ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MARKETING MANAGEMENET

THE EFFECT OF MARKETING STRATEGY ON CUSTOMER LOYALTY: THE CASE OF BGI ETHIOPIA ADDIS ABABA

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Addis Ababa, Ethiopia

DECLARATIONS

I, Mahelet Ketema, the undersigned, declare that this thesis, "The Effect of Marketing Strategy on Customer Loyalty: The Case of BGI Ethiopia Addis Ababa" is my original work and that it has not been submitted in part or in whole by any other person for an award of degree in any other university/institution.

I conducted the research on my own, with the guidance and support of the research supervisor.

Submitted by:

Full Name: Mahelet Ketema

Signature   ----------------

Date--------------------

CERTIFICATION

This is to certify that the thesis prepared by Mahelet Ketema, titled "The Effect of Marketing Strategy on Customer Loyalty: The Case of BGI Ethiopia Addis Ababa" is submitted in partial fulfillment of the requirements for the award of the Degree of Master of Arts (Marketing Management), complies with the University Regulations and meets the accepted standards in terms of originality and quality.

Approved by The Board of Examiners.

Advisor--------------------------------------Signature------------- Date---------------

Internal Examiner---------------------------Signature-----------------Date-------------

External Examiner--------------------------Signature------------------Date-------------

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Finally, I would like to thank the study's participants (Consumers of BGI brewery products in Addis Ababa) for their willingness to participate and for providing valuable information.

Furthermore, those individuals who have contributed significantly to the overall work, either directly or indirectly, deserve to be recognized.

Thank you

List of Acronyms

ANOVA-----------------Analysis of Variance

MIS---------------------- Marketing Information Systems

SPSS----------------------Statistical Procedure for Social Sciences

4Ps----------------------Product, price, place and promotion

Table of Contents

List of Tables

List of Figures

ABSTRACT

The main objective of the study was to examine the effect of marketing strategy on customer Loyalty at BGI Ethiopia Brewery S.C. For achieving the study objectives, both qualitative and quantitative research methods are used. Primary data were collected through the use of questionnaire from 360 respondents. The data were processed using SPSS software (version 26.0) and analyzed via descriptive statistics, correlation and linear regression analyses. The results of this study indicate that, all the 4Ps marketing mix elements (product, price, promotion and place) have positive correlation with customer loyalty. The finding of regression analysis also indicates that product, price, place and promotion have a strong positive effect on customer loyalty with result of ($\beta=0.161$, $p<0.05$), ($\beta=0.117$, $p<0.05$), ($\beta=0.071$, $p<0.05$) and ($\beta=0.239$, $p<0.05$) respectively. In terms of degree of effect, product has the strong impact on customer loyalty followed by place Therefore, based on the findings of the study, it is recommended that BGI Ethiopia should retain its current marketing strategies because they have positive effect on customer loyalty. Also, that BGI Ethiopia should evolve other marketing strategies such as giving discounts to create and sustain customers' loyalty and create customers friendly outlets to directly keep in touch with many small customers

Key Words: *Marketing Mix, Product, Price, Promotion, Place, and Customer Loyalty.*

Chapter One

Introduction

This chapter discusses the study's background, problem statement, research questions, objectives, scope, and paper organization.

1.1 Background of the Study

Marketing is one of the numbers of factors that contribute to firm's performance. Hence, isolating marketing's contribution is important and part of the methodological challenge of working in this part of field. (Kotler., 2000) Argued that, in the future, marketing has the main responsibility for achieving profitable revenue growth for the company. Marketing is as a task of creating, promoting and delivering goods and services to consumers and businesses. It is generally accepted that acquiring a new customer may turn out to be considerably more expensive than building customer loyalty among firm's current customers (Kotler P. , 2007).

At the broadest level, market strategy can be defined as an organization's integrated pattern of decisions that specify its crucial choices concerning products, markets, marketing activities and marketing resources in the creation, communication and/or delivery of products that offer value to customers in exchanges with the organization and there by enables the organization to achieve specific objectives (Varadarajan, R., 2010).

Organizations develop a marketing strategy to communicate with customers through the use of appealing product and service structures. The expansion of global trade and sales activity has emphasized the importance of firms and countries exporting their products. (Sousa, C. M., Martínez-López, F. J., & Coelho, F., 2008). Marketing strategy is a procedure by which company's react to situations of competitive market and forces of market or react to environmental forces and international forces to enable the firms to achieve their objective in the target market (Lee, C., & Griffith, D. A. , 2004).

Marketing strategies have a major effect on the performance of firms. (Leonidou, L.C, Katsikeas, C.S, Samiee, S, 2002). Had further classified the marketing strategy components as product, price, promotion, and place. Banking sector in every economy is generally ahead and is an integral part of the economy.

Marketing mix will affect customer satisfaction and then form loyalty. If a customer is satisfied, there is a chance the said customer will become loyal to the product. A loyal customer is a satisfied customer, but a satisfied customer will not necessarily become loyal, it depends on the satisfaction level of the customer in affecting the customer to become loyal (Risa, 2016).

Customer loyalty means that the customers will repurchase the same brand product or services consistently in the future without being affected by situation that could cause switching behavior. According to Andres (2007), these days, customer loyalty is becoming the main goal of organizations. Globalization and development of information technology have enhanced customer awareness and created a situation where long-term success is no longer achieved without long-term customer relationship.

Currently the beer industry is the biggest sector of the Alcoholic Beverage industry in Ethiopia. In this competitive market, all the companies are trying to deliver a more quality and valuable products to the customer compared to their competitors. This enables good-marketing strategy to be more important in the current business environment. Marketing strategy (4Ps) has a crucial effect in companies' competitiveness. Customer loyalty is a key factor for business growth as repeat customers are generally the most predictable source of revenue and have a lower cost of sale over net new customers. As a result, creating an effective strategy that engages and helps retain existing customers is a top priority for organizations.

Therefore, the study is designed to assess the effect of Marketing Strategy on customer loyalty in the case of BGI Ethiopia Addis Ababa, Ethiopia.

1.2 Background of the Organization

BGI-Ethiopia is a large-scale brewery and beverage production wing of Castel Group operating internationally in more than 53 countries. BGI, operating in Ethiopia since 1998 as BGI Ethiopia PLC., has been engaged in the production and distribution of beer, wine and beverage products. BGI owns five breweries including the iconic St. George Brewery in Addis Ababa, the Kombolcha Brewery in Kombolcha city, and the Hawassa Brewery in Hawassa city, Raya Brewery in Raya city and Zebidar Brewery in Gubre city. This combined production capacity is 3.6 million hectoliters of bottled and draft beer annually. BGI Ethiopia PLC also owns and operates the Castel Winery and Vineyard located in the town of Ziway.

St. George Brewery was established in 1922. It was nationalized in 1974/75 and had been operating as a state owned enterprise. Since December 1998, it became part of BGI Ethiopia through the privatization program. Its production Capacity was 200 to 300 bottles per day in 1923 and has now reached 550,000 hectoliters per annum. The known brands produced are St. George, castel and Panach Beer brands in bottle and draught. At present, the company is providing jobs for 956 permanents and 58 contractual employees (BGI-Ethiopia, 2019).

The Kombolcha Brewery, located in Kombolcha Town, Wollo, Amhara Regional State, 368 KM. from Addis Ababa, was established in November 1998. Its production capacity started with 450,000 hectoliters per annum in 2011 and grew to 780,000 hectoliters in 2013. After additional major upgrade and establishment of a second bottling line, the brewery is now capable of producing 1,500,000 hectoliters per annum. Currently, it is providing jobs for 449 permanents and 5 3 contractual employees (BGI-Ethiopia, 2019).

The Hawassa Brewery, located in Hawassa Town, Southern Nations, Nationalities and Peoples' Regional State, 275 KM. from Addis Ababa, was established in June 2011. Its production capacity which started with 450,000 hectoliters per annum in 2011 grew to 780,000 hectoliters in 2013. After a major upgrade and a second bottling line, the brewery is now capable of producing 1,500,000 hectoliters per annum. Currently the company has employed 498 permanents and 13 contractual employees (BGI-Ethiopia, 2021).

♦ **Vision**: to grow with Ethiopia, empowering its employees to be the best at what they do – every day.

♦ **Mission**: to produce, sell and give customers the best quality and most loved brands. BGI Ethiopia has been keen in sustainable development and growth in its structural operation throughout the years.

♦ **Core values**: Customer Satisfaction, Integrity, Accountability and Team Work.

1.3 Statement of the Problem

The ultimate goal of any business is to be successful and remain in business, profitably. In addition, It is a no hidden fact that the success or failure of an organization depends on its marketing strategies. Marketing is also a dynamic lesson, and not just stuck in one point, it is developing from time to time.

Therefore, marketers should be able to adjust to changing market condition through the major controllable and tactical elements of marketing mix product, price, place and promotion (Weldegebriel, 2011).

In the current dynamic market relations, every company needs a plan for the formulation, selection and implementation of company goals that includes a wide range of methods and tools for market behavior. Therefore, the development of a reliable marketing strategy is a prerequisite for achieving high efficiency of marketing activities. Marketing strategies support the realization of corporate goals by revealing the long-term directions of the company's development by adaption to the external environment and optimization of the use of company resources. The idea is to identify and establish the competitive position and company advantages by optimal satisfaction of consumer needs (RDB & HCID, 2012).

Competition among firms is getting harder day-to-day due to many organizational and environmental reasons such as globalization, increasing global and domestic competition, and new technologies. Organizations must therefore adapt themselves to the empowered customer by implementing strategies that can sustain them in this competitive environment (RDB & HCID, 2012).To respond to these challenges, those companies can launch competitive strategies that give them edge over others on the comparative market share

Traditionally, marketing strategy is a plan for pursuing the firm's objective or how the company is going to obtain its marketing goals within a specific market segment (Kotler, 2013; Walker, 2011; Slater, et al., 2010). There are things that can limit the effectiveness of a marketing strategy. For instance, the failure to adjust it to account for changes in market conditions, such as the appearance of a new competitor who offers much lower prices, may cause you to lose customers. Not taking the time to conduct thorough research before developing your strategy can result in a marketing campaign that misses the mark and wastes valuable marketing dollars (Hose, 2011).

The 4ps are the parameters that marketing managers can control, subject to internal and external constraints of the marketing environment. The objective is to make choices that rotate the 4ps on the customers in the target market to create perceived value and generate a positive response. Firms should therefore ensure that the actions taken are agreeable with the individuals or organizations needs at a particular time and should create value that is perceived to be far superior to the cost of the service

being offered (Wearne and Morrison, 1996). Successful marketing depends upon addressing a number of key issues. These include: what a company is going to produce, how much it will charge, how it is going to deliver its products or services to the customer; and how it is going to tell its customers about its products and services. Traditionally, they were known as the 4ps.

Customer loyalty and customer retention are the most important challenges faced by most of the Chief Executive Officers across the world (Ball, 2002). At the same time, it is also found that effective relationship marketing strategy helps the organization to understand customers' needs, so that organizations can serve their customers better than their competitors, which finally leads to cost reduction and customer loyalty (Ndubisi, 2004). The focus of this study is to empirically investigate the impact of relationship marketing variables on customer loyalty. The impact of different demographical variables are also taken into consideration while examining the relationship between relationship marketing and customer loyalty. This study certainly strengthens the existing body of knowledge by providing some empirically tested insight in the Indian context.

Scholars have identified the need to retain customers to have a competitive advantage in the market. The challenge for a firm is to attract and retain loyal customers. Previous research has shown that attracting new customer is costlier than serving an existing customer. It is claimed by Reichheld and Sasser (1990) that a 5 percent improvement in customer retention can cause an increase in profitability between 25 percent and 85 percent (in terms of net present value) depending upon the industry. Relationship marketing aims at building and maintaining long-term relationship with customers. A firm can exploit customer relationship to have information regarding customers' needs and wants so that a suitable strategy can be designed to serve the customers more efficiently and effectively than the competitors.

Rapp and Collins (1990) argue that customer relationship building certainly has mutual rewards that benefit both the firm as well as the customer. This is the reason why firms are always interested in knowing the satisfaction level of customers.

The Ethiopian industry's perception of marketing strategy had not shifted from mere advertising until recently, because of market competition. Brewery factory now compete not only with one another, but also with other types of organizations in the market. BGI in Ethiopia, on the other hand, face numerous challenges from both the domestic and international brewery and beverage production companies.

To do this successfully, BGI must understand the marketing process and marketing strategies, which will aid in improving their customer loyalty and competitiveness. In light of this gap, this study added to the literature on the effect of marketing strategy (4Ps) on customer loyalty in the case of BGI, Addis Ababa.

1.4 Research Questions

The study is intended to provide answers to the following research questions.

- What is the effect of product marketing strategy on the Customer loyalty in case of BGI Addis Ababa?
- What is the effect of price marketing strategy on the Customer loyalty in case of BGI Addis Ababa?
- What is the effect of promotion marketing strategy on the Customer loyalty in case of BGI Addis Ababa?
- What is the effect of place marketing strategy on the Customer loyalty in case of BGI Addis Ababa?

1.5 General Objective

The general objective of this study is to assess the effect of marketing strategy on customer loyalty in the case of BGI Ethiopia Addis Ababa, Ethiopia.

