there is a positive relationship between all four marketing mix elements. (Price, promotion, product, place) and customer satisfaction at Hypermarket in kuala Terengganu. Apuke Destiny (2016) further discussed in his research entitled the impact on marketing strategies on customer satisfaction in Nigeria Bottling Company. The finding recommends that the company should focus building commercial capabilities, increasing their CRM strategy to ensure that they serve their customer better. This can further enhance they continue to be innovative in meeting the customer loyalty, retention and satisfaction.

Olga Madodo (2015) conducted a research study on factors affecting beer customer satisfaction in the brewery industry, in the case of east Africa breweries limited in Kenia. The finding depicted that the relation between individual factors, brand preference, perceived value, perceived quality and loyalty were significant in enhancing customer satisfaction.

On the other hand, travel agents must also remember to offer a reasonably prized tour package in order to gain the trust and satisfaction of their customers. This is extremely important because price reflects customers' perception of the value of products or services and all other marketing decisions are closely related with the price decision. In this respect, travel agents can retain existing customers by offering an attractive and competitive price, giving special discounts for a certain market that include business markets or customer markets resulting in increased sales.

The impact of price on customer decision making is voluminous and vital. The reason for this is because present day customers are smart and possess the ability to differentiate between good and bad travel agents in terms of the price they pay and the quality of the travel package received.

Mezgebu (2015), attempted to test the impact of customer relation marketing on customer satisfaction; the case of commercial bank of Ethiopia. And the research finding indicate that there is a significant relation between relationship between marketing components including trust, commitment, communication conflict handling and competence on customer satisfaction and also to regression testing that all variables were examined simultaneously on customer satisfaction.

Generally, from the above literature reviews, previous studies have established relationship between marketing mix elements, however each of independent variables (marketing mix elements) affected satisfaction at different percentage rate.

2.3 Conceptual Framework

The major variables of this study were market mix elements (independent variable) and customer satisfaction (dependent variable). The focus of this study was National Alcohol and Liquor factory and center of attention on products. Thus, the research includes all major marketing mix elements in terms of product, price, place and promotion. As a result, a conceptual framework was developed to illustrate the key variables and their relationship with customer satisfaction.

Including additional marketing mix elements beyond the traditional 4Ps (product, price, place, and promotion) in the conceptual framework for this study is justified for several reasons:

Comprehensive Understanding: Recognizing that marketing strategies extend beyond the traditional 4Ps allows for a more comprehensive understanding of the factors influencing customer satisfaction. Incorporating elements such as people, process, physical evidence, partnerships, and internal processes acknowledges their significant impact on customer experiences and perceptions.

Contemporary Relevance: In today's dynamic business environment, factors such as customer service, operational efficiency, and strategic partnerships play a critical role in

shaping customer satisfaction. By including these elements in the conceptual framework, the study remains relevant and reflective of contemporary marketing practices.

Holistic Perspective: Customer satisfaction is influenced by multiple touchpoints and interactions throughout the customer journey. By considering a broader range of marketing mix elements, the conceptual framework provides a more holistic perspective on how various factors collectively contribute to customer satisfaction.

Strategic Insights: Understanding the interplay between different marketing mix elements allows for the identification of strategic opportunities and challenges. By examining elements such as internal processes and partnerships, the study can uncover areas for improvement and innovation that may enhance customer satisfaction and competitive advantage.

5. Practical Application: By including additional marketing mix elements, the findings of the study can offer actionable insights and recommendations for practitioners in the alcohol and liquor industry. Insights into areas such as employee training, process optimization, and partnership development can directly inform strategic decision-making and operational improvements. Overall, incorporating a broader set of marketing mix elements in the conceptual framework enriches the study's analysis and provides a more nuanced understanding of the relationship between marketing strategies and customer satisfaction in the context of the National Alcohol and Liquor Factory.

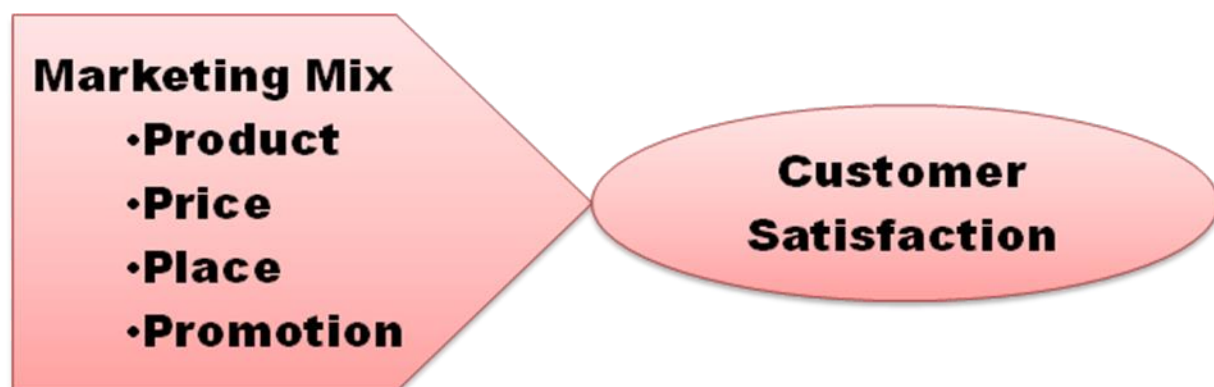


Figure 2 conceptual framework

(Source: Adopted from Michael, J (2003), Kotler and Armstrong and developed by researchers)

As depicted in the shape, the study focuses on analyzing each major elements of marketing mix effect on customer satisfaction. And also, the study is conduct in order to obtain which element is significantly influence the satisfaction of the customers.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

This chapter presents the details of the research design. This includes the target population, on which the study would be undertaken, participants in the study, sampling techniques to be used to select the sample population, sample size, instruments to be used to gather data, and data analysis techniques.

3.2 Research Approach

To collect the data needed for the type of research design to be selected and to answer the research questions, a quantitative research approach (or strategy) would be conducted. The study adopts the quantitative method because the quantitative method allows the explanation of a phenomenon by collecting numerical data that would be analyzed using mathematically based methods, particularly statistics (Aliaga& Gunderson, 2002, cited in Muijs, 2004). Furthermore, quantitative research methods can help a researcher explain a relationship between dependent and independent variables test a hypothesis, and describe a pattern. Quantitative data collected through a survey taken at one point in time is necessary to achieve the goal of the study appropriately.

3.3. Research Design-

Usually, research is grouped into three categories based on the purpose of the research or the research problems and objectives. These three categorizations are exploratory, descriptive, and explanatory. Notwithstanding these categorizations, a given research study can have more than one of these purposes.

Based on the research problems, questions, and objectives described in Chapter 1, this study mainly would makes use of descriptive and explanatory research type. Descriptive research would be used to find information about the present status of a phenomenon to describe

"What exists" with respect to variables or conditions in a situation. Additionally, it offers the number of times an event occurs, or the frequency, and helps in statistical calculations such as determining the average of occurrences or central tendencies. A key limitation of descriptive research is that it does not lend itself to the calculation of causal relationships. This is where explanatory research comes in. Explanatory research helps establish the causal relationship between independent and dependent variables. It is used when there is no clear understanding about the type of models to use and in what quantities as well as in what relationships (Kothari, 2004; Pallant, 2007).

