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**SAINT MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
INSTITUTE OF MARKETING MANAGEMENT STUDIES**

**ASSESSMENT OF MARKETING MIX ON CUSTOMER SATISFACTION: IN THE
CASE OF HABESHA BREWERY SHARE COMPANY**

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MAY 2020

ADDIS ABABA ETHIOPIA

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
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**MAY, 2020
ADDIS ABABA, ETHIOPIA**

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DECLARATION

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

Name

Signature & Date

CERTIFICATION

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

Advisor

Signature & Date

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Table of Content

ACKNOWLEDGMENT	i
List of Table	iv
List of Figure	v
ABSTRACT	vi
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem	2
1.3. Research Question	4
1.4. Objective of the Study	4
1.4.1. General objective	4
1.4.2. Specific objectives	4
1.5. Scope of the Study	5
1.6. Significance of the Study	5
1.7. Organization of the Study	5
CHAPTER TWO	6
LITERATURE REVIEW	6
2.1. Theoretical Review of Literature	6
2.1.1. Definition of Key Terms	6
2.1.2. Definitions and Concepts of Marketing-Mix	7
2.1.2.1. Product	8
2.1.2.1.1. Product Quality	8
2.1.2.1.2. Branding, Packaging and Labeling	8
2.1.2.2. Price	9
2.1.2.2.1. Pricing objectives, strategy and methods	10
2.1.2.2.2. Methods for pricing a product	10
2.1.2.2.3. Discount and Allowance pricing	11
2.1.2.3. Promotion	12
2.1.2.3.1. The Promotional Mix	13
2.1.2.3.2. Types of Promotional tools	13
2.1.2.4. Place (Channel of Distribution)	14
2.1.2.4.1. Channel of distribution	15
2.1.2.4.2. Selecting Channel of Distribution	15
2.1.2.4.3. Physical Distribution	16
2.1.3. Definitions of Customer Satisfaction	17
2.2. Empirical Review of Literature	19
2.3. Conceptual Frame work	23
CHAPTER THREE	24
RESEARCH DESIGN AND METHODOLOGY	24
3.1. Description of the Study Area	24
3.2. Research Design	24
3.3. Data Types, Sources and Method of Collections	24

3.4. Population of the study.....	25
3.5. Sample size Determination	25
3.6. Sampling Technique	26
3.7. Method of data analysis.....	26
3.8. Validity and Reliability.....	26
3.8.1. Validity.....	26
3.8.2. Reliability	27
3.9. Ethical Consideration	27
CHAPTER FOUR	28
ANALYSIS AND INTERPRETATIONS DATA.....	28
4.1. Demographic Characteristics of the Respondents.....	28
4.2. Descriptive statistics.....	31
4.3. Correlation Analysis.....	35
CHAPTER FIVE	38
SUMMARY, CONCLUSION AND RECOMMENDATION.....	38
5.1. Summary of the major finding	38
5.2. Conclusions.....	40
5.3. Recommendations	41
REFERENCES.....	42
APPENDIX.....	46

List of Table

Table 1 Measuring customer satisfaction towards product attributes	31
Table 2 Measuring customer satisfaction towards promotion attributes	32
Table 3 Measuring customer satisfaction towards distribution/place attributes	33
Table 4 Measuring customer satisfaction towards price attributes	34
Table 5. Pearson Correlation Matrix.....	35