1.5.1 Specific Objectives

The specific objectives of the study are:

- To assess the effect of product marketing strategy on the Customer loyalty in case of BGI Addis Ababa.
- To determine the effect of price marketing strategy on the Customer loyalty in case of BGI Addis Ababa?
- To analysis the effect of promotion marketing strategy on the Customer loyalty in case of BGI Addis Ababa?
- To examine the effect of place marketing strategy on the Customer loyalty in case of BGI Addis Ababa?

1.6 Research Hypothesis

Based on previous research and a review of the literature, the following hypotheses are being tested in this study.

H1: Product strategy has a positive and significant effect on customer loyalty.

H2: Price strategy has a positive and significant effect on customer loyalty.

H3: Promotion strategy has a positive and significant effect on customer loyalty.

H4: Placement strategy has a positive and significant effect on customer loyalty.

1.7 Significant of the Study

The primary goal of this study is to address the effect of the marketing mix strategy on customer loyalty and to identify potential solutions related to 4Ps marketing strategy that could help BGI sector improve their customer retention performance. Moreover, to win/get the competition advantages.

This study is significant for this study will have a paramount importance in providing a better ground for beer company's sales managers, business professionals, business initiatives and policy makers who are constantly looking for marketing approach practices and strategies that can be used to achieve organizational goals and objectives.

This paper attempted to fill the evidence gap by focusing on a specific context. The study helps to shed light on how marketing mix strategies aimed on performance the industries. The study is useful as a source document for researchers who want to conduct additional research in the areas.

1.8 Scope of the Study

This study is limited interims of geography, target groups, data. This study focused only the effect of marketing strategy on customer loyalty in the case of BGI, Addis Ababa in Ethiopia. The target respondents for the research are customers of BGI, in Addis Ababa. The marketing mix variables are primarily focused only 4Ps (I.e. product marketing strategy, price marketing strategy, Promotion marketing strategy, Placement marketing strategy).

1.9 Definition of key Operational Terms

Marketing mix is the set of controllable variables and their levels that the firm uses to influence the target market. (Cengiz, 2007).

Product is anything that can be offered to a market for attention, acquisition, use, or consumption hence satisfying customers 'wants or needs(Kotler P. &., 2013).

Price is the sum of all the values that customers give up gaining for the benefits of a product or service. (Kotler P. &., 2013).

Place is the process where organizations decide where to locate their store and how many stores to have at the convenience of the shoppers (Kanoga, 2016)

Promotion is all activities undertaken to communicate and promote products or services to the target market (Kotler P. A., 2008)

1.10   Organization of the Paper

The research was organized under five chapters. The first chapter presents the study's background, statement of the problem, basic research questions, objectives of the study, hypothesis, significances of the study, definition of terms and, finally, the study's organization. A review of related literature is included in the second chapter. The chapter discusses the relevant literature to the study. It consisted of an introduction, theoretical review, empirical review, and the study's conceptual framework. The third chapter is about research methodology. It describes the type and design of the research, the sources of the study, the data collection tools/instruments employed; the procedures of the data collection; and methods of data analysis used. The fourth chapter results and discussion /data presentation, analysis, and interpretation. The last chapter deals with comprises four sections, which include a summary of findings, conclusions, limitations of provides the data presentation and analysis made and recommended.

Chapter Two

Review of Related Literature

Introduction

This section includes a theoretical literature review (i.e., Background of the Study Areas, strategy overview, marketing strategy, element of marketing mix, brewery sector and performance. This chapter also includes the study's empirical and conceptual framework.

2.1 Theoretical Literature

2.1.1 Definition of Marketing Strategy

There are many definitions of marketing strategy in the literature and such definitions reflect different perspectives (Till, 2000) However, the consensus is that marketing strategy provides the avenue for utilizing the resources of an organization in order to achieve its set goals and objectives.

Marketing strategy is define as in a given market area, the proper allocation of resources to support enterprises to win competitive advantage. As per (Goi C. L., 2009)define marketing strategy as the set of the marketing tools that firms use to pursue their marketing objectives in the target market; the view which was earlier expressed by (Gronroos, 1999; and Osuagwu, Linus 2006). Therefore, the function of marketing strategy is to determine the nature, strength, direction, and interaction between the marketing mix- elements and the environmental factors in a particular situation.

According to (Owomoyela S.K, 2013) the aim of the development of an organizations marketing strategy development is to establish, build, defend and maintain its competitive advantage. Managerial judgment is important in coping with environmental ambiguity and uncertainty in strategic marketing. (Lin, 1993)As cited in Long-Yi and Ya – Huei, (2012) proposes that marketing strategy can be divided into four ways to research that:

1. Dual-oriented marketing strategy: using rational and emotional product name, easy to remember, and pricing to take into account the cost of service and quality orientation, psychological factors and competitors‟ prices.
2. Rational marketing strategy: the use of functional demands of a rational position, consider after-sales service, warranties, delivery and installation attached by the product factors.

3. Emotional marketing strategy: the emotional appeal to locate, emphasis on physical product shape, color design, the use of emotional product names, and so on memory, attention to product packaging and labeling.

4. Maintenance marketing strategy: consumers are more concerned about price and quality, it is not suitable to use a lot of marketing techniques, manufacturers can improve product, give a simple name for remember, consider the quality position and competitor pricing during pricing. Lin (1993) divides marketing strategy into four parts, which is dual-oriented, rational, emotional and low involvement, different product types with different marketing strategy, so the manufacturer's marketing strategy can be divided into five parts which is the choice of target market, services strategy, pricing strategy, channel strategy and marketing strategy

According to Varadarajan R (2019) marketing strategy consists of an integrated set of decisions that helps the firm make critical choices regarding marketing activities in selected markets and segments, with the aim to create, communicate, and deliver value to customers in exchange for accomplishing its specific financial, market, and other objectives.

Marketing strategy refers to an organization's integrated pattern of decisions that specify its crucial choices concerning products, markets, marketing activities and marketing resources in the creation, communication and/or delivery of products that offer value to customers in exchanges with the organization and thereby enables the organization to achieve specific objectives (Varadarajan R. , 2009).

According to Philip Kotler, marketing strategy is the marketing logic by which the company hopes to create customer value and achieve profitable relationships. The company decides which customer it will serve through segmentation and targeting. Then decides how, by differentiation and positioning. It identifies the total market, divides it into smaller segments, selects the most promising segments and, then focuses on serving and satisfying customers in that segment. It designs a marketing mix using mechanisms under its control: product, price, place and promotion. It also engages in marketing analysis, planning, implementation and control in order to find the best marketing mix and to take action. The company uses these activities to enable it to watch and adapt to the marketing environment (Kotler P. a., 2011)

Thus, marketing strategy is the creation of a unique and valuable position, involving a different set of activities and development of marketing strategy requires choosing activities that are different from rivals (ibid). Market research and segmentation underlie the market targeting decision. Market targeting implies major commitments to satisfying the needs of particular customer groups through the development of specific capabilities and investment in dedicated resources. These capabilities enable the organization to create a value proposition specific to the targeted segment utilizing the elements in the marketing mix (Slater, 2001). Marketing strategy is concerned with decisions relating to market segmentation and targeting, and the development of a positioning strategy based on product, price, distribution, and promotion decisions.

The marketing strategy is the foundation of a marketing plan. It is one of the functional strategies of the company that collectively make up a common business strategy. Marketing strategy addresses specifically how to act to achieve the desired results (Kotler P. , 2002).

2.1.2 Marketing Strategies for Service Firms

Service as an act of performance offered by one party to another. Although the process may be tied to physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production.(Lovelock C. , 2001)Until recently, service firms lagged behind manufacturing firms in their use of marketing. Service businesses are more difficult to manage when using only traditional marketing approaches. In a product business, mass produced products are fairly standardized and sit on shelves waiting for customers. However, in a service business, the customer and frontline service employee interact to create the service. Thus, service providers must work to interact effectively with customers to create superior value during service encounters. Effective interaction, in turn, depends on the skills of frontline service staff, and on the service production and support processes backing these employees (Kotler P. A., 1999)

According to (Akroush N. , 2003) marketing strategies in service businesses are different from those that are being used in goods marketing. A company must consider four special service characteristics when designing marketing programs: intangibility, inseparability, variability, and perish ability and these major characteristics are defined in the following manner (Kotler P. a., 2011).

2.1.3   Marketing Mix Theory

Marketing mix is the most fundamental concept of marketing which is a set of controllable marketing tools that a company uses to create a desired response in the targeted market. American Marketing Association presidential address coined the term, "marketing mix", in 1953. Marketing Mix' is also referred and known as the Four P's i.e. product, price, place of distribution, and promotion. These are the primary ingredients of a marketing strategy, and as a means of translating marketing planning into practice.

It is known that (Borden, 1964) introduced the marketing mix concept through describing a marketer as a mixer of ingredients in practicing company activities. However, McCarthy (1964) who proposed the 4Ps of the marketing mix ingredients model, which are product, price, promotion and place, presented the formal use of the marketing mix model in the marketing context.

According to (Rafiq, 1995) Borden in 1965 claimed to be the first to have used the term "Marketing Mix" but to him it simply consisted of important ingredients or elements making up a marketing program. (Wolfe, 2011)(Riaz, 2011) Revealed that Neil Borden in his address coined the term, "marketing mix", in 1953. Marketing mix is the set of controllable variables and their levels that the firm uses to influence the target market. The elements of marketing mix are the basic, tactical components of a marketing plan. Also known as the Four P's, the marketing mix elements are price, place, product, and promotion. (Cengiz, 2007)and Wolfe & Crofts (2011) citing some studies asserted that McCarthy (1960) was first to suggest the four P's representing price, promotion, product and place of distribution as the primary ingredients of a marketing strategy, and as a means of translating marketing planning into practice.

It is impossible for companies to be able to serve all consumers in the market due to the difference in consumers' characteristics and in their desire. For this reason, the heart of modern strategic marketing should be applied to marketing segmentation, target markets (targeting) and market placement (positioning). Market segmentation is an act of identifying and forming groups of buyers or consumers, each with his/her own characteristics, desire, and hence requiring their own marketing mix (Kotler.P, 2005). The importance of market segmentation results from the fact that the buyers of a product or a service are no homogenous group. Actually, every buyer has individual needs, preferences, resources and behaviors.

Since it is virtually impossible to cater for every customer's individual characteristics, marketers group customers to market segments by variables they have in common. These common characteristics allow developing a standardized marketing mix for all customers in this segment (Anderson, 2000). Marketing mix is originating from the single P (price) of microeconomic theory (Chong, 2003). McCarthy (1964)

The "marketing mix", often referred to as the "4Ps", as a means of translating marketing planning into practice (Bennett, 1997). Marketing mix is not a scientific theory, but merely a conceptual framework that identifies the principal decision-making managers make in configuring their offerings to suit consumers' needs. The tools can be used to develop both long-term strategies and short-term tactical programmers (Palmer, 2004).The idea of the marketing mix is the same idea as when mixing a cake.

The main reasons the marketing mix is a powerful concept are It makes marketing seem easy to handle, allows the separation of marketing from other activities of the firm and the delegation of marketing tasks to specialists; and – The components of the marketing mix can change a firm's competitive position (Grönroos, 1994). The marketing mix concept also has two important benefits. First, it is an important tool used to enable one to see that the marketing manager's job is, in a large part, a matter of trading off the benefits of one's competitive strengths in the marketing mix against the benefits of others. The second benefit of the marketing mix is that it helps to reveal another dimension of the marketing manager's job. All managers have to allocate available resources among various demands, and the marketing manager will in turn allocate these available resources among the various competitive devices of the marketing mix. In doing so, this will help to instill the marketing philosophy in the organization.

However, (Möller K. , 2006) highlighted that the shortcomings of the 4Ps marketing mix framework, as the pillars of the traditional marketing management have frequently become the target of intense criticism.

2.1.4 Element of Marketing Mix

Marketing mix as the set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its product. The many possibilities gather into four groups of variables known as the 'four Ps'; product, price, place And Promotion. (P. Kotler, et al, 1999).

Marketing as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.

4Ps delimits four distinct, well-defined and independent management processes. Despite the consistent effort by many physical businesses to deal with the 4P in an integrated manner, the drafting but mainly the implementation of the P policies remains largely the task of various departments and persons within the organization. Even more significant thought is the fact that the customer is typically experiencing the individual effects of each of the 4Ps in diverse occasions, times and places, even in case that some companies take great pains to fully integrate their marketing activities internally (Constantinides, 2002; Wang, Wang and Yao, 2005). However, a study by Rafiq and Ahmed (1995) suggested that there is a high degree of dissatisfaction with the 4Ps framework. Even, Overall these results provide strong support Booms and Bitner's (1981) 7P framework should replace McCarthy's 4Ps framework as the generic marketing mix. Development of marketing mix has received considerable academic and industry attention. Numerous modifications to the 4Ps framework have been proposed, the most concerted criticism has come from the services marketing area (Rafiq and Ahmed, 1995).

2.1.5 4Ps Marketing Mix

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.