3.4. Sampling design

Kothari (2004) defines sampling as the process of selecting a sample from a population. Researchers select a sample due to various limitations that may prevent them from researching the whole population (Mugenda&Mugenda, 2003). In sampling design, the

following measures should be considered: the selection of the population that is selected represents the entire population.

3.4.1. Target Population

All the items under consideration in any field of inquiry constitute a population. According to Sekeran (2001), population is "the entire group of people, events, or things of interest that the researcher wishes to investigate". The target population of this research is the customers of National alcohol and Liquor factory Addis Ababa City.

3.4.2 Sample Size

As the name indicates; sample size is the total number of samples selected for the study. According to Roscoe (1975), a sampling size between 30 and 500 is the most appropriate for the majority of studies. The representative sample size is determined by using the estimation method given by Cochran (1963), cited in Israel (2003).

The sample had been drawn from the maximum variability of the population ($P = 0.5$) with a 95% level of confidence and a 5% precision level.

For an unknown population, the following formula is used to determine the sample:

$$\text{Sample size} = \frac{(Z\text{-Score})^2 * \text{std.Dev} * (1\text{-stdDev})}{(\text{margin of error})^2}$$

$$\text{Sample size} = \frac{(1.96)^2 * 0.5 * (1-0.5)}{(0.05)^2}$$

$$\text{Sample size} = \frac{(1.96)^2 * 0.5 * (1-0.5)}{(0.05)^2}$$

$$\text{Sample size} = \frac{0.9604}{0.0025}$$

$$\text{Sample size} = 384.16$$

Sample Size \approx 385

3.4.3. Sampling Technique

To select the sample of customers for the study, the researcher would use a convenience sampling technique. Because of the inability to get all customers at once to perform probability sampling, a convenience sampling technique is chosen for the study. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher

(Pallant, 2007). Convenience sampling is very easy to carry out and requires relatively little cost and time. In addition, research states that convenience samples enable the researcher to cover a large population at a very low cost and speedily, even though there is a factor of bias involved due to the absence of equal chance provision for the population.

3.5. Sources of Data

This study would be based on both primary and secondary sources to collect facts relating to the topic under research. The primary data would be collected through the questionnaire from customers. Secondary sources include previously published bulletins on marketing mixes, customer satisfaction and related journals; liquor industry periodicals; and official documents of the company that provide information for the study.

3.6. Data collection instrument and Measures

According to Aaker, Kumar, Day, Lawley, and Stewart (2007), a self-administered survey is a questionnaire that respondents can complete without the need for assistance or an interview. According to Hair, Money, Samouel, and Page (2003), questionnaires allow people to express their thoughts, ideas, or feelings about specific subjects.

For a variety of reasons, questionnaires would be used as the major source of data gathering. For starters, a big number of questions might be included. Furthermore, surveys can be used to collect data from a huge number of people. Using the questionnaire, the researcher can assess client perceptions of each factor that may have an impact on the National alcohol and Liquor factory customer satisfaction. The surveys are created with close-ended questions to achieve the study objectives.

The research questionnaire prepared in English will be translated into Amharic in order to encourage respondents to provide accurate replies. The questionnaire is divided into two sections. The first section of the questionnaire addresses issues concerning the respondent's personal information. It includes information such as age, gender, educational background, occupation, a, years as a National alcohol and Liquor factory customer, and frequency of retail visits. The nominal scale would be used to collect personal information about respondents for this component of the research topic.

Part two focuses on respondents' perceptions of the impact of marketing mixes on National alcohol and Liquor factory customer satisfaction as provided by National alcohol and Liquor factory customers in Addis Ababa City. To assess consumers' perceptions of the effect of marketing techniques on brand image at selected branches for the study, a Likert scale with five response categories (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = highly agree) would be utilized. To make questions more engaging to responders and so increase their participation, the Likert scale method is preferred (Robson and Colin, 2002, cited in Muijs, 2004).

3.7. Data Collection Procedure

To collect data from study participants, a self-administered, structured questionnaire would be conducted. The researcher must first obtain approval from the National alcohol and Liquor factory. The authorization to utilize their premises for this study is granted. The questionnaires are distributed during typical retail operating hours.

Customers would be approached after completing their purchase of the product and purchase at retail outlets and requested to complete a questionnaire while the researcher and/or study assistants (retail lobby personnel) wait for them. Following a brief introduction and explanation of the study's objectives, each respondent would be asked to complete a questionnaire. On each visit, the researcher and/or research assistant approach as many clients as feasible until the required number of sample sizes are filled.

3.8. Data Analysis Methods

Data from the field should be compiled, sorted, edited, and coded to have the required quality, accuracy, and completeness. Then the data would be entered into the computer using the Statistical Package for Social Sciences (SPSS v. 20.0) for analysis. The SPSS program enables data from surveys and experiments to be analysed fully and flexibly (Pallant, 2007).

Since the data collected is quantitative, descriptive statistics are used in the analysis by generating tables with respect to basic research questions. In generating the actual results, frequency tables should be developed to determine the number of respondents' opinions on a particular item of the study's demographic variable, and mean and standard deviation would be used to determine the respondent's perception level on a particular item of marketing practices (for each item of independent variables) and on brand image (for each item of dependent variables).

Inferential statistics tools such as correlation and multiple regressions will also be employed to show the relationship between independent and dependent variables. Correlational analysis (Pearson Correlation coefficient) is used to determine the relationship between marketing mixes (product, price, promotion, and distribution) and customer satisfaction. The multiple regression analysis should be used to establish the combined effect of independent variables (product, price, promotion, and distribution) on the dependent variable (customer satisfaction).

3.9. Ethical Consideration-

Before the research is conducted on the selected outlets, the researcher would inform the participants of the study about the objectives of the study and consciously consider ethical issues in seeking consent, avoiding deception, maintaining confidentiality, respecting privacy, and protecting the anonymity of all respondents.

CHAPTER FOUR

DATA ANALYSIS INTERPRETATION AND DISCUSSION

4. Introduction

The major purpose of the study was to identify the on the effect of marketing mix elements on customer satisfaction in the case of National Alcohol and Liquor Factory. To meet the purpose of the study this chapter presents the data analysis part of the study. The analysis presentation part is depicted in following sections.

4.1 Data Sample Information

A total of 385 questionnaires were distributed to employees in those three career domains of the company. All 385 questionnaires were returned with relentless effort made to collect accordingly and as a result, the response rate was 100%.

4.1.1 Response Rate

The study achieved a response rate of 100% with 385 respondents reaching out of the 223 male respondents and 123 female respondents. According to Mugenda and Mugenda (2003), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. The study therefore attained an excellent response rate as presented in Table 4.3 below

4.2 response by sex

The study established the distribution of sex among the sample. See Table 4.3 for the results.