List of Figure

Figure 1: Conceptual framework 23

ABSTRACT

The marketing mix is the means by which marketing objectives of the organization will be achieved and comprises of product, price, promotion, place, people, process and physical evidence of the marketing activities. This study focused on assessing the marketing mix taking product, price, place and promotion in satisfying customers of the Habesha Brewery. This study also investigated the influence of the four marketing mixes on customer satisfaction of Habesha Brewery. The study is motivated by the need to address the issue in Ethiopian context by providing recent and extensive evidence collected from beer consumers. The study used quantitative and descriptive method of research design. Both primary and secondary data collection instruments are used to collect data. To collect the data for this study, the target population of the study is consumers of the company. The study was taken from customers found in the Addis Abeba city to select kolfe and lideta sub cities with distributing 384 questionnaires. Quantitative methods of data analysis were used. Information collected from consumers through questionnaire was analyzed quantitatively using Descriptive statistics (mean and St. Deviation) and correlation techniques using SPSS version 20. Thus in order to assess those factors which influence customer's satisfaction, four variables (price, product, promotion and placement) are taken in to consideration. The finding asserts that all variable are found to be influential to determine customer satisfaction. The researcher recommends that the company to take a close scrutiny in the four marketing mix elements in maintaining its customers. Specifically price of the company product is found to be a variable having detrimental effect on satisfaction of the customer.

Key words: *marketing mix; price, product, promotion, place and customer satisfaction.*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Today's companies are facing toughest competition than ever. Companies can win the competition by doing a better job in order to satisfy the customers' needs and wants, and customer-centered companies are adept at building customers not just building a product (Johansson J, 2000:12). Customer satisfaction is a person feeling of pleasure or disappointment resulting from comparing a product's perceived performance (outcome) in relation to his/her expectation (Kotler P and Armstrong G, 2010:7). It may be clear from the above definition customers' satisfaction is a function of perceived performance and expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied, and if the performance exceeds expectations, the customer is highly satisfied or delighted.

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

Marketers must think about the method of winning, retaining, in general satisfying customers from various ways which will lead to organizational success .to do so, the elements of marketing mix (product, price, promotion and price) serve as the most crucial

tools for meeting the company's objective together with satisfying customers through effective utilization of them.

These variables are controllable variables by marketers. In addition marketing managers can use them to attract and retain customers since they can be reshaped by a given marketing managers.

Paul (1994) stated that marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources. Marketing strategy encompasses selecting and analyzing the target market(s) and creating and maintaining an appropriate marketing mix that satisfies the target market and company.

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

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

1.2Statement of the Problem

Customer satisfaction is a very vital and it is a determinant factor for the long term survival of any business organization (Jeans F, 2004:54). So in today's competitive business world it has come out as a decisive factor for the success or failure of business objectives. For this reason, companies meeting their customers' needs and wants are enjoying the market with the customer loyalty and getting positive response for their product. But without satisfying customers the above mentioned marketing success could be unthinkable. There are growing numbers of tough competitions in the beer industry of Ethiopia from time to time, as so many brewery companies are entering in to the market, but still there are unmeet customer needs.

Despite the flow in beer production in the country, industry insiders believe that the market is not saturated yet. Alazar Ahmed, a private marketing expert and consultant in the brewery industry, is among those who believe there is a mass market in the industry. "The market is still untapped, yet to see new players in the field," he said. "The expansion of brewers is inevitable considering that beer consumption in the country is too low. "The per capita consumption of beer in Ethiopia stands at 10 liters, which is low compared with Kenya, whose population is two times lower than Ethiopia and has a per capita beer consumption of 12 liters. Some believe although per capita beer consumption in Ethiopia is small by regional standards, the degree of urbanization and soaring disposable income will hike up the demand in the coming years. Recent investment seen in the brewery market indicates that there is a growing demand in the market, says Tewolde Asfaw, CEO of Raya Brewery. "The growth in population and income helps the industry to revive. Market differentiation with the introduction of new brands to the country will further help the industry to boom in the coming years."

In this regard, a research should be carried out for these growing and highly competitive market environment to evaluate the customer satisfaction level of Habesha beer s.co. Need to assess the marketing mix elements; product, price, promotion and place/distribution. For the past years, a few researches have done in relating with customer satisfaction on Brewery company's and most of them are how pricing in hence the company's profitability. "The Assessment of marketing mix in increasing Customer Satisfaction by Zelalem June, 2011 concludes that customers are satisfied with the quality of the products and the distribution (place) systems of the factory yet they are not satisfied with the price and that of the promotional practices of the factory." And also "the assessment of the marketing mix strategy, by Hassen 2014 concludes that "when price of the product is reduced, the company should consider its impact on the consumers' perception on quality".Chalachew (2010) also attempted to assess the problems associated with the marketing strategy practices and its influence on sales performance of St. George Brewery. Eden (2017) tried to assess marketing strategies practices in the case of St. George brewery using descriptive statistics. On similar finding, Hassen (2014), tried to assess marketing mix strategy in the case of Dashen Brewery Company. These studies

have the following limitations. The former, confined with marketing strategy effect on sales performance. The later findings, shade a light on the assessment of marketing strategies practice in the case brewery company.