2.1.5.1 Product

A development of a product requires the company to determine the benefits given by the product. These benefits are being communicated and fulfilled by the attribute of tangible product, such as quality, features, and design. Product quality demonstrates the ability of a product to perform its function, product features is a competitive means to differentiate the product from its competitor, meanwhile design contributes the usefulness and the features of the product (Tjiptono, 2008).

Riazm &Tanveer (n.d);Goi (2011) and Muala & Qurneh (2012) expressed (referring many studies) that 'Product' is some good or service that a company offers in the market. Product is defined as: "something or anything that can be offered to the customers for attention, acquisition, or consumption and satisfies some want or need".

It includes physical objects, services, persons, places, organizations or ideas". A marketer should build an actual product around the core product and then build augmented product around core and actual product. Core Product refers to the problem-solving services or core benefits that customers are getting when they buy some product. On the other hand, actual product refers to a product's parts, level of quality, design, features, brand name, packaging and other features that are combined in order to deliver the core benefits. Augmented product means associating additional benefits and services around the core and actual product. These additional factors could be guarantees, after sale services, installation, etc.

As for services, the product offer in respect of services can be explained based in two components: (1) The core service, which represents the core benefit; (2) The secondary services, which represent both the tangible and augmented product levels. The latter can be best understood in terms of the manner of delivery of the particular service. The product is the core of the marketing mix strategy where retailers could offer unique attributes that, differentiates their product from their competitors. Quality, design, features, brand name and sizes characterize the product. Well acceptances of product by customer are based on product quality and design. Pre- and post-sale services are an important part of the product package and can contribute to enhance performance.

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

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

2.1.5.2 Price

Kotler and Amstrong (2012) stated price is the amount of money the customers have to pay to be able to obtain the product. Generally, there are three strategies of price utilized by the company, as follows: 1. Pricing based on the cost 2. Pricing based on the value 3. Pricing based on the competition

Pricing decisions are of major significance in services marketing strategy. The price of a service should achieve a number of marketing and organizational objectives and should be appropriate for the service company's marketing programmer. Price is one of the central elements of the services marketing mix. It is a very complicated issue in which many variables have a significant role to play in a service price setting (Akroush, 2003).

Price is the value or sum of money at which a supplier of a product or service and a buyer agree to carry out an exchange transaction. Price represents a controllable variable which earns revenue for all other variables and this distinguishes price from all other variables (Ayanda and Tunbosum, 2012) There are many variables that have important effects on service price setting which many of them are not seen under a service business control.

These variables, which are exclusive rather than inclusive, are the unique characteristics of services, the supply and demand patterns in the market place, understanding the costs structure in the company, the ability of the company to have some elements (e. g. superior customer service) that differentiate itself from its rivals, competitors pricing strategies, and different environmental forces in the service business environment in which it operates (Akroush, 2003).

Pricing Strategies Riaz&Tanveer (n.d) squeezing from literature have expressed many pricing strategies as discussed below. Cost-based pricing Cost-based pricing is the simplest pricing strategy. Using this strategy price is set, by adding some mark-up to the cost of the product. This strategy works if firm's prices are not too high as compared to the competition.

Break-even Pricing Break-even Pricing is cost-oriented pricing strategy. Firms determine the price at which they can recover manufacturing and marketing cost, or make targeted profit. Competition-based Pricing Competition-based Pricing is when a company sets prices in accordance with the competition. Prices are largely based on the prices of the competitors. Customer-value based Pricing In customer-value based pricing, products are priced on the basis of perceived value of the product.

2.1.5.3 Promotion

Promotion is an activity to communicate a product with an intention to coax the target market to purchase the product (Thahjono, 2013). Furthermore, Amalia (2012) posited promotion is an essential thing to be performed to open a new opportunity of a new market and expand the marketing network. There are several ways to conduct a promotion activity, such as: Advertising, Sales Promotion, Personal Selling, Public Relation, Direct Marketing (Kotler and Amstrong, 2012)

According to Goi C. L., (2011) And Muala & Qurneh (2012) extracting from studies mentioned that promotion is a vital part of business and is an integral ingredient of the total marketing process. Promotion is a selling technique; to succeed in any marketing program, it should be involved with communication (promotion).

Promotion is defined as sales promotion, advertising, personal selling, public relations and direct marketing it helps to make potential customers aware of the many choices available regarding products and services. A successful product or service means nothing unless the benefit of such a service can be communicated clearly to the target market.

A communication program is important in marketing strategies because it plays three vital roles: providing needed information and advice, persuading target customers of the merits of a specific product, and encouraging them to take action at specific times. Activities that cater to promotion are advertising, sales promotions, personal selling and publicity; they can all influence consumer's way of thinking, their emotions, their experience as well as their purchasing. Communications should be devised by marketers in such a way that it (1) offers consistent messages about their products and (2) are placed in media that consumers in the target market are likely to use. Promotion is very important as it provides information, advice, and it persuades the target market. It guides and teaches the customer to take action at a specific time and how they can use the product and get beneficial result from it.

The product advertisement can be delivered by individual sales people, T.V, radio, internet, magazine, press, and all types of media. An organization's promotional strategy can consist of sales promotion, advertising, sales force, public relations and direct marketing. Riaz&Tanveer(n.d) have cited according to promotional activities following strategies for promotion. Strategies for Promotion Advertising is a non-personal presentation of goods or services, such as T.V ads. Advertisement is a powerful tool to

create strong associations with brands. Personal Selling Personal Selling is the type of promotion in which a company representative meets customers personally to sell a product. It is useful to understand customer needs deeply and is more customized and detailed.

Sales promotions or Trade promotions Sales promotions or Trade promotions are about giving incentives to enhance sales, such as discounts or samples. There are various reasons for sales promotions. Sales promotions is to end-customers increase short term sales and help building long term relationships, while trade promotions aimed on distributors and retailers so they buy large volumes and advertise the product more. Riaz & Tanveer revealed that if a company or a product gets positively promoted without the company paying for it, such as in documentaries, it is called communication through Public Relations.

Promotion is defined as the extent to which a service organization uses the components of promotion activities and elements in formulating a service promotion strategy (Akroush, 2011). Hakansson (2005), reports that promotion appears as an issue of how to create an optimal mix of marketing communication tools in order to get a product's message and brand from the producer to the consumer. Kotler, (2007) discovers that Promotions have become a critical factor in the product marketing mix, which consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its advertising and marketing objective.

2.1.5.4 Place

Place (distribution channel) is a channel utilized by the manufacturers to distribute the goods from the distributors to the industrial users (Dharmaesta and Irawan, 2007). Place includes the activity of the company in producing an available product for the target market. Choosing a right location can affect the overall profit increase of a company. The factors to be considered in choosing a location are close proximity to industrial region, offices, government centers, markets, housing, numbers of competi tor, as well as an adequate facilities and infrastructures (Kotler and Amstrong, 2012)

Riaz & Tanveer wrote that Place refers to the availability of the product to the targeted customers. While Goi (2011) stated that place strategy refers to how an organization will distribute the product or service they are offering to the end user. Muala&Qurneh (2012) quoted a definition of Armstrong and Kotler (2006) who defined it as: a set of interdependent organizations that caters to the process of making a product available to the consumers.

Muala&Qurneh (2012) cited that Hirankitti et al., (2009) considers place as the ease of access which potential customer associates to a service such as location and distribution. Riaz&Tanveer (n.d) quoted that a company can adopt multiple channels to get its product to the customers. These channels can be direct and indirect. Choice of channel has strong affect on sales. Riaz&Tanveer (n.d) According to Goi (2011) and Muala&Qurneh (2012) the strategy of place needs effective distribution of the firm's products among the channels of marketing like wholesalers or retailers. "A distribution system is a key external resource. An organization should pay attention to place decisions, because of the importance of the product and consumption occurring at the same time and at the same place; a place that provides all information of customer, competition, promotion action, and marketing task. Normally it takes years to build, and it is not easily changed.

It ranks it importance with key internal resources such as manufacturing, research, engineering, and field sales personnel and facilities. It represents, as well, a commitment to a set of policies and practices that constitute the basic fabric on which is woven an extensive set of long-term relationships". Placing products with end users involves marketing channels comprised of intermediaries such as retailer. At the outset it is clear that the distribution channel is of fundamental importance to a treatment of physical distribution, because the channel is the arena within which marketing and logistics culminate into consumer transactions.

Riaz & Tanveer expressing branding strategies for place quoted that direct channels to reach customers could be company owned stores, phone and internet selling while indirect selling could be through intermediaries such as distributors or agents.. Using indirect channel, company has to give up control over distribution and selling. Company loses control over prices charged to end users, and how the product is being displayed.

4-Cs Concepts (Concept mix, Costs mix, Channels mix and Communications mix) Rafiq& Ahmed (1995) referred a recent attempt at reformulating the marketing mix. It was Brunner's 4C's concept postulated in 1989, which comprises the concept mix, costs mix, channels mix and communications mix. The concept mix is broadly equivalent to the idea of the product mix idea, although Brunner claims that it is better at describing variety of offerings by various types of organizations. The cost concept includes not just monetary costs (i.e., the traditional price element) but also costs incurred by the customer e.g. transportation, parking, information gathering, etc.

The channels concept is essentially the same as the traditional place element. The elements of communication not only include the traditional promotional element but also information gathering, i.e., marketing research. In essence Brunner's attempt amounts to a change in nomenclature, the 4Ps being replaced by 4Cs. Furthermore, his cost and communications concepts do not strictly adhere to the concept of the marketing mix as a set of controllable variables used to influence the customer: cost incurred by customers in obtaining products such as transport, information gathering and so forth are not under the control of the marketers and, in any case, will vary from customer to customer. Other Elements of the Marketing Mix Rafiq& Ahmed (1995) stated that the most influential of the alternative frameworks is, however (Bitner, 1990)7Ps mix where they suggest that not only do the traditional 4Ps need to be modified for services but they also need to be extended to include participants, physical evidence and process.

2.1.6 Benefit of Concept of Marketing Mix

Goi (2009) pointed out that the main reasons that the marketing mix is a powerful concept are: It makes marketing seem easy to handle, allows the separation of marketing from other activities of the firm and the delegation of marketing tasks to specialists; and The components of the marketing mix can change a firm's competitive position. The marketing mix concept also has two important benefits. First, it is an important tool used to enable one to see that the marketing manager's job is, in a large part, a matter of trading off the benefits of one's competitive strengths in the marketing mix against the benefits of others. The second benefit of the marketing mix is that it helps to reveal another dimension of the marketing manager's job.

According to Rafiq& Ahmed (1995) the most influential of the alternative frameworks is, however, Booms and Bitner's 7Ps mix where they suggest that not only do the traditional 4Ps need to be modified for services but they also need to be extended to include participants, physical evidence and process. Their framework is: Product, Price, Place, Promotion, Participants, Physical evidence and Process Constantinides (2002) expressing about online marketing argued that applying the traditional approach, based on the 4Ps paradigm, is also a poor choice in the case of virtual marketing and identifies two main limitations of the framework in online environments: the drastically diminished role of the Ps and the lack of any strategic elements in the model.

Muala & Qurneh (2012) expressed that Rafiq and Ahmad (1995) claim to be advocates of the 7Ps framework owing to the dissatisfaction with the 4Ps framework. The findings reveal more emphasis on the traditional 4Ps in consumer marketing and less on other mix variables. Moreover, there is a similar opinion in services marketing but there have also been strong claims that 7Ps should be used as a general framework due to the simple nature of 4Ps mix. On the other hand, there is consensus on the complexity of the 7ps mix.

2.1.7 Marketing Strategies Model

Various models have been developed empirically to analyze the impact of marketing strategies on corporate performance and organizational growth. Some of these models are reviewed below:

(a) The Resource-Based View (RBV) This model recognizes the importance of a firm's internal organizational resources as determinants of the firm's strategy and performance (Homburg C. J., 2008) Resource Based Value (RBV), recognizes that a firm's physical resources are important determinants of performance and places primary emphasis on the intangible skills. However, organizational resources of the firm are the market assets such as customers' satisfaction and brand equity (Ringim, 2012).

(b) The Dynamic Capabilities Model: This model strengthens Resource Based Value (RBV).m Its emphasis is on how combinations of resources and competences can be developed, deployed and protected (Homburg C. J., 2008)In the context of global competition, RBV and dynamic capabilities theory suggest that historical evolution of a firm accumulation of different physical assets and acquisition of different intangible organizational assets through tacit constraints its strategic choice and so will affect market outcome.

(c) Marketing impact model: The need for measuring marketing impact is intensified as firms feel increasing pressure to justify their marketing expenditures(Rust & Lemon, 2004). Accordingly, marketing practitioners and scholars are under increased pressure to be more accountable for showing how marketing activities link to shareholder value. It is germane to know that marketing actions, such as packaging, brand name density of the distribution channel, advertising, permanent exhalations, sponsoring press bulleting among others Gruca and Rego,; can help build long-term assets on positions as brand equity and customer satisfaction (Gruca T. S., 2005)These assets can be leveraged to deliver short term profitability and shareholders' value.