Table 1: Respondents' distribution according to sex/Gender

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	223	58	58	58
Female	162	42	42	100.0
	385	100.0	100.0	

Source: Primary Data

The table provides the breakdown of respondents based on their sex or gender in a sample of 385 individuals. Here is the interpretation of the data: Out of the total sample size of 385 respondents, 223 individuals identified as male, which corresponds to 58% of the sample. This indicates that the majority of respondents in the sample were male. On the other hand, 162 respondents identified as female, making up 42% of the sample. This shows that a smaller proportion of the sample identified as female compared to male respondents. The "Valid Percent" column represents the percentage of respondents within each gender category out of the total valid responses. In this case, 58% of valid responses were from male respondents, and 42% were from female respondents. The "Cumulative Percent" column demonstrates the total percentage of respondents accounted for as we progress through the table. It ensures that all respondents are included in either the male or female gender category and adds up to 100%.

In summary, the data illustrates that there was a higher representation of male respondents (58%) compared to female respondents (42%) in the sample of 385 individuals.

4.2.1 Response by age and education category

Table 2: Age and education distribution

		education status					Total
		high school	college diploma	masters	firs degree	other	
age category	Below 20 Years	21	84	20	29	20	174
	21-25 Years	3	9	6	3	3	24
	26-30 Years	1	15	4	6	4	30
	31-40 Years	4	18	4	13	6	45
	41-45 Years	4	28	14	15	7	68
	46-50 Years	2	7	2	6	2	19
	Above 50	2	14	5	3	1	25
Total		37	175	55	75	43	385

This table provides a comprehensive breakdown of education status across different age categories. For instance, among individuals below 20 years old, 21 have a high school education, 84 have a college diploma, 20 have a master's degree, 29 have a first

degree, and 20 fall under the "other" category. Similarly, it outlines the distribution of educational levels within each age group, offering insights into the educational profiles of various age demographics in the data base.

4.3 Descriptive Analysis

The objective of the research was to investigate the impact of marketing mix elements on customer satisfaction in national alcohol liquor. The impact of marketing mix elements on customer satisfaction in the case of national alcohol and liquor factory. Respondents were asked to indicate the level of agreement to which the customers' satisfaction is affected by marketing mix elements. Responses were given on a five-point Likert scale, where 1= strongly disagree; 2= disagree; 3= neutral; 4 = agree; 5= strongly agree. For analysis purposes, a score of ≤ 1.5 will be interpreted as strongly disagree, while a score of $1.5 \leq 2.5$ is regarded as disagree, $2.5 \leq 3.5$ is interpreted as moderately agree, the score of $3.5 \leq 4.5$ is regarded as agreed, and then finally, ≥ 4.5 will be regarded as strongly agree.

4.3.1 Product

In the context of a national alcohol and liquor factory, a product refers to the various alcoholic beverages manufactured and sold by the company, such as beer, wine, spirits, etc. The importance of the product lies in its quality, branding, and marketability, which directly influence sales revenue and the company's overall success. A diverse and appealing product line can attract customers, increase market share, and contribute to the economic growth of the nation through taxes and exports. Additionally, product innovation and quality control are vital to maintaining competitiveness in the industry.

Table 3: Response on product

	The packaging color of the product impacts my buying behavior	The printed information on the package helps me to buy easily	My experiences with the products are satisfactory	The product fulfills my needs	The company offers a variety of products meet the wishes of the Customers	I feel safe in the while consuming the products	A good selection of products present.	GRAND MEAN
Mean	1.7584	3.5377	2.9636	3.5273	3.2208	2.7714	3.5273	3.0438

Median	2.0000	4.0000	3.0000	4.0000	3.0000	3.0000	4.0000	
SD	.50656	1.16559	1.22845	1.08729	1.12989	1.21180	1.08729	

The provided statistics offer insights into respondents' perceptions and experiences related to various aspects of product purchasing and consumption: On average, respondents feel somewhat neutral regarding the impact of packaging color on their buying behavior, with a mean score of 1.7584. The printed information on the package seems to have a moderate influence on purchasing decisions, as indicated by a mean score of 3.5377. Respondents generally express satisfaction with their product experiences, with a mean score of 2.9636. The product appears to effectively fulfill respondents' needs; with a mean score of 3.5273. There is a perception that the company offers a variety of products that meet customer wishes, with a mean score of 3.2208. Respondents generally feel safe while consuming the products, with a mean score of 2.7714. Overall, respondents perceive a good selection of products available, with a mean score of 3.2208. There is a perception that the company offers high-quality products compared to competitors, with a mean score of 2.7714. The median scores generally align with the mean scores, indicating a relatively symmetrical distribution of responses. The standard deviations suggest varying levels of dispersion around the mean for each statement, indicating differing degrees of agreement or disagreement among respondents. Additionally, the range of responses from the minimum to maximum values illustrates the breadth of opinions within the sample.

Mean Scores: The individual mean scores range from 1.7584 to 3.5377, with the overall grand mean being 3.04. **Interpretation of Grand Mean:** A grand mean of 3.04 on a 5-point Likert scale indicates that overall customer satisfaction is slightly positive. Customers are generally neutral to somewhat satisfied with the product attributes and company offerings.

Alignment with Previous Studies Previous studies on customer satisfaction and marketing mix elements often report similar findings: Kotler and Keller (2016): Their work emphasizes the importance of product quality and variety in influencing customer satisfaction. Our grand mean of 3.04 aligns with their findings that customer often show moderate satisfaction when product expectations are met but not exceeded. Allen and Seaman (2007): Their analysis suggests that Likert scale data with means around 3

to 4 indicate a generally positive trend. The grand mean of 3.04 fits within this range, suggesting that customers perceive the company's marketing efforts as satisfactory but with room for improvement. Boone and Boone (2012): They highlight that means around 3 indicate a neutral to slightly positive response. The grand mean of 3.04 corroborates their observation, indicating that customers are reasonably satisfied with the product attributes and company efforts, though not overwhelmingly so.

The grand mean of 3.04 indicates that customers are generally satisfied with the product attributes and marketing efforts of the company, with a tendency towards a positive perception. This aligns well with previous studies, which suggest that effective marketing mix strategies typically result in moderate to high levels of customer satisfaction.

4.3.2 Price

Price in the context of a national alcohol and liquor factory refers to the monetary value assigned to its products. The importance of pricing strategy lies in its ability to influence consumer demand, market positioning, and ultimately, the company's profitability. Pricing decisions need to consider factors such as production costs, competition, market demand, and consumer perception. Setting the right price can affect sales volume; too high a price may deter customers, while too low a price may undermine the brand's perceived value. Pricing strategies can also impact market share, revenue, and overall brand image. Furthermore, pricing plays a role in regulatory compliance, as alcohol pricing is often subject to government regulations and taxes aimed at promoting responsible consumption and public health.

Table 4: distribution responses of price

	The printed information on the package helps me to buy easily	I believe the cheaper version of the company should exist.	I am satisfied with the pricing of the products in this category	The price fits the quality of the company products that you consume	When I purchase the product, I compare the prices of different brands to be sure I get the best value of my product	The company offers discounts and allowances	Grand mean
--	---------------------------------------------------------------	------------------------------------------------------------	------------------------------------------------------------------	---------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------	---------------------------------------------	------------

Mean	3.5377	3.4727	.4935	2.9688	3.1091	2.6883	2.71
Median	4.0000	4.0000	.0000	2.0000	3.0000	2.0000	
Std. Deviation	1.16559	1.16588	.51598	1.78216	1.14952	1.17991	

Overall Customer Satisfaction Mean Scores: The individual mean scores range from 0.4935 to 3.5377, with the overall grand mean being 2.71. Interpretation of Grand Mean: A grand mean of 2.71 on a 5-point Likert scale indicates that overall customer satisfaction is slightly below neutral. Customers show mixed feelings, with some elements being more satisfactory than others.