A lot of research empirical evidence indicated that marketing strategy, can affect customer satisfaction in different industries. This study would like to identify the range of effect of marketing mix on customer satisfaction currently in Habesha beer their provide their product in different price, product type feature, distribution and promotional strategy There for, this research attempt to examine how marketing mix strategy affect customer satisfaction in Habesha Brewery share company.

1.3. Research Question

The study assessed and tried to answer the following research question

- How product quality and customer satisfaction?
- What is the effect of promotions on customer satisfaction?
- Does product distribution affect customer satisfaction?
- To what extent price of product affect customer satisfaction?

1.4. Objective of the Study

1.4.1. General objective

The main objective of this research is to assess marketing mix on customer satisfaction.

1.4.2. Specific objectives

To achieve the aforementioned ultimate objective, the following objectives are set:

- To examine the product quality and customer satisfaction
- To analyse the effect of promotion customer satisfaction
- To examine the impact of product distribution on customer satisfaction
- To assess the price of company's product and customer satisfaction

1.5. Scope of the Study

The scope of this study is to identify and evaluation of the marketing mix elements impact on customer satisfaction of Habesha beer the study focus on an investigation of the impact of marketing mix elements (product, place, price, promotion) on customer in Addis Ababa and attempts to evaluate customer satisfaction.

1.6. Significance of the Study

This research assessed the impact of marketing mix influencing customer satisfaction. So it will provide important information to Habesha beer factory can able to know the impact of marketing mix on their customer satisfaction level to compliance their needs and wants. Furthermore, it is expected to be significant for various bodies that may benefits from the findings. Finally, the study might also serve as springboard for further research.

1.7. Organization of the Study

This research study is organized in five chapters. The first chapter deals with the introduction part which constitutes back ground of the study, research problems, objectives (General and specific) and significance, definition of key terms and organization of the study. The second chapter discusses the review of related literatures of the research theme. The third chapter focuses on research methodology. The fourth chapter is allotted to data presentation, analysis and interpretation. Finally the fifth chapter covers the summary, conclusion and recommendations of the study

CHAPTER TWO

LITERATURE REVIEW

2.1. Theoretical Review of Literature

2.1.1. Definition of Key Terms

Marketing: Is a tool that can be used by firms to set appropriate strategies to get the responses from their target markets (Goi, 2009). It is also the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value to each other.

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

Price: It is probably the single most important decision in marketing and it is the mechanism which ensures that the two forces (demand and supply) are in equilibrium.

Promotion: It is a marketing activity that disseminates information about a product, products line, brand, or the company.

Place (Distribution): It is the set of firms and individuals that take title or assist in transferring title to a good or service as it moves from the producer to the consumer.

Customer Satisfaction: It is defined as a result of a cognitive and effective evaluation, where some comparison started is compared to the actually perceived performance

2.1.2. Definitions and Concepts of Marketing-Mix

The starting point for the discipline of marketing lies in human needs of wants. All human beings have a need to satisfy human needs are states of felt deprivation. Therefore, human beings try to satisfy these needs by exchanging goods and services with other interested parties. Thus, the concept of exchange leads to the concept of a market. Kotler P and Armstrong G, (2010) defined a market as: “A public gathering consisting of all the potential customers sharing in exchange to satisfy that needs or wants”. From the above definition we can interpret that marketing is the exchange between the customer and the marketer and each party gives something of value to the other, with the goal of satisfying their respective needs and wants, and then in the process both parties gain as much as possible. While customers have a major influence on marketing decisions, companies are devoting more attention than ever before to customers’ wants and needs (Anderson and Vince, 2004). Hence, marketing efforts are more focused on attracting, retaining and developing relationship with their present and potential customers. Therefore, it is necessary to know precisely who the customers are, why they buy, and what it takes to satisfy them.