(d) Integrated Marketing Mix Strategic Model: According to Kotler, in order to create successful marketing strategy, the marketing mix must reflect desires of the customers in the target market (Gruca T. S., 2005)The marketing mix comprises of product, price, place and promotion that the company blends to produce the response it wants in the target market (Kotler and Armstrong, 2013). These elements of the marketing mix are controllable variables which can be altered and adjusted to suit the company's objective Kolte. product Differentiation as a Marketing Strategy Model: Differentiation is a process of creating superior customer value (Kotler and Armstrong) The product on offer has to be different from other similar products in the market in order for consumers to purchase it. Doyle, in his article, "Marketing Success through Differentiation describes attributes of products that give marketer opportunity to win the customer from the competition and having won him, to keep him (Doyle P. , 2002). Also important is the awareness, imaginative state of mind that characterizes good management of product differentiation as well as product adaption strategy.

2.1.8 Customer Loyalty

Customer loyalty describes an ongoing emotional relationship between you and your customer, manifesting itself by how willing a customer is to engage with and repeatedly purchase from you versus your competitors. Loyalty is the byproduct of a customer's positive experience with you and works to create trust. Customer loyalty is when a customer is willing to engage with and repeatedly purchase from a brand, over the competition. Loyalty is built through positive customer experiences, which create an ongoing emotional relationship between the customer and the company, and creates trust (Reichheld (2003).

Loyalty marketing is a customer retention-marketing tactic built around retaining frequent shoppers through incentives like discounts, free samples, and exclusive offers. Here are some other reasons for adopting loyalty-marketing tactics: Maintain customer loyalty and consistent profit margins. successful loyalty program strategy delivers insights and helps to build customer relationships by being open, modular, and simple—and by offering rewards that not only interest individual customers (Baumann et al. (2005).

As Zeithaml (2000) states previous studies viewed customer loyalty as being either behavioral or attitudinal.

The behavioral approach is that customers are loyal as long as they continue to buy and use a good or service (Woodside et al., 1989; Parasuraman et al., 1988; Zeithaml et al., 1996). Reichheld (2003) states that the strongest evidence of customer loyalty is the percentage of customers who were enthusiastic enough to refer a friend or colleague to a particular good and/or service. The attitudinal approach is that customers feel a sense of belonging or commitment to the good or service. Baumann et al. (2005) noted that Day (1969) four decades ago introduced the concept that loyalty has both behavioral and attitudinal dimensions.

Loyal customers are very important that help to protect the business in this modern time because there are many businesses, which are providing more facilities and services. So, customer loyalty makes strong business and gives an effort to compete with other business. Loyal customers always show honest and high-quality feedback. Loyal customers always help to improve the business' products and services by giving solicit feedback (Airas 2015). They always provide the business solicit feedback as well as also help to measure customer experience and satisfaction. If the business wants to launch and test the new products and brands then they can utilize them in their loyal customers and can receive their feedback about the products or services (TechOneStop).

Loyal customers are also the business word of mouth advertiser and always tend to talk about the business. They always bring new customers in the business. The satisfied customers with the brands or products always come to buy the same products and also prefer others to use the products. They always give the positive head start of your brands to those people who aren't familiar with your business (Robb 2015). Customer's loyalty plays a role of marketing, which attracts new customers to use goods and products. Loyal customers talk about goods with other people and it brings new customers. Today the new business spends more money for marketing and advertising but customer's loyalty helps to talk about goods and products publicly without any cost. Loyal customers act as a brand ambassador.

2.1.8.1 Factors Affecting Customer loyalty

As Kotler et al. (2017) note, even highly loyal customers can be of different types at one extreme, quietly satisfied, and at the other extreme, ones that cannot wait to tell everybody. Loyalty consists of attitudinal and behavioral components. Attitudinal loyalty means that a customer is willing to purchase the particular product at any reasonable price.

Behavioral loyalty means re-purchasing. Some factors that affect customer loyalty are advertising, reference group, consumer's situational variation, product quality and demographic characteristics. Each of these factors affects customer loyalty in the following ways.

i.   Advertising influence

Advertising is a non-personal paid form where ideas, concept, products or services and information are promoted through media (visual, verbal and text) by an identified sponsor (Ayanwale et al, 2005, Bovee et al, 2005). Of all marketing weapons, advertising is renowned for its lasting impact on viewers mind and its exposure is much broader (Katke, 2007).

Mackenzie (2004) stated that advertisements inform consumers about the existence and benefits of products and services, and to persuade consumers to buy them. Moreover, Kotler et al (2005) claim that advertising aim at attaining target consumers to either think or react to the product or brand. As a method of achieving advertisement goals, advertisements as well as their content play a vital role in the process of commercial communication.

More specifically, it is the advertised product and brand as well as the content of the advertisement that determine greater or lesser memory retention among the consumers (Royo- vela, 2005). Homer (2001) further stated that liking advertising message and content increases the tendency to like the product. That many firms use celebrity as the source of their marketing communication because celebrity source may attract more attention to the advertisement than non-celebrity. That consumer may associate characteristics of the celebrity with attributes of the product which coincide with their needs or desire. Panchayat (2001) states that advertising tends to use psychological tactics which makes people buy the product. They project images and brand consciousness, create new ideas, exploit insecurities of consumers, fulfill their secret needs, use famous personalities and run lotteries

ii.   Product quality

According to Dapkevicius and Melnikas (2009), perceived quality has a significant relationship with customer satisfaction. A customer based on quality can judge a product as superior or inferior. Kotler, et al., (2009), argues that perceived quality acts as an intermediary between extrinsic cue and customer perceived value. According to Kotler and Armstrong (2007), customers do have the inherent ability to segment products based on quality. Significantly, products with high quality perceptions have higher satisfaction rates compared to products with poor quality.

According to Anderson and Mittal (2000), perceived quality can easily be construed to mean overall assessment of product's ability to satisfy a customer's needed. The connection between perceived quality and customer satisfaction has been determined in previous research. McCullough et al., (2000), argues that the relationship between product qualities is not only significant, but also strong and positive. Nonetheless, other researchers' have indicated contradicting finding especially in the breweries industry concerning the positive association between the perceived quality and customer satisfaction. There has been no agreement as to whether there exists a relationship between apparent quality and contentment on purchase intentions (Oliver, 2007). According to Tslotsou (2005), some researchers have argued that there is no connection between the two quality and customer satisfaction. Others researchers' have contended that perceived quality is not necessarily an individual matter as companies may have a lot of influence over perceived quality. Cengiz (2010) explains further that perceived quality is the extent of compliance rate between the customer's perceived performance and customer expectations.

2.1.9 Beer Consumption in Ethiopia

According to the Statistical Abstract of 2011, produced by Access Capital, breweries in Ethiopia produced 1.56 million hectoliters of beer during 2010 and this represented 37% of all beverage produced by commercial producers. It was second to soft drinks which produced 2 million hectoliters during the same period and this represented 48%. The rest included wine and other alcoholic spirits. There are hard facts that indicate that beer market in Ethiopia has been growing and the breweries are also making profits from their operations. Good instances are that Meta Beer factory and Harar Beer that has undertaken substantial expansion projects (Robel, 2013). There are five breweries in Ethiopia namely BGI Group (Societe des Brassiere et Glaciers International), Dashen, Harar, Meta and Bedele Factories. Harar Brewery Produces Stout beer named Hakim Stout and also Harar Soft, a nonalcoholic beer intended for the predominantly Muslim population of the area. Because of its proximity to Addis Ababa, 75%- 80% St. George Brewery is draft beer and uses kegs and barrels in addition to St. George beer, BGI Produces Bati and Castel, which was initially intended to export market (Robel, 2013). In addition beers brand name in Ethiopia are Meta , Bedele, Dashen,Jano,Habesha, Harar ,Walia Raya, St. George Beer , St. George Amber, Zebedar Beer, Heineken, Castel, Hakim Stout, Garden Bräu Ebony and Garden BräuBlondy (Robel, 2013)

2.2 Empirical Literature

Empirical study will elaborate the relevant previous researches that are correlated with the methods used in this research to be used as the references to develop the methods and solving the problems in this research. Empirical review is a compilation, classification, and evaluation of what other researchers have written on a particular topic.

Literature review is at the center of discussions in the field of research because LR provides the researcher with guidelines for conceptualizing a research problem, designing suitable methodology, and devising tools/ways of analysis/interpretation of the results. This is evidenced in these words, "The literature review is an integral part of the entire research process and makes a valuable contribution to almost every operational step" (Kumar, 2006, p. 30 LR refers to the review of the available literature. However, it is not simply a summary of all the available literature, neither is it only a summary of what is read (Bui, 2014).

Therefore, Taylor (n. d.) is right to define LR as "an evaluative report of information found in the literature related to your selected area of study". While reviewing, one should summarize, describe, make a judgment, synthesize, conclude, and compress the ideas/views/thoughts/major findings.

According to the study of conducted by Eva Cheseremon (2016) branding, promotion, product marketing, price considerations and location all form part of the customer proposition. The study also found out that in marketing strategies, marketing mix is associated with the four Ps of price, product, promotion, and place. The findings further ascertained that promotion comprises elements such as: advertising, public relations, sales organization and sales promotion. The study ascertained that the role of the marketing channels is not only focus on the demand satisfaction by offering goods, but also need to stimulate demand through information, creating proximity and promotion by customer. The findings additionally found that business managers have to deal with the hurdle of attracting customers, delighting and retaining them. In this case, it was established that businesses have to think of ways of attracting and retaining customers in order to improve their sales output. Furthermore, branding, promotion, product marketing, price considerations and location all form part of the customer proposition. The study also concluded that in marketing strategies, marketing mix is associated with the four Ps of price, product, promotion, and place. The findings further concluded that promotion comprises elements such as: advertising, public relations, sales organization and sales promotion.

The study concluded that the role of the marketing channels is not only focus on the demand satisfaction by offering goods, but also need to stimulate demand through information, creating proximity and promotion by customer. The findings additionally concluded that business managers have to deal with the hurdle of attracting customers, delighting and retaining them.

Looking at studies conducted in Ethiopia, Azmeraw Geremew (2013) assessed the strategic marketing practices at Edget Yarn. The marketing & the strategies are about the products to produced, the price methods used, the promotion strategy selected, the distribution based, and the target markets it employed. The company marketing mix strategy is mainly based on its product mix. Modifying and maintaining the existing products were effective product mix strategies practiced by the Company. This is the most important & encouraging strategy to be maintained by the company as it supported the differentiation strategy benefit. To meet competitive advantage, upgrading product quality is an underlying factor. Successful ventures offer consistent quality, so an important consideration for any venture is how quality is going to be perceived and measured. Edget Yarn & Sewing Thread Share Company's products are low in quality like variation: in color, length, and weigh of the products are claimed by customers.

 In such a case a company won't compete as well exist in the market in the long run. Upgrading the product quality up to the customers' expectation is mandatory. When we see the study of nebiat mohammed the (effect of marketing strategy on customer satisfaction: the case of selected insurance companies) Through the analysis, the study indicated that marketing strategy can easily increase the level of customer satisfaction. In fact when we look at the variables selected, if product strategy implemented by the insurance company is good, then customers will likely go to prefer the particular service This may include service quality, consistency, change in design (features) or bringing new services into the company. Price Strategy is also another variable that attracts customer to compare the services provide with other insurance companies in terms of reasonableness, seasonal price discounts and incentives given. Moreover as per the findings of the study, promotional strategy can also affect the customer satisfaction. In fact this variable was found to be the most influential variable compared to the other three variables selected. Lastly through the analysis conducted place (distribution) strategy also showed a positive correlation with customer satisfaction, If the insurance.

Owomoyela, Olasunkanmi & Oyeniyi (2013) investigated the impact of marketing mix elements on consumer loyalty: An empirical study on 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. The result indicated that marketing mix elements (price, product, place and promotion) were jointly predictors of consumer loyalty. 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.

Summary of research gaps

Numerous studies have been conducted on the marketing mix (4p's) and loyalty, particularly the assessment parts and the organization's performance. Despite numerous studies on marketing strategies and their associations around the world, little attention has been paid to the 4Ps marketing strategies and their implications for customer loyalty in brewery sector.

Some work has been done in Ethiopia on marketing strategy and firm performance, but the research outputs are limited to a finger count. Furthermore, even those published articles focusing on Ethiopian firms did not investing. Ate the primary impact of marketing strategy on organizational performance via the four Ps. As a result, to fill those research gaps, it is necessary to assess the effect of the effect of marketing strategy on customer loyalty in the case of BGI, Addis Ababa.

2.3 Conceptual Framework

By considering different kinds of literature and studies the research applied the below conceptual framework for this study or for understanding the effect of marketing strategy on customer loyalty in case of BGI in Addis Ababa.

The conceptual framework for this study incorporated independent and dependent variables.