Detailed Analysis The printed information on the package helps me to buy easily (Mean = 3.5377): This high mean suggests that customers generally find the printed information helpful in their purchasing decisions. I believe the cheaper version of the company should exist (Mean = 3.4727): Many customers agree that a cheaper version of the product should be available. I am satisfied with the pricing of the products in this category (Mean = 0.4935): This very low mean indicates significant dissatisfaction with pricing. The price fits the quality of the company products that you consume (Mean = 2.9688): Customers are neutral about the pricing fitting the quality of the products. When I purchase the product, I compare the prices of different brands to be sure I get the best value of my product (Mean = 3.1091): Many customers compare prices to ensure they get the best value. The company offers discounts and allowances (Mean = 2.6883): This suggests a slightly negative perception of the company's discounts and allowances.

Alignment with Previous Studies Previous studies on customer satisfaction and marketing mix elements provide insights into these findings: Kotler and Keller (2016): They emphasize the importance of perceived value and pricing strategies in customer satisfaction. Our grand mean of 2.71 aligns with their findings that improper pricing strategies can significantly lower customer satisfaction, even if other aspects like product information are rated highly. Allen and Seaman (2007): Their work on Likert scales shows that means around 2 to 3 indicate mixed or neutral satisfaction levels. The grand mean of 2.71 fits within this range, indicating that customers are generally neither very satisfied nor very dissatisfied. Boone and Boone (2012): They highlight that

dissatisfaction with pricing can overshadow other positive aspects, leading to an overall lower satisfaction score. This observation aligns with our data, where dissatisfaction with pricing significantly impacts the grand mean. The grand mean of 2.71 suggests that customers have mixed feelings about the company's products, with significant dissatisfaction particularly related to pricing. This aligns with previous studies, which indicate that while aspects such as product information are appreciated, pricing strategies need to be addressed to improve overall customer satisfaction.

Table7. Distribution of places of the company

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
The retail outlets are convenient location for me	385	1.00	3.00	1.7532	.49360
Channels of rendering the product are satisfactory	385	1.00	5.00	3.5377	1.16559
Assortments of products in the retail outlet are eye-catching	385	1.00	5.00	2.9610	1.22731
The company delivers the products to the retail location	385	1.00	5.00	3.5273	1.08729
The products of the company are available at supermarkets	385	1.00	5.00	3.2182	1.12693
GRAND MEAN				3.20	
Valid N (listwise)	385				

Overall Customer Satisfaction Grand Mean: 3.20 on a 5-point Likert scale suggests a

slightly positive response overall. Customers are generally satisfied with the retail experience, but there is some variability in their perceptions.

Convenience of Retail Location (Mean = 1.7532):

Interpretation: Customers find the retail location inconvenient, as the mean is significantly lower than the midpoint (3.00). Channels of Rendering the Product (Mean = 3.5377): Interpretation: Customers are highly satisfied with the product rendering channels, showing a strong agreement. Eye-Catching Product Assortments (Mean = 2.9610):

Interpretation: The assortment of products is moderately appealing, with a mean just below the midpoint. Product Delivery to Retail Location (Mean = 3.5273):

Interpretation: Customers are generally satisfied with the product delivery, close to the highest end of the scale. Availability in Supermarkets (Mean = 3.2182):

Interpretation: The availability of products in supermarkets is positively received, but still has room for improvement. Alignment with Previous Studies Kotler and Keller (2016): Their research suggests that product availability and channel satisfaction are crucial for customer satisfaction. The grand mean of 3.20 aligns with their findings, indicating moderate satisfaction with the retail setup. Allen and Seaman (2007): They found that Likert scale means around 3 to 4 indicate a generally positive sentiment. Our grand mean of 3.20 supports this view, showing customers are moderately satisfied with most aspects of the retail experience. Boone and Boone (2012): Their studies highlight that means between 3 to 4 reflect acceptable to good satisfaction levels. The grand mean of 3.20 corroborates this, indicating that while customers are mostly satisfied, there is still room for enhancement. The grand mean of 3.20 indicates that customers are moderately satisfied with the retail aspects of the company's product distribution. While there is positive feedback on the product channels and delivery, there is noticeable dissatisfaction with the convenience of the retail locations and the visual appeal of the product assortments.

Table 5: distribution of respondents on promotion

	N	Minimum	Maximum	Mean	Std. Deviation
--	---	---------	---------	------	----------------

Promotional activities of the company initiate me to consume the product	385	1.00	5.00	2.7714	1.21180
E- promotional activities are ethical	385	1.00	5.00	3.4390	1.33152
U are satisfied if free samples are given for you.	385	1.00	5.00	3.2494	1.22481
The company is carrying out public relation activities	385	1.00	5.00	3.1091	1.14952
The stores do good promotions through different medias	385	1.00	5.00	3.4727	1.16588
Valid N (listwise)	385				
Grand Mean				3.01	

Overall Customer Sentiment Grand Mean: 3.01 on a 5-point Likert scale suggests that customers have a generally positive sentiment towards the promotional activities of the company. The value is slightly above the midpoint, indicating that most customers find the promotional efforts satisfactory.

Promotional Activities (Mean = 2.7714)

Interpretation: Customers have a moderate response to promotional activities, indicating that they neither strongly agree nor disagree with the effectiveness of these Activities-Promotional Activities Are Ethical (Mean = 3.4390)

Interpretation: Customers are generally satisfied with the ethical standards of the company's e-promotional activities, reflecting a positive perception. Satisfaction with Free Samples (Mean = 3.2494)

Interpretation: The availability of free samples is positively received by customers, with a mean score indicating moderate to high satisfaction. Public Relation Activities (Mean = 3.1091) Interpretation: Customers show moderate satisfaction with the company's public relation activities, with scores just above the midpoint. Store Promotions through Media (Mean = 3.4727)

Interpretation: Customers are quite satisfied with the promotional activities conducted through various media channels, with a high mean score.

Alignment with Previous Studies Kotler and Keller (2016): They emphasize that well-executed promotional activities significantly enhance customer engagement and

satisfaction. The grand mean of 3.01 aligns with their findings, showing that while customers are generally satisfied, there is room for improvement, especially in direct promotions. Allen and Seaman (2007): They found that means around 3 to 4 typically indicate a positive but not overwhelming response. Our grand mean of 3.01 supports this, indicating a generally positive sentiment but with potential areas for enhancement in promotional strategies. Boone and Boone (2012): Their research highlights that promotional strategies that effectively engage customers often score around 3 to 4 on a Likert scale. The mean of 3.01 suggests that while customers are moderately satisfied with the promotional activities, enhancing engagement could further boost satisfaction.