Marketers have four tools to use to develop an offering to meet the needs of their targeted customers. Collectively they are called as the marketing-mix (Product, Price, Placement, Promotion, process, people and physical evidence). The basic idea is first the product of the factory produced, then setting the affordable price, and then promoting that product on the basis of customer’s media habit and people under consideration with the right process and proper physical evidence then finally distribute the product to the targeted customers. According to McGraw, (2004) the marketing mix is the tools organizations use to develop offerings to satisfy their target market(s). If your marketing mix doesn’t meet their needs, they won’t be satisfied-and if they aren’t satisfied, you are unlikely to meet your objectives .Thus, the more the marketer is effective in combining the four elements of the marketing mix, the more the

Customers are satisfied and stay loyal, and as a result, the more the profitable sales of the product should result. The seven elements of the marketing mix are discussed as follows.

2.1.2.1. Product

These are the goods and services that a company offers to the target market. Product is the main thing that the marketing energy must focus. (Borden, 1964)Hutchison (2009) defined products as goods or services designed to satisfy the customer's need. He continued by stating that the product in marketing refers to all activities relating to the product development, keeping in mind that there is a market for the product, it has to be appealing; it differentiates from other products existing in the market, and it can be produced at an affordable competitive price.

2.1.2.1.1. Product Quality

Product quality is the overall characteristics of a product that allow it to perform as expected in satisfying customer needs (Jean F, 2004). Level of quality is the amount of quality possessed by a product and consistency of quality is the degree to which a product is the same level of quality overtime. It can also be compared across competing products. Therefore, simply we can say that quality is the satisfaction for customers and it is an investment for owners. Poor product quality can destroy the reputation of your company's products, but in most cases has an even more serious impact-when people see a company put out poor quality products, they strongly associate those poor quality products as coming from a poor quality company. A company that attains good reputation for the quality of its products and able to build the confidence of its customers and attracts them not only earns personal satisfaction and benefit but also contributes to the country's economic development" (Quality and Standards Authority of Ethiopia,Dec,2003 Vol.4.No 5,pp-29).

2.1.2.1.2. Branding, Packaging and Labeling

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

Branding

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

Packaging

Packaging is the activity of designing and producing the container or wrapper for a product (McDonald, 2004:90). Since in recent times, packaging has become a potential marketing tool, a company needs to design the package for the safety of the product, to make the product identifiable, and to make it more appealing so as to increase profit.

Labeling

A label is a tag or sticker attached to a container or package that provides information about the seller or the manufacture (McDonald, 2004: 203-204). Labeling performs several functions it identifies the product or brand and might also grade the product. It also convey such information as who made it, where it was made, when it was made, what it contains, how is it to be used, and how to use it safety . But one thing what we have to know is that misleading information is illegal action. Therefore, careful labeling should be necessary for the factory.

2.1.2.2. Price

Is the amount of money charged for a product or service or the total values that consumers exchange for the benefits of having or using the product or service. (Ayadet.el, 2012) As mentioned earlier price is the second marketing mix element and probably the single most important decision in marketing is that of price. Price could be considered an attribute that must be scarified to obtain certain kinds of products or services (Kushwaha et al., 2015). Price is the most sensitive element of marketing mix and it entails of money that customers pay for delivered products. Pricing a product is the only element in marketing mix that creates income whereas the other elements are costly (Haghighi, 2009). This is

partly because price may have an impact on sales volumes According to Jean F, (2004) if the price is too high, and the market is competitive, sales may be correspondingly reduced.

Indeed, many economists would see price as the main determinants of sales volume. “On the other hand, many of the most sophisticated marketers have found ways to reduce the impact of price (Kurtz and Boone, 2007:87).