Independent   **Dependent**
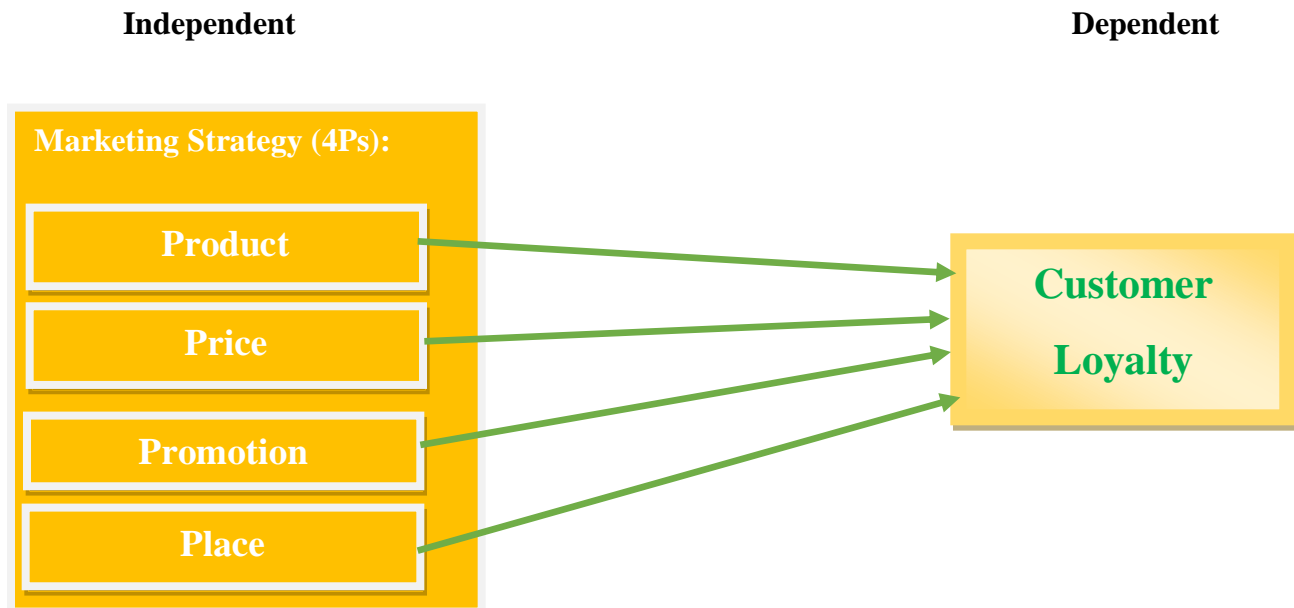
Figure 2.1: Conceptual Framework on the Study

Source: own work based on different literatures (2023)

Chapter Three

Research Methodology

Introduction

This chapter was focused on research design and methodology which were used to undertake the research. Those are; research design, research approach, sample size and sampling techniques, data source and collection methods, procedure of data collection, methods of data analysis, measure validity and reliability including ethical consideration.

3.1 Study Site

This research was carried out in BGI consumers in Addis Ababa. There are 50 bars, restaurants, hotels and groceries.

3.2 Research Design

The purpose of this study is to assess the effect of marketing strategy on customer loyalty at BGI in Addis Ababa. The study was used both explanatory and descriptive design. The explanatory design was used to check the associations and relationships between marketing strategies on customer loyalty. It helps to conduct correlations and regressions relationship between independent and dependent variables. Explanatory studies are studies that show relationships between variables to explain certain problems or events (Saunders, 2009). There searcher also used descriptive research just to describe and explore the effect of the marketing mix or 4P's strategy on customer loyalty.

In addition, this method of research design helps to clearly describe relevant aspects of the phenomenon of interest about a particular individual, group, or situation (Sekaran, 2003).

3.3 Research Approach

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

3.3 Sampling Design

3.3.1 Target Population

The target population for this study constituted consumers of BGI brewery products in Addis Ababa. There are more than 2000 bars, restaurants, hotels and groceries that the BGI brewery products are sold. In Addis Ababa city. From this the researcher selected 50 of them for this study. Those 50 hotels, bars, restaurants and groceries found in Addis Ababa are scattered in the different part of the city, and on average they serve a total of 10,000 customers per day (own survey 2023).

3.3.2 Sampling Technique

To collect accurate data, the researcher used both purposive and Convenience sampling techniques. Because the researcher collects information from the best-fit participants chosen by the organization's selected consumers, a purposive sampling technique was used, and via convenience ways.

3.3.3 Sample Size

The sample size is the number of people chosen to represent the entire population, and the study used a representative sample size to ensure statistical validity. In order to obtain the largest sample size possible for this study, the sample size is calculated using the formula below.

The total population for this study was taken from 50 selected bars, restaurants, hotels and groceries in Addis Ababa that they serve on average a total of 10,000 BGI brewery product customers per day. In this case, the researcher calculated sample size from the total population using the following formula, which is presented by Taro Yamane (1967).

$Sample Size formula$:

$$n = N \ 1 + N \ (e) \ 2 \ - - - - - (1)$$

Where

$n = is desired sample size,$

$N = it is target population,$

$e = margin of error$

To get, the desired sample, the calculation is. n = N/1+N (e) 2,

n = **10,000**/1+**10,000**(**0.05**)2…... n = 384 The sample size for the study is 198 employees from the target population, with a 5% margin of error.

As a result, even though the population is far away, the study's sample size of 384 is sufficient to represent the target population of the study area.

3.4 Sources of the Data

3.4.1 Primary Sources

Primary data was provided by the company's targeted BGI customers. The researchers used a self-administered structured questionnaire to collect primary data, as primary data is essential for the study because it is the only way to learn about the company's practices and performance from the responsible personnel; otherwise, there would be insufficient data to draw a conclusion. As a result, the questionnaire was an instrument used to ask the same question to everyone in the sample.

3.4.2 Secondary Sources

Secondary data was gathered from BGI reports, published books, journal research papers, and other relevant materials. It is critical to have enough data to compare and contrast the necessary relationship between marketing strategies and the customer loyalty.

3.5 Data Collection Instruments

Essentially, the student researcher employs a questionnaire as an instrument that asks the same question to everyone in the sample. It is the primary tool for collecting data from study participants via self-administered questionnaires.

Questionnaires were chosen over other instruments because they are the quickest way to collect data from a diverse group of people (Kothari, 2004).The questionnaire is closed-ended and asked questions on a five-point Likert scale,

3.6 Data Collection Procedure

A pilot survey was conducted prior to the full survey to identify any weaknesses (if any) in the questionnaires and survey techniques by distributing the questionnaire to three respondents and attempting to differentiate the ambiguous question from the majority of respondents. The researcher then distributed the questionnaire to all respondents, giving those three weeks to complete it. After

weeks, the researcher collected the data and immediately checked its completeness; a few respondents did not fill out a form for a specific day. However, the researcher followed up with respondents that fall to ensure that they completed the form correctly.

Because the questionnaires were hand delivered to the respondents, there was frequent phone follow-up, which resulted in a high response rate (95 percent)

3.7 Data Analysis and Methods

The collected data was screened for missing values that could cause problems with the research analysis. Using descriptive and inferential statistics, the relationship between the independent variables (4Ps) and the dependent variable was then assessed (customer loyalty). The descriptive statistical analysis was presented in the following formats: frequency, mean, and standard deviation. Correlation, ANOVA, and multiple regressions were used to investigate the relationships between the dependent and independent variables.

The analysis techniques or presentation method are depicted in both the table and the figure. The coefficient value was investigated to determine the significance of the relationship between the dependent variable and. each independent variable. The data was analyzed using the Statistical Package for Social Science (SPSS 23).

The questionnaire's statements were all rated on a 5-point Likert scale (strongly agree, agree, neutral, disagree, and strongly disagree). This scale was given numbers: strongly agree = 5, agree = 4, neutral 3, disagree = 2, and strongly disagree = 1.Instruments that are accurate and efficient in calculating these constructs are critical components of the research standard (Kimberlin, C. L., & Winterstein, A. G., 2008).

3.8 Validity and Reliability

3.8.1 Validity

Validity determines whether the measuring instrument truly measures what it is intended to measure or how truthful the research results are. To measure the validity of the results, we consider the theory and the measuring instrument used. Validity can be measured by factor analysis. To check and establish the validity and to increase the accuracy of this research. Content validity (face validity) is the extent to which a measuring instrument provides adequate coverage of the topic under study.

If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive.

It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it" (Kothari, 2004). Based on this, the researcher believes the sample taken in this study adequately represents the total population characteristics and result obtained can be sufficiently.

3.8.2 Reliability

Reliability is the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability. if the results can be reproduced under a similar methodology – then the instrument is reliable. According to Kothari, (2004) reliability is the consistency of results provided by the measuring instrument. A consistent finding of data collection technique, analysis, or procedure yielded is reliability Saunders (2009). The reliability analysis done by using SPSS by Cronbach's alpha test. This is done mainly to see the internal consistency within the collected data. In dealing with the reliability test, Cronbach's alpha coefficient made on each variable.

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 0, the lesser the internal consistency of items in the scale, and the closer to 1.0 Cronbach's alpha the greater the internal consistency of the items in the scale. The Cronbach's alpha coefficient for each item tested and the result shows there is high internal consistency. Because based on (George, D., & Mallery, P. , 2003) rule of thumb, a Cronbach's alpha coefficient greater than 0.7% is good. (>70%). Therefore, the Cronbach's alpha coefficient for each item was tested, based on (George, D., & Mallery, P. , 2003) it is good. (>70%).

Table 3.2. Main Data collection tool Reliability Statistics/Cronbach's Alpha Value

No	Variables	Cronbach's Alpha Value	Number of items
1	Product marketing strategy	.707	3
2	Price marketing strategy	.881	3
3	Promotion marketing strategy	.850	3
4	Place marketing strategy	.731	3
5	Customer Loyalty	.824	7

Source: own computation from survey data (2023)

As shown in the table above, the Cronbach alpha for all seven variables exceeded 0.7. According to the literature, this confirmed the internal consistency of the research instrument. As a result, no redundant items were discovered.

3.2 Ethical Consideration

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

Chapter Four

Result and Discussion

Introduction

This chapter is divided into three sections that describe the findings of an analysis of data collected from questionnaire respondents. The first section discusses demographics, the second discusses descriptive data, and the final section discusses inferential analysis (correlation and regression).The permanent employees of the bank are the study's target population. A total of 384 samples were determined, and questionnaires were distributed. However, the researcher only received 360 responses.

4.1 Response Rate

Based on sample size, 384 questionnaires were distributed to the customers of BGI Ethiopia, of which 360 were returned, representing a response rate of 93.8%, while 24 questionnaires were not returned, representing 6.2% of all questions distributed to respondents.

With regard to respondent rate of item from the total questioner items, nearly all items (99.9%) are replied by respondents. This validates the fact that no significant data is missed due to incompletion because the researcher was used self-administration for each respondent. For more reliability of the data, cases with the missing variables are excluded (not considered) from the SPSS processing throughout the analysis.

4.2 Demographic Data

The study attempted to determine demographic data in the following variables, as shown in the table below, using a total of 360 returned questionnaires.

Table 4.1: Demographic respondents

Variable	Category	Frequency	Percent
Sex of respondents	Male	270	75
	Female	90	25
Age of respondents	22-28	130	36.1
	29-39	110	30.6
	40-50	90	25.0
	>51	30	8.3
Educational level of respondents	Diploma	30	8.3
	Degree	190	52.8
	Masters	140	38.9
Level of Income	Less than birr 3,500	30	8.3
	birr 3,501-5,000	125	34.7
	birr 5,001-8,000	144	40.0
	birr 8,001-10,000	37	10.3
	Greater than birr 10,000	24	6.7
Total		360	100%

Source: own computation from survey data (2023)

As we can see from Table 4.1 above, 270 (75%) of the respondents were Male, and 90 (25%) were Female respondents. This may imply that the gender proportion is not proportional which mean the male size is high. Concerning the age of the respondents from the total 360 respondents, 130(36.1%) are from 22- 28 age group, 110(30.6%) are from 29-39, 90(25%) are from 40-50 the rest 30(8.3) respondents are categorized above 5 years. This indicates that there is a potential advantage for working by young customers especially to achieve future objectives of the company's marketing mix strategy. The respondents are above the age group that is allowed legally to drink alcohols. Regarding with their educational level of the respondents, According to the result of the study, out of the total respondents, 190(52%) of them are first degree holders (BA/BSc/BLL), 140 (38%) are Master's

Degree holders and the rest 30(8.3%) are diploma holders. This shows that majority of BGI Ethiopia beer drinkers are BA degree holders.

4.3 Descriptive Analysis

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

According to (Zaidaton and Bagheri, 2009), Mean score <3.39 was considered as low which means the majority of the respondents not agree on the activity of the organization, the Mean score from 3.40-3.79 was considered as moderate which means the majority of the respondents moderately agree on the activity and Mean score >3.8 was considered as high.

4.3.1   Product marketing strategy on Customer Loyalty

Three questions were asked in order to analyze product-marketing strategy on Customer Loyalty. In addition, the result is shown in table 4.2 below.

Table 4.2: Product marketing strategy

Variables	N	Mean	Std. Deviation
BGI product quality of the beer is better than other brewing companies	360	3.35	1.288
BGI factory product packaged is attractive.	360	3.25	1.364
BGI beer like refrigerated beer makes satisfied the customers	360	2.45	1.232
Aggregate Mean		**3.01**	**1.29**

Source: own computation from survey data (2023)

The mean average score for product strategy is between (2.45 and 3.35). In addition, it had an overall mean and standard deviation of (M=3.017, SD=1.295). The result implies the customer is less loyalty on the BGI products and it needs farther improves on the product

The researcher also asked respondents about product related multiple choose questions and the feedback is described accordingly.