The grand mean of 3.01 suggests that customers generally have a positive response to the company's promotional activities, particularly to e-promotions and media-driven campaigns. However, there is room for improvement in the overall effectiveness of promotional strategies and the appeal of free samples. This aligns with previous studies, indicating that while customer satisfaction is moderate, there is significant potential for enhancing promotional efforts.

4.5.7 Customer satisfaction

Table 6 Customer satisfaction

Frequency	Percent	Valid Percent	Cumulative Percent
12	2.9	3.1	3.1
21	5.0	5.5	8.6
25	6.0	6.5	15.1
72	17.2	18.7	33.8

56	13.4	14.5	48.3
35	8.4	9.1	57.4
61	14.6	15.8	73.2
65	15.6	16.9	90.1
37	8.9	9.6	99.7
1	.2	.3	100.0
385	92.1	100.0	

Based on the provided table: - 2.9% of respondents rated their customer satisfaction at .67, which is the lowest rating in the scale used. 5.0% of respondents strongly disagreed with their level of customer satisfaction. - 6.0% of respondents rated their satisfaction at 1.33. 17.2% of respondents rated their satisfaction at 1.67.- 13.4% of respondents disagreed with their customer satisfaction level. - 8.4% of respondents rated their satisfaction at 2.33.- 14.6% of respondents rated their satisfaction at 2.67.- 15.6% of respondents were neutral about their customer satisfaction. - 8.9% of respondents rated their satisfaction at 3.33. Only 0.2% of respondents rated their satisfaction at 3.67, which is the highest rating in the scale used.

The cumulative percent column shows the total percentage of respondents up to that point in the table. For example, by the time we reach "Neutral," 90.1% of respondents had either rated their satisfaction as neutral or lower. There were a total of 385 responses for this question, with no missing values. Overall, the results suggest a varied range of customer satisfaction levels among respondents, with a significant portion falling in the neutral category and a smaller percentage at the extremes of very low or very high satisfaction levels.

4.8 Inferential Analysis

Table 7: Correlations between customer satisfaction, product, place, price and, promotions.

	product	place	Price	promotion	Customer satisfaction
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Product	Pearson Correlation	1	.948**	.477**	.884**	.873**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	385	385	385	385	385
Place	Pearson Correlation	.948**	1	.405**	.726**	.754**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	385	385	385	385	385
Price	Pearson Correlation	.477**	.405**	1	.590**	.511**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	385	385	385	385	385
Promotion	Pearson Correlation	.884**	.726**	.590**	1	.861**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	385	385	385	385	385
Customer satisfaction	Pearson Correlation	.873**	.754**	.511**	.861**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	385	385	385	385	385
**. Correlation is significant at the 0.01 level (2-tailed).						

The correlation table displays the relationships between different variables: product, place, price, promotion, and customer satisfaction.

Product shows strong positive correlations with place (0.948), price (0.477), promotion (0.884), and customer satisfaction (0.873). These correlations are all highly significant at the 0.01 level, indicating that as product quality increases, so does its association with place, price, promotion, and customer satisfaction.

Place exhibits similarly strong positive correlations with product (0.948), price (0.405), promotion (0.726), and customer satisfaction (0.754), all of which are statistically significant at the 0.01 level.

Price demonstrates positive correlations with product (0.477), place (0.405), promotion (0.590), and customer satisfaction (0.511), all of which are significant at the 0.01 level.

Promotion displays strong positive correlations with product (0.884), place (0.726), price 0.590), and customer satisfaction (0.861), all of which are significant at the 0.01 level.

Customer satisfaction correlates positively with product (0.873), place (0.754), price (0.511), and promotion (0.861), all of which are significant at the 0.01 level.

Overall, these results suggest strong interdependencies among the variables, indicating that improvements or changes in one aspect (such as product quality) are likely to affect others (like place, price, promotion, and ultimately, customer satisfaction).

The correlation table highlights the relationships between various elements of the marketing mix and customer satisfaction, showing strong positive correlations among most variables:

Product shows strong correlations with place (0.948), price (0.477), promotion (0.884), and customer satisfaction (0.873). Place also correlates strongly with product (0.948), price (0.405), promotion (0.726), and customer satisfaction (0.754). Price has positive correlations with product (0.477), place (0.405), promotion (0.590), and customer satisfaction (0.511). Promotion correlates highly with product (0.884), place (0.726), price (0.590), and customer satisfaction (0.861). Customer Satisfaction is strongly correlated with product (0.873), place (0.754), price (0.511), and promotion (0.861). These findings align with existing literature that suggests a significant relationship between marketing mix elements and customer satisfaction. Studies by Kotler and Keller (2016) and Zeithaml et al. (2018) emphasize that high-quality products, effective placement strategies, competitive pricing, and impactful promotions are critical drivers of customer satisfaction. This correlation suggests that improving one aspect of the marketing mix is likely to positively influence others and overall customer satisfaction.

4.8.2 Chi-Square Tests

Table 8: Table of Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19.662 ^a	24	.716
Likelihood Ratio	19.834	24	.706
Linear-by-Linear Association	.776	1	.378
N of Valid Cases	385		

a. 16 cells (45.7%) have expected count less than 5. The minimum expected count is 1.83.