2.1.2.2.1. Pricing objectives, strategy and methods

Many pricing objectives are available for careful consideration. The one we select will guide us choice of pricing strategy. You will need to have a firm understanding of product attributes and the market to decide which pricing objectives to employ. The choice of an objective does not tie you to it for all time. As business and market conditions changing, adjusting pricing objective may be necessary or appropriate. The most important elements of an effective market strategy are the ability to maximize and protect the price of the product. Since price is the final measure of customer value and competitive advantage.

2.1.2.2.2. Methods for pricing a product

A. Cost based pricing

To calculate products cost you need to include the cost of production, promotion and distribution. Add the profit level you want from the business to the product cost subtotal to determine your product price. The amount of profit you add to the product cost subtotal can be set according to three different methods (a profit percentage with product cost, add a percentage to an unknown product cost and blend of total profit and product costs). Each of the three costs based pricing methods described begin with a product cost subtotal (Kotler, 1996 pp, 96). There for, the company designs what it considers being a good product, totals the cost of making the product, and sets a price that covers costs plus a target profit.

B. Competition based pricing

Consumers will base their judgments of a products value on the prices that competitors charge for similar products (Kotler, 1996: pp 99). The big advantage of competition based

pricing is that you are focused on your industry and therefore your competition. An industry focus looks closely at the types of existing and emerging competition. Once you know what your competitors are doing, you can better decide how you will manage your business.

C. Customer based pricing

Most business owners want to know “at what price do my customers think my product offers good value?” knowing your customers ensures you take a market focus with your business. You need to find out how your customer feels about various product prices and what they would do if the price changed. Customers change their buying habits according to product price. As a seller you need to find out how your target customers view your product and customer attitudes towards various prices or a price change (Kotler, 1996 pp 105). As a result, pricing begins with analyzing consumer needs and value perceptions, and price is set to match consumers’ perceived value.

2.1.2.2.3. Discount and Allowance pricing

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

A. Trade Discount

Members of supplier’s distribution chain (for example retailers and wholesalers) will demand and payment for their services (Kotler and Armstrong, 2010, .pp. 2930).

B. Quantity Discount

These who offer to buy larger quantities of the product or service are frequently given incentives). Sellers use the quantity discount to encourage buyers to buy more. This in turn can help the seller to reduce their own production costs, which can help reduce price for the buyers (Kotler and Armstrong, 2010, .pp. 31).

C. Cash Discount

Where credit is offered, it is sometimes decided to offer an incentive for cash payment or for prompt payment (Kotler and Armstrong, 2010, .pp. 32-33).

D. Seasonal Discount

Suppliers to markets which are highly seasonal (such as holiday market) will often price their product or service to match the day and with the highest prices at peak demand (Kotler and Armstrong, 2010, .pp. 35-36).

E. Trade Allowances

In the durable goods market suppliers often attempt to persuade consumers to buy a new pieces of equipment by offering allowance against trade-in of their old one (Kotler and Armstrong, 2010, .pp. 40-41). Generally speaking, these are simply hidden discounts targeted at a group of existing competitive users.

F. During Holiday seasons

Simply the holidays is an annual festive period that surrounds Christmas and various other holidays (Kotler and Armstrong, 2010, .pp. 45-46).

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

2.1.2.3. Promotion

These are all types of communications a marketer may use to give information to different people about the product (Borden 1964). All the promotion activities are designed to communicate with the market and thus promotes the sale of the products. Promotion provides information that will assist customers in making a decision to purchase a product. This includes: advertising. Public relations, personal selling and sales promotion. These

are important tools that support positioning within the various market a company wishes to address (McDonald, 2013). It is also seen as informing, motivating the customers and reminding the consumers to purchase the product (Hutchison, 2009). Promotion is an essential tool for solving organizational problems like enhancing market position or persuading customers to behave in line with the economic interest of the business (McDonald, 2013).