Table 4.2.1: Product marketing strategy (multiple questions)

No	Items	Respondents	
		Frequency	%
1	Which variables influence how customer decide to use beer		
	A. Price	206	**57**
	B. Quality	154	**43**
	Total	**360**	100
2	Reasons for choose BGI over a competitor		
	A. Quality	210	**58.3**
	B. Equivalent pricing	70	**19.4**
	C. Nearby place	55	**15.2**
	D. Attractive Promotion	25	**10**
	Total	**360**	100
3	BGI product and services meet customer needs.		
	A. Yes	246	**68.32**
	B. No	114	**31.58**
	Total	**360**	100
4	Purchasing frequency of BGU products from the factory		
	A. Always	149	**41.39**
	B. Sometimes	131	**36.39**
	C. Not at all	80	**22.22**
	Total	**360**	100

5	BGI best practice on their product and service		
	A. **Beer packaging**	**141**	**39.16**
	B. **Beer test**	**170**	**47.22**
	C. **Beer promotion**	**49**	**13.61**
	Total	360	**100**
6	Have you ever given up the products (buying and selling) and switched to another product?		
	A. Yes	123	**34.17**
	B. No	237	**65.83**
	Total	**360**	**100**

Source: own computation from survey data (2023)

The above table shows, More than half of the respondents (206) (57.06%) indicated that the price change was the most important factor in using the product, while 154 (42.8%) of them answered that the quality was the most important factor. According to point 2, customers were asked why they chose BGI over a competitor. According to the observed data, most of them indicated that 210 (58.33%) preferred the product because of the quality. While the other respondents also said that 70 (19.4) decided on the same price. And to the same question, 55 (15.28) of respondents said they chose the product based on a nearby location. The remaining respondent indicated that 25 (6.94) prefer BGI over the competitor due to attractive promotional efforts.

With reference to item number 3, Does the [product/service] meet your needs the most respondent said that 246 (68.32% of them replied Yes. Whereas 114 (31.8%) of them responded No.

According to point 4: How often do you consume products from the factory. Most respondents indicate that 149 (49.39%) always consume the product. While the other respondent 131 (36.39%) consumes the product occasionally. The remaining respondent does not consume the product at all. Which characteristics do you like most in relation to point #5 [product]? Most respondents say that 170 (47.2%) like the beer test. And the other respondent 141 (39.16%) likes BGI's beer packaging capabilities. The remaining answers liking beer commercial features.

Referring to point 6: Have you ever given up the products (buying and selling) and switched to another product? Most respondents indicate that 237 (65.83%) No switch to another product. Of the remaining respondents, 123 (34.17%) switched to a different product.

Based on the answer above, most respondents have not switched to a different product. Consumer reaction shows that the company offers quality products at affordable prices. The interview with the marketing managers also provided information about the company's product quality. They said the factory has state-of-the-art equipment that makes their production modem. At each stage of fermentation there are laboratory technicians who control the quality of the brewery. Because of this, the company is a pioneer in winning the ISO awards among Ethiopian breweries.

Quality should be from the market or customer perspective in terms of color, clarity and foam of the beer: Here the important point is that the quality perspective should be based on the customer's preferences and not on an internal evaluation. Therefore, the ultimate goal of product quality should be to delight customers in every possible way.

4.3.2   Pricing marketing strategy on Customer Loyalty

Three questions were asked in order to analyze pricing-marketing strategy on Customer Loyalty. In addition, the result is shown in table 4.3 below.

Table 4.3: Pricing marketing strategy

Variables	N	Mean	Std. Deviation
BGI product is affordable compared to other brewery company	360	3.43	1.399
BGI's pricing strategy results in satisfied and loyal customers	360	3.62	1.274
The company's overall pricing strategy is attractive	360	2.95	1.391
Aggregate Mean		**3.33**	**1.35**

Source: own computation from survey data (2023)

The mean average score for pricing strategy is between (2.95 and 3.45). In addition, it had an overall mean and standard deviation of (M=3.33, SD=1.3). The result implies the customer is moderate and positive on the BGI pricing strategies. The basic principle in pricing is that the relationship between the price of a product and the value it gives to customers has to be fair and proper.

Also, the pricing decision of a factory must be coordinated with product design, distribution and promotion decisions to form a consistent and effective marketing program.

According to the interview made with the marketing department head, the objective of the pricing strategy of the company is to sale the products with a price that could be affordable to the customers and to keep a healthily profit margin (after setting affordable price to the customers the factory achieves a profit in the long run). The researcher also asked respondents about pricing related multiple choose questions and the feedback is described accordingly.

Table 4.3.1: Pricing marketing strategy (multiple questions)

No	Items	Respondents	
		Frequency	%
1	BGI offer discounted price on beer products A. Yes B. No	235 125	65 35
	Total	360	100
2	If your answer for item no 1 is yes, reasons to made discount A. During holidays B. During purchase of huge (many) products C. During defective products among those purchased products. D. Cash payment E. Trade allowance	140 120 43 25 32	38.88 33.33 11.94 6.94 8.88
	Total	360	100
3	Does the company provide credit sales in order to encourage the customers? A. Yes B. No	80 280	22.22 77.78
	Total	360	100

Source: own computation from survey data (2023)

4.3.3 Promotion marketing strategy on Customer Loyalty

Three questions were asked in order to analyze promotion-marketing strategy on Customer Loyalty. In addition, the result is shown in table 4.4 below.

Table 4.4: Promotion marketing strategy

Variables	N	Mean	Std. Deviation
BGI provides free bottles of beer or other Rewards to increasing customer beer consumptions.	360	2.86	1.352
Effective promotions persuade customers to buy.	360	3.11	1.316
The factory is in charge of BGI promotion.	360	3.10	1.389
Aggregate Mean		**3.02**	**1.35**

Source: own computation from survey data (2023)

The mean average score for promotion strategy is between (2.86 and 3.10). In addition, it had an overall mean and standard deviation of (M=3.023, SD=1.352). The result implies the customer is low level of loyal on the BGI promotion strategies.

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

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

Advertising is one of the promotional tools intensively utilized by the company. Because through it the company believes that it can reach more audience than other promotional tool. Personal selling is the other promotional tools used by the company in its promotional mix. It involves direct relationship between the sellers and the customers. Participation special sponsorship programs, meeting participants as a promotion etc. But Advertising through any medium, the first draft of this bill had lighter restriction on broadcast ad ban on alcohol products. The draft only restricted advertising alcohol beverages with over 10% alcohol volume, between 9:00 PM and 6:00 AM.

This was amended to ban advertising of all alcoholic beverages between 6:00 AM and 9:00 PM. This ban was hard to won with both the alcohol industry and media stations opposing its implementation in fear of losing profit. The researcher also asked respondents about promotion related multiple choose questions and the feedback is described accordingly.

Table 4.4.1: promotion-marketing strategy (multiple questions)

No	Items	Respondents	
		Frequency	%
1	Best promotion platform for BGI Ethiopia Beer A. Social media B. Billboard C. People D. Television/ Radio E. Magazines	112 0 238 0 10	**31.11** **0.00** **66.11** **0.00** **2.78**
	Total	**360**	**100**
2	Is the advertisement of BGI easy to understand? A. Yes B. No	 72 288	 **20** **80**
	Total	**360**	**100**
3	Have you ever seen or heard the products being promoted on any medium? A. Yes B. No	 91 269	 **25.27** **74.72**
	Total	**360**	**100**

Source: own computation from survey data (2023)

According to Consumer Response for Item #1, 238 (66.11%) respondents heard from BGI Ethiopia through personal connections to learn more about the promotion of the product, 112 (31.11%) respondents came from social media and 10 (2.78%) of consumers heard about the product from magazine. As indicated in point 2, is BGI's advertising easy to understand? Most 288 (80%) of the respondents said the

advertising method was not easy to understand, while 72 (20%) of the respondents said the advertising method was simple and understandable. As shown in point 3, most respondents responded that they had not heard of any media promoting BGI products for Ethiopia 269 (74.82%). The reaming 91(91%) heard about BGI Ethiopia from different medium. Thus this is due to the ban on broadcast advertising in Ethiopia in May 2019 for alcohol products).

4.3.4 Place marketing strategy on Customer Loyalty

Three questions were asked in order to analyze place-marketing strategy on Customer Loyalty. In addition, the result is shown in table 4.5 below.

Table 4.5: Place marketing strategy

Variables	N	Mean	Std. Deviation
The factory's product distribution system is attractive in the market.	360	2.72	1.241
The retailers of BGI have refrigerator and provide Cool	360	2.97	1.299
Products for the consumers is accessible	360	2.61	1.303
Aggregate Mean		**2.76**	**1.28**

Source: own computation from survey data (2023)

The mean average score for place strategy is between (2.61 and 2.97). In addition, it had an overall mean and standard deviation of (M=2.767, SD=1.281). The result implies the customer is low level of loyal on the BGI place strategies.in needs farther improvement in the place strategies.

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

In an interview made with the head of the marketing department, the distribution system of the factory has the primary objective of satisfying its customers' needs by making available best quality products to the market at a fair price. With the objective above, the company uses door- door retailing distribution strategy, in which personal contact between a sales person and an individual prospect occurs at the prospective customer's businesses. The researcher was able to contact some of the factory agents at the factory's premises.

Despite the factory's well treatment given to them during their stay at the factory's premises, they didn't want to deny from revealing the fact that they spent longer hours at the factory premises. Many times they couldn't get the actual quantity of the product up on request.

Customers were requested using questionnaires and their response have been listed below in the following table. The researcher also asked respondents about promotion related multiple choose questions and the feedback is described accordingly.

Table 4.5.1: place-marketing strategy (multiple questions)

No	Items	Respondents	
		Frequency	%
1	BGI product is accessible and available A. Yes B. No	246 114	68.33 31.67
	Total	360	100
2	Do you get the actual quantity of the product on your request? A. Yes B. No	285 75	79.16 20.84
	Total	360	100
3	Satisfaction with the transportation (delivery) system? A. Yes B. No	140 220	38.88 61.12
	Total	**360**	**100**

Source: own computation from survey data (2023)

As table above shows, 246(68.33) out of 360 respondents involved in the study revealed that the product is available at their neighborhood. Which is 114 (31.67%) of the respondents included in the study said that the product is not available at their neighborhood.

With regard to item number 2, 220 (61.12%) respondents answer gets the actual quantity of the product were as the remaining respondent 140(38.88%) answered that they didn't get the actual quantity of the product.

As depicted from item number 3, 220 (61.12 %) of the respondents are did not satisfied on deliver system. While 140(38.88) of the respondents are satisfied on the delivery system.

4.3.5 Customer Loyalty

Seven questions were asked in order to analyze Customer Loyalty. In addition, the result is shown in table 4.6 below.

Table 4.6: Customer Loyalty

Variables	N	Mean	Std. Deviation
The service or the service in general makes satisfied	360	2.59	1.25
The overall product attribute of BGI brewery company	360	2.94	1.29
The overall promotion activity of BGI brewery company makes satisfied	360	3.71	1.35
The overall distribution channels of BGI brewery company makes satisfied	360	3.30	1.37
BGI preferable company compared with other competitors	360	3.36	2.13
Advocate/recommendation the BGI company	360	3.36	1.27
loyal customer to the BGI	360	3.15	1.40
Aggregate Mean		**3.20**	**1.44**

Source: own computation from survey data (2023)

The mean average score for loyalty is between (2.59 and 3.71). In addition, it had an overall mean and standard deviation of (M=3.202, SD=1.441). The result implies the customer is moderate level of loyalty on the BGI loyalty in needs farther improvement in order to increases the customer loyalty.

Variable analysis has been used to test whether the dataset exactly detects the stated dimensions. The output of Variable analysis is obtained by using principal components analysis. The final statistics comprising of the reliability result and the communality for all the 19 questions rose in the five dimensions.

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

The mean representing overall customer loyalty as for this descriptive statistic, customer loyalty with the marketing mix is above a satisfactory level, with a mean of 5 on a 5-point Likert scale. This means that product, price, promotion and place all have an effect on customer loyalty.

Table 4.7: The average mean all variables

	N	Mean	Std. Deviation
Product	360	3.01	1.29
Price	360	3.33	1.35
Promotion	360	3.02	1.35
Place	360	2.76	1.28
customer Loyalty	360	3.20	1.44
Valid N (list wise)	360		

Source: own computation from survey data (2023)

Table 4.7 suggests that all marketing service mix dimensions rated as above satisfactory. From this we can deduce that all explanatory variables play a fundamental role in the customer loyalty on marketing mix of BGI Ethiopia Company.

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

Generally all the above mentioned points are summarized, price, which has the highest mean value of 3.333, (SD= 1.335) is the dominant marketing mix elements that have strong relation with the customer loyalty. Followed by promotion with mean value of 3.02 (SD=1.352), product 3.0167 (SD=1.296), and place 2.767(SD=1.281). It implies that the brewery companies should give due consideration for

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

4.4 Inferential Statistics

In this section, Pearson correlation coefficient analysis and multiple regression analysis are applied to study the relationship between dependent and independent variables further.

4.4.1 Correlation Analysis

The correlation test determines the strength of the relationship or association between the variables under consideration. Pearson's correlation was used to investigate the interrelationships between variables, and the coefficients of interrelationships (r) were calculated using the moment of Pearson's product. The dependent variable (customer loyalty) and the independent variables were correlated (4ps).