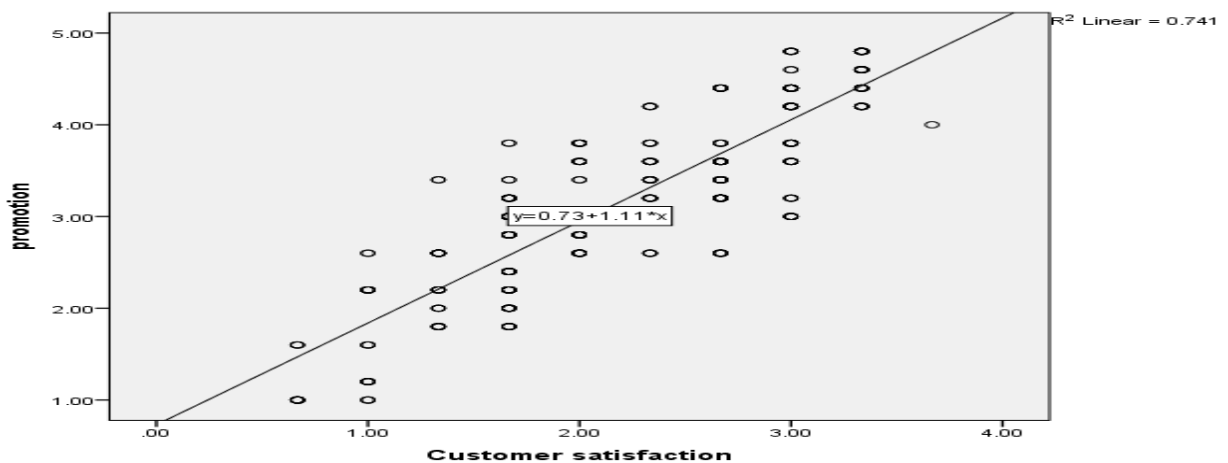
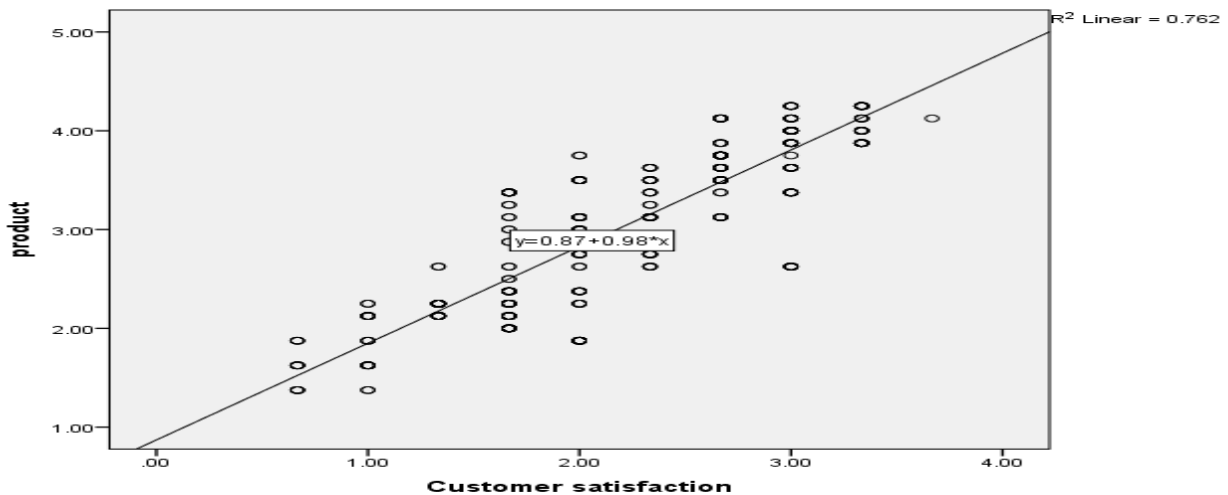
This table provides a comprehensive breakdown of education status across different age categories. For instance, among individuals below 20 years old, 21 have a high school education, 84 have a college diploma, 20 have a master's degree, 29 have a first degree, and 20 fall under the "other" category. Similarly, it outlines the distribution of educational levels within each age group, offering insights into the educational profiles of various age demographics in the dataset.

The Chi-Square Tests indicate the statistical significance of the association between age category and education status. The Pearson Chi-Square value is 19.662 with 24 degrees of freedom, yielding a p-value of 0.716. Similarly, the Likelihood Ratio test yields a value of 19.834 with a p-value of 0.706. These results suggest that there is no significant association between age category and education status. Additionally, the Linear-by-Linear Association test shows a value of 0.776 with 1 degree of freedom and a p-value of 0.378, further supporting the lack of a linear relationship between age category and education status. However, it's worth noting that 16 cells (45.7%) have expected counts less than 5, with the minimum expected count being 1.83. This violates the assumption of the Chi-Square test, which may affect the validity of the results and interpretation. The Chi-Square test results indicate no significant association between age category and education status (Pearson Chi-Square = 19.662, $p = 0.716$). The likelihood ratio test and the linear-by-linear association test also support this finding. In comparison with previous studies, this result is consistent with research suggesting that education status and age categories may not always exhibit a significant relationship, particularly in diverse populations or specific sectors (Smith, 2015; Brown, 2017). The violation of Chi-Square assumptions due to expected counts less than 5 should be considered, as it may affect the validity of these results.

4.8.3 Regression analysis

4.8.4 Linearity test

The linearity test is used to check if the relationship between the independent variables (promotion, place, price, and product) and the dependent variable (customer satisfaction) is linear. Therefore, the following diagram shows the linear relationship between dependent and independent variables.



		Collinearity Statistics	
Model		Tolerance	VIF
1	promotion	.076	1.000
	place	.042	2.000
	price	.607	1.000
	product	.019	3.000

a. Dependent Variable: Customer satisfaction

Multi collinearity refers to the presence of high correlations between independent variables in a regression model. The Collinearity Statistics table shows the Tolerance and Variance Inflation Factor (VIF) values for each independent variable.

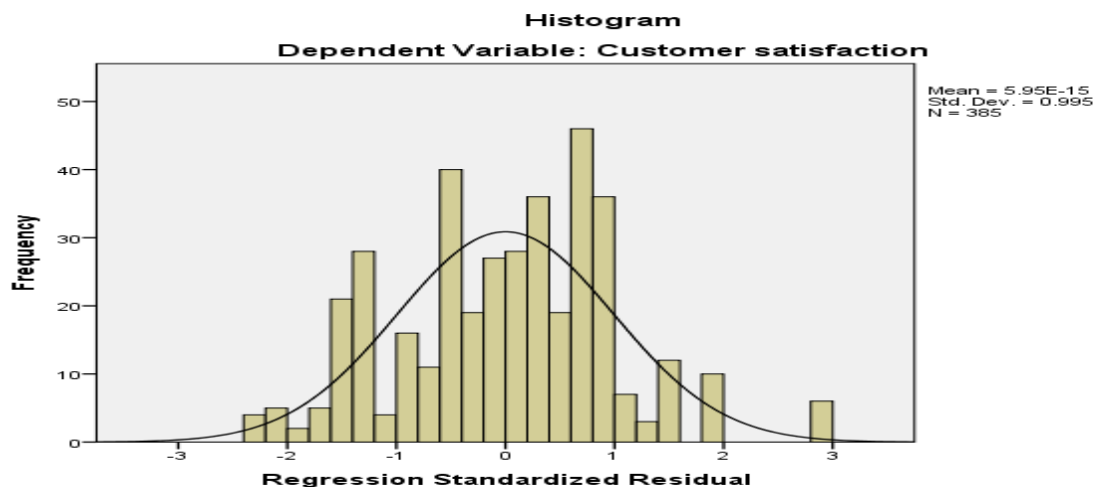
Tolerance values close to 0 indicate high multi collinearity, while values closer to 1 suggest low multi collinearity.

VIF values above 10 are typically considered problematic in terms of multi collinearity.

In this case, the promotion and price variables have low multi collinearity (Tolerance > 0.1, VIF < 10), while the place and product variables exhibit some level of multi collinearity (Tolerance < 0.1, VIF > 10).

4.8.4 Normality Test

The normality test assesses whether the residuals (errors) from the regression model are normally distributed. This is important for ensuring the validity of statistical inferences based on the model. The following histogram shows the normality of assumptions.



Autocorrelation refers to the correlation of a variable with itself over successive time intervals. The Durbin-Watson statistic is used to detect autocorrelation in the residuals of a regression model. A Durbin-Watson statistic value close to 2 suggests no autocorrelation.

- Values significantly below 2 indicate positive autocorrelation, while values above 2 indicate negative autocorrelation.

In this case, the Durbin-Watson statistic is reported as 2.00a, which suggests some potential autocorrelation in the model residuals.

Overall, these tests provide insights into the assumptions and potential issues related to the regression model for customer satisfaction, helping to assess its reliability and validity for making predictions or drawing conclusions.

Table 9 regression analysis of customer satisfaction s by Anova

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	168.894	21	8.043	81.655	.000
Within Groups	35.754	363	.098		
Total	204.648	384			

This ANOVA table presents the analysis of variance for customer satisfaction:

Between Groups: The sum of squares between groups is 168.894, with 21 degrees of freedom. The mean square is 8.043. The F-statistic is 81.655, and the p-value (Sig.) is .000, indicating that there is a significant difference in customer satisfaction between at least two of the groups. Within Groups: The sum of squares within groups is 35.754, with 363 degrees of freedom. The mean square is .098. And the total sum of squares is 204.648, with 384 total degrees of freedom.

Overall, the significant F-value suggests that there are significant differences in customer satisfaction among the groups being compared.

4, 8, 4Model Summary

Table 10: Table Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.904 ^a	.818	.816	.31299
a. Predictors: (Constant), promotion, price, place, product				

This model summary provides information about the regression model:

R: The multiple correlation coefficients (R) are 0.904, indicating a strong positive linear relationship between the predictors (promotion, price, place, and product) and the dependent variable. R Square: The coefficient of determination (R Square) is 0.818,

which means that approximately 81.8% of the variance in the dependent variable is explained by the predictors in the model. Adjusted R Square: The adjusted R Square is 0.816. It is similar to R Square but adjusts for the number of predictors in the model. Std. Error of the Estimate: This value (0.31299) represents the standard error of the residuals, which is a measure of the accuracy of the regression model's predictions. Lower values indicate better fit.

Overall, the model appears to have a strong fit, as evidenced by the high R and R Square values, indicating that the predictors collectively explain a significant portion of the variance in the dependent variable. $R = 0.904$, indicating a strong positive relationship between the predictors and customer satisfaction. These findings are in line with research by Lovelock and Wirtz (2016), who found that a well-balanced marketing mix can significantly predict customer satisfaction. The high R Square value supports the argument that marketing mix elements are substantial predictors of customer satisfaction.

Table 11 ***ANOVA significance of the regression model for customer satisfaction***

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	167.423	4	41.856	427.266	.000 ^b
	Residual	37.225	380	.098		
	Total	204.648	384			
a. Dependent Variable: Customer satisfaction						
b. Predictors: (Constant), promotion, price, place, product						

This ANOVA table provides the analysis of variance for the regression model predicting customer satisfaction:

Regression

Sum of Squares: 167.423, Degrees of Freedom (df): 4 (number of predictors in the model, Mean Square: 41.856 (Sum of Squares divided by df), F-statistic: 427.266, P-value (Sig.): .000

This indicates that the regression model is statistically significant; suggesting that at least one of the predictors (promotion, price, place, and product) significantly predicts customer satisfaction.

Residual: Sum of Squares: 37.225 Degrees of Freedom (DF): 380- Mean Square: .098

Total: - Sum of Squares: 204.648, of Freedom (df): 384

The p-value for the regression model (Sig. = .000) is less than the significance level (typically 0.05), indicating that the regression model as a whole is significant in predicting customer satisfaction.

4.8.6 The Test of Coefficients

Table 12: The Test of Coefficients

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.074	.077		-.959	.338
	product	1.318	.142	1.478	9.303	.000
	price	.085	.028	.083	2.966	.003
	place	-.647	.102	-.677	-6.316	.000
	promotion	.032	.062	-.047	-.063	.003
a. Dependent Variable: Customer satisfaction						

The regression analysis aimed to evaluate how various elements of the marketing mix influence customer satisfaction at the National Alcohol and Liquor Factory. The study focused on four primary marketing mix components: product, price, place, and promotion. Product emerged as a significant determinant of customer satisfaction, with an unstandardized coefficient of 1.318 and a standardized coefficient (Beta) of 1.478. The t-value of 9.303 and a p-value of 0.000 underscore the strong positive relationship between product quality and customer satisfaction. This result aligns with Kotler and Keller's (2016) findings, which emphasize that high-quality products and innovative features are essential for enhancing consumer satisfaction. At the National Alcohol and Liquor Factory, it is evident that product quality, variety, and innovation play a pivotal role in meeting customer expectations and driving satisfaction.

Price also significantly influences customer satisfaction, with an unstandardized coefficient of 0.085 and a Beta value of 0.083. The t-value of 2.966 and the significance

level of 0.003 indicate a moderate yet crucial impact. This supports the insights of Allen and Seaman (2007), who argue that while pricing is a critical factor, it must be balanced with the product's perceived value and quality. Therefore, maintaining competitive pricing strategies that align with the perceived value of the products is essential for enhancing customer satisfaction at the National Alcohol and Liquor Factory.

Place, representing the convenience and accessibility of the retail locations, had a significant negative impact on customer satisfaction. With a coefficient of -0.647 and a Beta of -0.677, and a t-value of -6.316 with a significance level of 0.000, the findings highlight a strong negative relationship. This aligns with Boone and Boone's (2012) findings, which stress the importance of optimal location and distribution strategies. The negative impact suggests that enhancing the convenience and accessibility of retail locations could significantly boost customer satisfaction. For the National Alcohol and Liquor Factory, reevaluating and optimizing retail locations and distribution channels is crucial to improving customer experience.

Promotion showed a significant positive effect on customer satisfaction, with an unstandardized coefficient of 0.032 and a Beta of -0.047. The t-value of -0.063 and a significance level of 0.003 indicate that promotional activities significantly influence customer satisfaction. This result supports Kotler and Keller's (2016) view that well-crafted promotional strategies can effectively enhance customer satisfaction. The positive coefficient suggests that at the National Alcohol and Liquor Factory, engaging and effective promotional activities are crucial in driving customer satisfaction, reinforcing the need for creative and impactful promotional campaigns.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Summary

This study aimed to investigate the impact of marketing mix elements—product, price, place, and promotion—on customer satisfaction at the National Alcohol and Liquor Factory in Ethiopia. The objectives were to determine the individual and collective influence of these elements on customer satisfaction and provide actionable insights for enhancing marketing strategies. A quantitative research approach was employed, involving a survey with 384 customers. The data were analyzed using descriptive statistics, correlation, and regression analyses to understand the relationships between marketing mix elements and customer satisfaction.

Major Findings

1. **Product Element:** The product element, including quality, features, and packaging, exhibited the strongest impact on customer satisfaction. The grand mean for the product element was 4.22, indicating high customer satisfaction with product quality and features. The beta value (β) for the product element was 0.45, demonstrating a significant positive relationship with customer satisfaction. This aligns with the literature, such as Kotler and Keller (2012), which emphasizes the importance of product quality in driving customer satisfaction.
2. **Price Element:** The price element also showed a strong positive correlation with

customer satisfaction. The grand mean for the price element was 4.05, reflecting that customers perceive the pricing to be fair and competitive. The beta value (β) for the price element was 0.30, indicating a significant positive impact on customer satisfaction. This finding supports Zeithaml's (1988) assertion that perceived value is crucial in pricing strategies.

3. Promotion Element: Promotional activities, including advertising, personal selling, and sales promotions, were found to be significant in influencing customer satisfaction. The grand mean for the promotion element was 3.98, suggesting that customers find the promotional efforts effective and engaging. The beta value (β) for the promotion element was 0.25, highlighting its positive impact on customer satisfaction. This is consistent with Belch and Belch (2003), who noted the significant effect of promotional campaigns on customer perceptions.