The correlation coefficient is a statistical measure of the strength of the relationship between the relative movements of two variables. Values range from -1.0 to 1.0. A correlation of -1.0 indicates perfect negative correlation, while a correlation of 1.0 indicates perfect positive correlation. A correlation of 0.0 indicates no linear relationship between the movements of the two variables. According to Franzblau (1985), the correlation coefficient can be interpreted as follows:-

If r=0 to 0.20, it indicates no correlation

If r=0.20 to 0.40, it indicates positive but low degree of correlation

If r=0.40 to 0.60, it indicates positive and moderate degree of correlation

If r=0.60 to 0.80, it indicates positive and marked degree of correlation

If r=0.80 to 1.00, positive and high degree of correlation

Table 4.8: Correlation Test

		PRDS	PRS	PRMS	PLS	CL
PRDS	Pearson Correlation	1	.531**	.505**	.218**	**.486****
	Sig. (2-tailed)		.000	.000	.000	**.000**
	N	360	360	360	360	**360**
PRS	Pearson Correlation	.531**	1	.821**	.223**	**.604****
	Sig. (2-tailed)	.000		.000	.000	**.000**
	N	360	360	360	360	**360**
PRMS	Pearson Correlation	.505**	.821**	1	.197**	**.638****
	Sig. (2-tailed)	.000	.000		.000	**.000**
	N	360	360	360	360	**360**
PLS	Pearson Correlation	.218**	.223**	.197**	1	**.236****
	Sig. (2-tailed)	.000	.000	.000		**.000**
	N	360	360	360	360	**360**
CL	Pearson Correlation	.486**	.604**	.638**	.236**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	**360**	**360**	**360**	**360**	**360**

Source: own computation from survey data (2023)

Pearson correlation is used to assess the relationship or degree of association between 4ps activities and Customer loyalty (CL), as shown in Table 4.8 above (2-tailed). All independent variables are positively and perfectly correlated at the 5% level of P value (i.e., 0.000). Pearson correlation analysis was used to provide evidence of convergent validity and Pearson correlation coefficients reveal magnitude and direction of relationships either positive or negative and the intensity of relationship.

Correlation is perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo and Festinger, 2005)

Hence, price and promotion have a moderate, positive and significant correlation with Customer loyalty (r=.604, p<0.01 and r=.638, p<0.01 respectively. These results imply how important the marketing mix strategy has a great role in the Customer loyalty of the company. On the other hand, price and place has weak, yet positive and significant correlation with customer loyalty (r=.486, p<0.01) and (r=.236, p < 0.01). The predictor variable promotion has comparatively higher correlation with customer loyalty (r=0.638), whereas place has week correlation with customer loyalty (r=0.236) respectively.

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

4.4.2   Assumption of Linear Regression

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

4.4.2.1 Normality Test

Test for normality, its determining whether the data is well modeled by normal distribution or not. Test for normal distribution could be checked by graphical (Histogram or dot plot) method of tests. The normality assumption assumes a critical role when the study is dealing with a small sample size, data less than 100 observations (Gujarati, 2004).
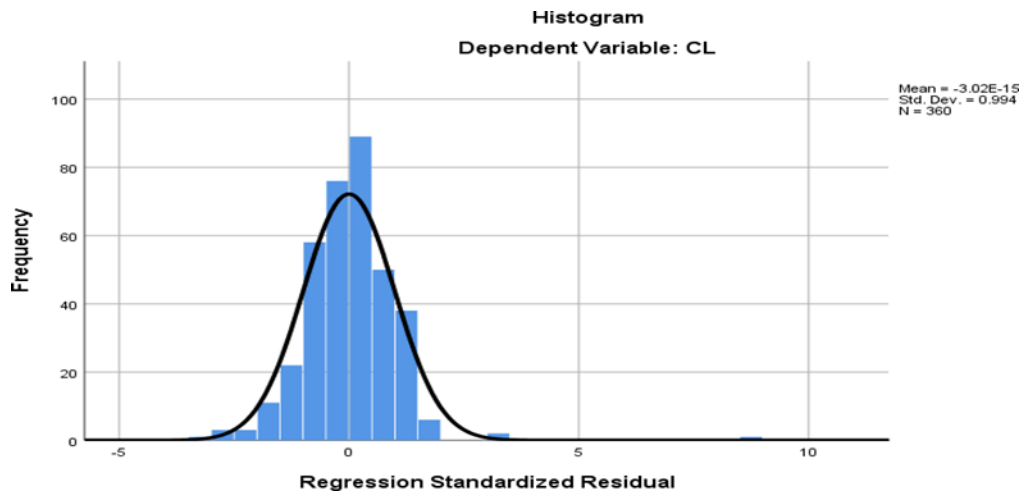
Figure 4.1 : Histogram for Normality Test

As Garson (2012) and Field (2009) noted, normal distribution take the form of a symmetric bell shaped curve. Accordingly, as we observed from the above figure (figure 4.1), the histogram look like a normal distribution (bell-shaped curve) and the distribution is roughly normal. Moreover, the curve is perfectly skewed (symmetrical). And then the researcher concluded that the normality assumption is not violated.

4.4.2.2 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine whether the relationship between the dependent variable and the independent variables is linear; P-P plots (probability–probability plot).of the regression residuals through SPSS software has been used and it is presented as follows. The strength of the relationship is indicated by the closeness of the points to an imaginary straight line. If, as the values for one variable increase, so do those for the other, you have a positive relationship. If, as the values for one variable decrease, those for the other variable increase, you have a negative relationship.
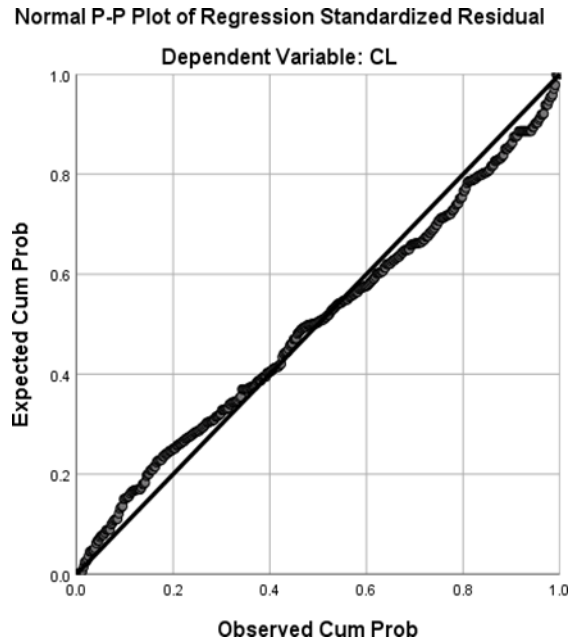
Figure 4.2 : Linearity of data

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

4.4.2.3 Multi-collinearly Test

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

Table 4.9 : Multi-collinearly Test

Model		Tolerance	VIF
1	Product	.693	1.442
	Price	.305	3.276
	Promotion	.319	3.136
	Place	.936	1.068

a. Dependent Variable: customer loyalty

Source: SPSS survey result, 2023

A multi-collinear test can occur when two or more variables entered into the model at the same time are highly correlated. It is tested by variance inflation factors (VIF). The test result shows that all the tolerance levels of the variables are greater than 0.2 and their VIF value is less than 10. So this proves that there are no multi-collinear problems.

4.4.2.4 Homoscedasticity Test

Homoscedasticity is an assumption in regression analysis that the extent to which the data values for the dependent and independent variables have equal variances and heteroscedasticity is the inverse or unequal variance. That is, at each point along any predictor variable, the spread of residuals should be constant. For a basic analysis we first plot *ZRESID (Y-axis) against *ZPRED (X-axis) on SPSS because this plot is useful to determine whether the assumptions of random errors and homoscedasticity have been met. The graph of *ZRESID and *ZPRED should look like a random array of dots evenly dispersed around zero. If this graph funnels out, then the chances are that there is heteroscedasticity in the data. If there is any sort of curve in this graph then the chances are that the data have broken the assumption of linearity (Pallant, 2005).
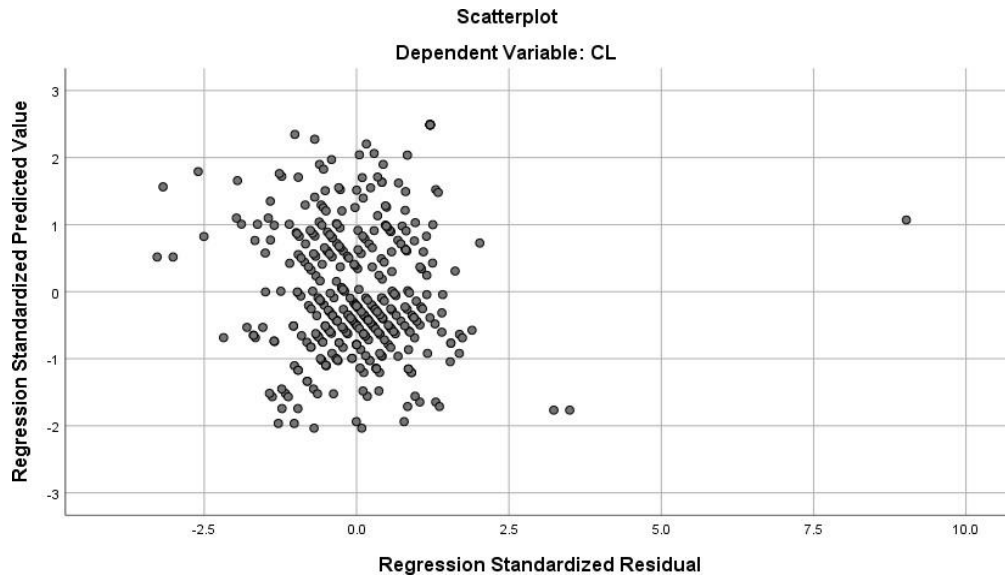
Figure 4.3: Scatter plot to test Homoscedasticity

4.4.2.5 Independent of Residuals

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

Table 4.10 : Independence of Residuals Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.678[a]	.459	.453	.57183	2.178

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

b. Dependent Variable: customer loyalty

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

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

4.4.3 Regression Analysis

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

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

As shown from the above Table 12, the regression analysis, there is a positive statistical relationship between marketing mix elements (the independent variable) and Customer loyalty (the dependent variable).The coefficient of determination (R-squared) indicates the proportionate amount of variation in the response variable (customer loyalty) explained by the independent variable (marketing mix 4Ps) in the linear regression model. The larger the R-squaredis, the more effect of Marketing mixes strategies on Customer loyalty in the case of BGI Ethiopia Company in Addis Ababa city.

Variability is explained by the linear regression model. Thus, 45.9% (R^2 =.459) of the total variation on Customer loyalty is explained by the 4 Ps ofmarketing mix elements. While the remaining 54.1% is explained by other variables (out of this model).

Table 4.11: ANOVA of the Model

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	98.675	4	24.669	75.4 43	.000[b]
	Residual	116.079	355	.327		
	Total	**214.755**	**359**			

a. Dependent Variable: CL

b. Predictors: (Constant), PLS, PRMS, PRDS, PRS

Source: SPSS survey result, 2023

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

The ANOVA of the regression model shows the overall goodness of the model. The significance of the model shows weather there the model is good fit for the data or not. The current analysis shows a significant F test result (F=75.443 with a P value <0.001, which shows the selected model was a good fit for the observed data. This implies that the 4ps of marketing strategies are the main tools to improve to increase customer loyalty.

Table 4.12: Regression Coefficients of independent variables

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.404	.137		10.288	**.000**
	Product	.161	.042	.181	3.857	**.000**
	Price	.117	.050	.165	2.339	**.020**
	Promotion	.239	.042	.395	5.721	**.000**
	Place	**.071**	**.035**	**.082**	**2.035**	**.043**

Dependent Variable: customer loyalty

Source: SPSS survey Result, 2023

The unstandardized coefficient under Table 4.14 are used in the prediction and interpretation of the study multiple regression model. In multiple regressions we use an equation of

$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$

CL= 1.404+ 0.161PP + 0.117PR + 0.239PM + 0.071PL

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

► B_0 = (1.404): this is the intercept (Constant) and it represents the autonomous variable i.e. Customer loyalty that do not dependent on the marketing mix elements. Whether the 4ps are added or not, this level of Customer loyalty (1.404): units) is attained.

► β_1= (.161): this is the slope & it represents the Customer loyalty that is influenced by the product. It indicates that a unit increase in the Product Strategy of the factory Customer loyalty increases by .161 units positively.

► B_2= (.117): this is the slope & it represents the Customer loyalty that is influenced by the price. It indicates that a unit increase in the Price Strategy of the factory Customer loyalty increases by .117 units' positively.

► B3= (.239): this is the slope & it represents the Customer loyalty that is influenced by the promotion. It indicates that a unit increase in the Promotional Strategy of the factory Customer loyalty increases by .239 units positively.

► B4= (.071): this is the slope & it represents the Customer loyalty that is influenced by the place. It indicates that a unit increase in the Place (Distribution) Strategy of the factory Customer loyalty increases by .071units positively.

► The findings also indicated that promotion ($\beta = 0.239$; $p<0.05$) is the highest predictor of Customer loyalty whereas place has the lowest predictor Customer loyalty ($\beta = 0.071$; $P<0.05$).

4.4.4 Hypotheses Test

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

Hypothesis 1: Product strategy has a significant and positive effect on Customer loyalty.

The results of multiple regression as presented in Table 14 illustrate there is a positive and significant relationship between product and Customer loyalty with (β= (.161 and $p<0.05$), at 95% confidence level. Thus, it can be inferred that a 1 percent increase in the organization's effort to boost product quality leads to a 16.1 percent increase in customer loyalty. From this the researcher concluded that the alternative hypothesis that product will have significant and positive effect on Customer loyalty and the alternative hypothesis is accepted.

Hypothesis 2: Pricing strategy has a significant and positive effect on Customer loyalty.

The results of multiple regression as presented in Table 15 illustrate there is a positive and significant relationship between price and Customer loyalty with (β= (.117 and $p<0.05$), at 95% confidence level. From this, the researcher concluded that the alternative hypothesis that price will have significant and positive effect on Customer loyalty and the alternative hypothesis is **accepted.**

Based on the researchers' insights into when the price of BGI beer goes up, it could lead to an increase in customer loyalty. Based on the respondent's response, most BGI customers did not switch to other products; when BGI beer prices increase: - This means that the quality of BGI beer is constant and the customer is loyal when they increase the price of BGI beer.

Hypothesis 3: Promotion strategy has a significant and positive effect on Customer loyalty.

The results of multiple regression as presented in Table 15 illustrate there is a positive and significant relationship between promotion and Customer loyalty with (β= (.239 and $p<0.05$), at 95% confidence level. Thus, it can be inferred that a 1 percent increase in the organization's effort to boost promotion leads to a 23.9 percent increase in customer loyalty. From this the researcher concluded that the alternative hypothesis that promotion will have significant and positive effect on Customer loyalty and the alternative hypothesis is **accepted.**

Hypothesis 4: Place Strategy has a Significant and positive influence on Customer loyalty.

The results of multiple regression as presented in Table 15 illustrate there is a positive and significant relationship between place and Customer loyalty with (β= (.071 and $p < 0.05$), at 95% confidence level. Thus, it can be inferred that a 1 percent increase in the organization's effort to boost its distribution system leads to a 7.1 percent increase in customer loyalty. From this the researcher concluded that the alternative hypothesis that place will have significant and positive effect on Customer loyalty and the alternative hypothesis is **accepted.**

Table 4.13 : Summary of Hypothesis

Hypothesis	Description	Regression Result	Conclusion
H1	Product strategy has significant and positive Effect on Customer loyalty.	β= 0.161, p<0.05	**Accepted**
H2	Price strategy has significant and positive effect On Customer Satisfaction.	β= 0.117, p<0.05	**Accepted**
H3	Promotion strategy has significant and positive Effect on Customer Satisfaction.	β= 0.239, p<0.05	**Accepted**
H4	**Place strategy has significant and positive effect On Customer Satisfaction.**	**β= 0.07, p<0.05**	**Accepted**

Source: Own survey from SPSS result, 2023

4.5 Discussion

According to the regression, result of promotion effects has a positive relationship with customer loyalty of BGI beer in Addis Ababa city by a coefficient estimate of 0.239. This means that holding other independent variables constant and when one percent increases in promotion, consequently it improves customer loyalty by 23.9% and the p value of promotion effects is 0.000 reveals that it is statistically significant at 1% level of significance. Accordingly, the result supports the working hypothesis that a promotion effect has positive and statistically significant effect on customer loyalty. Thus, this outcome is consistent with prior study of Engel, Kollart and Blackwell (2001) and Amadi et al (2013.

According to the regression result of product quality has a positive relationship with customer loyalty of BGI beer in Addis Ababa city by a coefficient estimate of 0.161. This means that holding other independent variables constant and when one percent increases in product quality, consequently it improves customer loyalty by 16.1% and the p value of product quality is 0.000 reveals that it is statistically significant at 1% level of significance. Accordingly, the result supports the working hypothesis that product quality has positive and statistically significant effect on customer loyalty. Thus, this outcome is consistent with prior study of Kotler and Armstrong (2007) and Olga (2015) that point out the positive significant effect of product quality on customer loyalty in beer industry.

Hence, the possible reason is associated with high quality perceptions have higher satisfaction rates compared to products with poor quality, so that based on quality customer can judge a product as superior or inferior. In addition, customers do have the inherent ability to segment products based on quality. Thus, due to this reason it has positive and statistically significant effect on customer loyalty.

According to the regression result, there is a positive association between the price and customer loyalty of BGI beer in the city of Addis Ababa with an estimated coefficient of 0.117. This means that if other independent variables are held constant and the price increases by one percent, the customer will not switch to another product. Thus, this result is consistent with the previous study by Abdullahi Ndagi Yakubu; Salihu Shehu & Nwokenkwo Ben Olubunmi (2019).

Accordingly, the result supports the working hypothesis that pricing has a positive and statistically significant effect on customer loyalty.

In general, this proves that marketing mix is like product; Price, location and advertising explain 45.9% of differences in customer loyalty. These results are consistent with those of Bearden and Etzel (2012); Hallowell (1996), Anderson et. al., (1994); Alom and Haque (2011); Arham (2010) on the relationship between product; pricing; location (distribution); advertising and customer loyalty.

CHAPTER FIVE

Summary, Conclusion and Recommendation

Introduction

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

5.1 Summary of Major Findings

This study was conducted to investigate the effect of marketing strategy on customer loyalty in the case of BGI Ethiopia. To achieve the research objectives, data were gathered from 360 BGI customers using questionnaire. Moreover, interview was conducted with marketing managers of the company. The demographic background of the respondents revealed that, the demographic characteristics of respondents show that 75% of the respondents were Male employees while the remaining 25% were Females. Among the respondents the age of majority were between 22 and 50 years which is 91.7% and above 51 years old that accounts 8.3%. With regards to Education of the respondents 8.3% were diploma, 52.8% BA/BSc/BLL degree and Master's Degree holder were 38.9%. The results of descriptive indicate that except place or distribution strategy (mean=2.76), there is moderate perception towards the company's marketing mix elements namely product (mean=3.01), price (mean=3.33), and promotion (mean=3.02). Moreover, there is moderate level of customer loyalty (mean=3.20).

The empirical results from correlation and regression analysis show that, promotion, Price and Product have a strong, positive and significant correlation with customer satisfaction (r=0.638, p<0.01, r=0.604, p<0.01 r=0.486, p<0.01) respectively. On the other hand, Place has weak, yet positive and significant correlation with customer satisfaction (r=0.236, p<0.01). Furthermore, there is a positive and significant relationship between product, price, promotion and place with customer satisfaction with (β= 0.161, and p<0.05), (β= 0.117, p<0.05), (β= 0.239, p<0.05), (β= 0.071, p<0.05), respectively. Variability is explained by the linear regression model. Thus, 45.9% (R^2 =.459) of the total variation on customer loyalty is explained by the 4 Ps of marketing mix elements included in the regression model.

5.2 Conclusion

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

Based on the findings of the investigation, it was concluded that the marketing strategies of BGI Ethiopia Brewery Company have significant positive impact on its consumers in Addis Ababa. That the marketing mix strategy of BGI Ethiopia has significant positive effect on consumer Loyalty in Addis Ababa. Equally, product mix of quality strategy of BGI Ethiopia Company has significant positive effect on consumers' Loyalty such that the more the company innovates quality product the better its chances of sustaining its customers and win over new ones.

5.3 Recommendations

Based on the findings made and the conclusions drawn, the following recommendations were proffered: BGI Ethiopia Brewery Share Company should retain its current Brewing marketing strategies in Addis Ababa because there have significant positive influences on consumers' Loyalty. This is an indication that the strategies are working in Addis Ababa. However, BGI Ethiopia should investigative to find out whether the strategies are also effective in other market outside Addis Ababa.

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

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

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

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

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Appendix

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

A Questionnaire On

The Effect of Marketing Strategy on customer loyalty Performance In The Case of BGI Addis Ababa

Dear Respondent,

My name is Mahelat ketema and I am a student in the post graduate program at the St. Mary's University. The objective of this survey is to gather, analyze, and synthesize relevant, accurate, sufficient, and timely information that will provide insights about *"The Effect of Marketing Strategy on Customer Loyalty In The Case of BGI."* The findings of this survey will be used to make recommendations to enhance the bank performance and to make them more competitive in banking sector. This questionnaire consists of three: Section I deals with the general profile of the respondent, Section II covers Antecedent variable of marketing strategy mix. Section III deals with customer loyalty. The information you provide in this survey will be used for the stated purpose and it will be held confidential. I appreciate your voluntary and valuable participation in this survey. We thank you in advance for sharing your valuable experience and time with us in completing the questionnaire.

Thank You!!!.

Section-I: General Profile of BGI customer

Instruction: Please select an appropriate by encircling the appropriate number against each question.

Variable	Category	Frequency
Sex of respondents	Male	
	Female	
Age of respondents	22-28	
	29-39	
	40-50	
	>51	
Educational level of respondents	Diploma	
	Degree	
	Masters	
Level of Income	Less than birr 3,500	
	birr 3,501-5,000	
	birr 5,001-8,000	
	birr 8,001-10,000	
	Greater than birr 10,000	

Section-II: Marketing Mix Strategy on customer loyalty at BGI

Instruction: - Please evaluate the following construct in relation to Customer loyalty by encircling the appropriate alternatives by encircling the appropriate options. Where, 1= Strongly Disagree (SDA); 2= Disagree (DA); 3= Neutral (N); 4= Agree (A); 5= Strongly Agree (SA).

1. Product marketing strategy

S/n	Variables	1	2	3	4	5
1.1	BGI product quality of the beer is better than other brewing companies					
1.2	BGI factory product packaged is attractive.					
1.3	BGI beer like refrigerated beer makes satisfied the customers					

1.4	Which variables influence how customer decide to use beer C. Price D. Quality
1.5	Reasons for choose BGI over a competitor E. Quality F. Equivalent pricing G. Nearby place H. Attractive Promotion
1.6	BGI product and services meet customer needs. C. Yes D. No
1.7	Purchasing frequency of BGU products from the factory D. Always E. Sometimes F. Not at all

2. Price marketing strategy

S/n	Variables	1	2	3	4	5
2.1	BGI product is affordable compared to other brewery company					
2.2	BGI's pricing strategy results in satisfied and loyal customers					
2.3	The company's overall pricing strategy is attractive					

2.4	BGI offer discounted price on beer products
	
	   C. Yes .
	
	   D. No

2.5	If your answer for item no 1 is yes, reasons to made discount
	
	  F. During holidays
	  G. During purchase of huge (many) products
	  H. During defective products among those purchased products.
	  I. Cash payment
	  J. Trade allowance

2.6	Does the company provide credit sales in order to encourage the customers?
	  C. Yes
	
	  D. No

3. Promotion marketing strategy

S/n	Variables	1	2	3	4	5
3.1	BGI provides free bottles of beer or other Rewards to increasing customer beer consumptions.					
3.2	Effective promotions persuade customers to buy.					
3.3	The factory is in charge of BGI promotion.					

3.4	Best promotion platform for BGI Ethiopia Beer F. Social media G. Billboard H. People I. Television/ Radio J. Magazines
3.5	Is the advertisement of BGI easy to understand? C. Yes D. No
3.6	Have you ever seen or heard the products being promoted on any medium? C. Yes D. No

4. Place marketing strategy

S/n	Variables	1	2	3	4	5
4.1	The factory's product distribution system is attractive in the market.					
4.2	The retailers of BGI have refrigerator and provide Cool					
4.3	Products for the consumers is accessible					

4.1	BGI product is accessible and available C. Yes D. No
4.2	Do you get the actual quantity of the product on your request? C. Yes D. No
4.3	Satisfaction with the transportation (delivery) system? C. Yes D. No

Section-II: Interview Questions with marketing manager of BGI Ethiopia factory

The Interview questions for selected Managers of BGI Ethiopia brewery Company.

The main objective of this interview question is to enable me to carry out a research for the partial fulfillment of master's degree marketing management. The research focuses on BGI Ethiopia Brewery Company with the topic of "effect of marketing strategy on customer loyalty of BGI Ethiopia brewery Company". A Marketing strategy interview questions are tools used to collect data from people regarding marketing. Hence, to gather information, I kindly request your assistance in responding to the questions listed below. Any information you present will be kept confidential and will be used only for academic purpose. Your cooperation and prompt response will be highly appreciated. Thank You!

1. Explain the brief history of the factory?
2. What marketing mix strategies does the company use
3. Can you discuss if there is a problem on company's overall current marketing strategy Practice?
4. Who are the company product target consumers?
5. What is the company's overall business strategy (Differentiation, cost leadership, focus Strategy?
6. Is there any competition? Who are your competitors? What are your major competitive Advantages?
7. What is the customers' perception towards your product quality?
8. What pricing strategy does the company consider when setting price for existing product?
9. What type of distribution channel strategy does the company use?
10. How do you evaluate the overall performance of the organization?

THANK YOU