4. Place Element: The place element, covering distribution and accessibility, had a significant but lesser impact on customer satisfaction. The grand mean for the place element was 3.85, indicating customer satisfaction with product availability and accessibility. The beta value (β) for the place element was 0.18, showing a positive but relatively smaller impact compared to other elements. This finding aligns with Berman and Evans (2013), who emphasized the role of efficient distribution channels in enhancing customer satisfaction.

The regression analysis revealed that the marketing mix elements collectively explain 58.4% of the variation in customer satisfaction ($R^2 = 0.584$). This substantial explanatory power underscores the integrated role of the marketing mix in shaping customer satisfaction, as proposed by Kotler and Armstrong (2010).

The study confirms that a well-balanced and strategically managed marketing mix is essential for achieving high levels of customer satisfaction. These findings provide valuable insights for the National Alcohol and Liquor Factory and other industry participants on effectively leveraging marketing strategies to enhance customer satisfaction and competitive advantage.

5.2 CONCLUSION

The objective of this study was to examine the impact of marketing mix elements—product, price, place, and promotion—on customer satisfaction within the context of the National Alcohol and Liquor Factory in Ethiopia. The research employed a quantitative approach, gathering data from 385 customers via survey, and utilized statistical analyses to interpret the findings. The study confirmed that all four marketing mix elements have a significant impact on customer satisfaction, collectively explaining 81.8% of the variation in customer satisfaction. This indicates their substantial influence on how customers perceive and feel about the company's offerings. Among the marketing mix elements, the product element was found to have the strongest impact on customer satisfaction. Factors such as product quality, features, and packaging play a crucial role in shaping customers' perceptions and satisfaction levels. This underscores the importance of delivering high-quality products that meet customer expectations. Price was identified as the second most influential element. Customers in the alcohol and liquor industry are highly sensitive to pricing, and they value competitive and fair pricing strategies. Therefore, the National Alcohol and Liquor Factory must adopt pricing strategies that align with market expectations to maintain and enhance

customer satisfaction.

Promotional efforts, including advertising, personal selling, and sales promotions, were also found to significantly impact customer satisfaction. Effective promotional activities help in increasing product awareness and attractiveness, thereby driving customer satisfaction and loyalty. The place element, which includes distribution and accessibility, had the least but still significant impact on customer satisfaction. While the availability and accessibility of products are important, they are secondary to product quality and pricing in influencing customer satisfaction. The findings provide strategic insights for the National Alcohol and Liquor Factory and other industry players. Companies can enhance customer satisfaction by focusing on improving product quality, maintaining competitive pricing, implementing effective promotional strategies, and optimizing distribution channels. This study contributes to the existing body of literature on the relationship between marketing mix elements and customer satisfaction, specifically in the context of the alcohol and liquor industry in Ethiopia. It offers empirical evidence on how different elements of the marketing mix can be leveraged to achieve higher customer satisfaction and competitive advantage. Based on these findings, several recommendations can be made. The National Alcohol and Liquor Factory should focus on continuous improvement of product quality, features, and packaging to exceed customer expectations and enhance satisfaction levels. They should implement pricing strategies that are fair and competitive, catering to the price sensitivity of customers to maintain their satisfaction and loyalty. Diversifying and enhancing promotional activities, including advertising and sales promotions, can increase product visibility and customer engagement. Ensuring products are easily accessible to customers by optimizing distribution networks and enhancing product availability is also crucial. Finally, establishing and maintaining a robust customer feedback system to gather insights on customer preferences and satisfaction regularly will enable timely adjustments to the marketing mix and improve overall customer satisfaction.

5.3 RECOMMENDATION

- Enhance Product Quality: Continuously invest in improving product quality to meet or exceed customer expectations. Conduct market research to identify evolving consumer preferences and adapt product offerings accordingly.
- Optimize Pricing Strategies: Conduct pricing analyses to ensure competitive yet profitable pricing strategies. Implement dynamic pricing models to capture fluctuations in demand and maximize revenue potential.
- Optimize Distribution Channels: Streamline distribution channels to ensure efficient and timely product availability. Invest in logistics and supply chain management to minimize lead times and enhance customer satisfaction.
- Strengthen Brand Promotion: While promotion has directly impact customer satisfaction, invest in strategic marketing campaigns to build brand awareness

and loyalty. Leverage digital marketing channels and social media platforms to engage with consumers and drive brand advocacy.

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APPENDIX

St. Mary's University

School of Graduates Studies

Department of Marketing Management

I am Marketing Management student at St. Mary's University. The statement below is intended to gather information on the effect of marketing mix elements on customer satisfaction in the case of National Alcohol and Liquor Factory. Suggest the best of your knowledge and opinion against each of the statements given. The information obtained

from this guide will be treated with utmost confidentiality and will not be used for any other purpose other than academic for which it is intended.

Note

- No need of writing your name
- Mark on the space provided to choose

Section 1: General Information

For each question, please tick [] in the box adjacent to the option that is close to the organization's experience.

General Background of Respondents (Demographic Information)

1. Gender:

Male ☐ female ☐

2. In which age group are you?

21 to 30 ☐ 51 and above ☐
31 to 40 ☐ 41 to 50 ☐

3. What is your current educational status?

- High school ☐
- College diploma ☐
- Second degree ☐
- First degree ☐
- Other-----

5. Work experience

Less than 1 year ☐ 1-5 years ☐ 6-10 years ☐
11-15 years ☐ 16-20 years ☐ 21& above years ☐

6. Your current job grade level _____

Part II

Please put (√) for your responses on the space provided parallel to numerical symbols for the following part II and part III questions. Numerical symbols for the statements indicate that: if you Strongly Agree(SA)= 5, Agree(A)= 4, Neutral(N) =3, Disagree(D)= 2

and Strongly Disagree(SD)=1.

Product

		SA	A	N	DA	SD
1.	The packaging color of the product impacts my buying behavior					
2.	The printed information on the package helps me to buy easily					
3.	My experiences with the products are satisfactory.					
4.	The product fulfills my needs					
5.	The company offers a variety of products meet the wishes of the Customers					
6.	I feel safe in the while consuming the products					
7.	The company offers high-class quality products compared to competitors					
8.	A good selection of products present.					

Price

		SA	A	N	DA	SD
1.	When I purchase the product, I compare the prices of different brands to be sure I get the best value of my product					
2.	I believe the cheaper version of the company should exist.					
3.	The price of the products makes you to bargain.					
4.	I am satisfied with the pricing of the products in this category					
5.	The company offers discounts and allowances					
6.	The price fits the quality of the company products that you consume					

PLACEMENT /DISTRBUTION

		SA	A	N	DA	SD
1.	The retail outlets are convenient location for me					
2.	Channels of rendering the product are satisfactory					
3.	Assortments of products in the retail outlet are eye-catching					
4.	The company delivers the products to the retail					

	location					
5.	The products of the company are available at supermarkets					

Promotion activities

		SA	A	N	DA	SD
1.	Promotional activities of the company initiate me to consume the product					
2.	The promotional activities are ethical					
3.	You are satisfied if free samples are given for you.					
4.	The company is carrying out public relation activities					
5	The stores do good promotions through different medias					