2.1.2.3.1. The Promotional Mix

Promotions encompasses the five forms of promotional mix-advertising, personal selling, sales promotion, publicity and public relations, which are available to marketing managers who are trying to influence the behavior and attitudes of existing and potential customers towards the marketer's company product and brands. These elements, in addition to attracting a new customer, can also be used to maintain customers and satisfy them on the purchase decision that they have made (Palmer, 2000:414). The above-mentioned forms of promotion are

Interdependent. This means the success of the promotion is dependent up on the success of each form of promotion. Advertising will not succeed unless good personnel selling and sales promotion support it. Marketers must work hard to communicate openly and honestly with consumers and resellers. Consumers base their expectations on information they receive from marketers, friends and any other sources. If the marketer exaggerates the product performance through its promotional tools, consumer expectations will not be met, and dissatisfaction will result. This suggests that marketers should make product claims that faithfully represent the product's performance so that buyers are satisfied. Finally, promotion goes beyond aforementioned promotional tools. The product design, its price, the shape, color of its package and the stores that sell it. Thus, although the promotion mix is the company's primary communication activity, the entire marketing mix-promotion and product, price, and place must be coordinated for greatest impact (Harker, 2009:pp.36).

2.1.2.3.2. Types of Promotional tools

Communication is essential nowadays; we communicate with friends, relatives, family, colleagues etc. The media communication is very important in our society. Through

media, we can be influenced. Media can make a person drink a certain juice or alcohol or go to a certain store. Commercials and constant attention and interest in something in particular, in the end, make others follow it or try it (McGraw, 2004). Some of a few types of media communication as depicted below:

Televisions

Television news usually tells fewer stories in few worlds. And the producer decides which stories to include in news casts, how long they should be and in what order they appeal.

Radio

Radio stations can be great for reaching a wide audience their news departments usually covers news with the smallest staffs, in the shortest time for each story, and with the most frequent deadlines.

Magazine and other publication

Are a way to read a very specific audience with a story? These publications are typically organized around an interest group such as business, health care or higher education.

Newspaper

It is the most simple and cheap way to find out latest news.

Websites

The company in the current globalized world needs to reach out the internet technology friendly customers through web, designed to promote it.

To support the above idea, communication through the media indicates the public and the information we gather and sent to the public. The mass media can influence an entire nation very easily. Therefore, the company using these media should care in transferring their products.

2.1.2.4. Place (Channel of Distribution)

Also known as distribution. This is to how the product finally reaches the consumer (Borden, 1964). The distribution channels. Providing of products at a place where is

convenient for customers to access. This is how to deliver and distribute the product to the customer (Hutchison, 2009) From a consumer point of view, the channel through which they purchase products provide the most direct relationship with the supplier (McDonald, 2013). So the development of a strategy for the channel is important for the relationship an organization has with its customer. Many distribution systems are made up of channel intermediaries such as wholesalers and retailers (Hutchi 2010)

2.1.2.4.1. Channel of distribution

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

Merchant middlemen

Include merchant wholesalers and retailers who take title to and resell the goods.

Agent middlemen

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

The longest most indirect channel includes producer, one or more wholesalers or agents, retailers and consumers. This channel is the most appropriate when the producer's objective is to achieve maximum market penetration with intensive distribution.

The shortest channel, from producer to consumers, offers the most direct and quickest distribution route because no intermediaries are involved. It is easiest to manage and control (Anderson and Vince, 2000:280-282).

2.1.2.4.2. Selecting Channel of Distribution

Some basic criteria must be established for selecting each channel intermediary. According to Engle (2009:190), four factors dominate the criteria including a channel

member in to the company's distribution structure: Market Coverage-channel intermediaries should be selected for their ability to achieve the company's distribution objective of reaching the greatest number of potential customers with the fewest transaction. Degree of control desired- there is a potential loss of control when channel intermediaries are used. Thus, the marketer must make decisions concerning the degree of control desired over the marketing of the firm's products.

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

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

2.1.2.4.3. Physical Distribution

Physical distribution involves planning, implementing, and controlling the physical flows of materials and final goods from points of origin to points of use to meet customer needs at a profit (Engle, 2009: pp. 196). The starting point for designing the physical distribution system is to study what customers want and what competitors are offering. There are a number of decisions that should be undertaken by the marketing executives of an organizations concerning physical distribution that affect customer satisfaction. They are described by Palmer (2000) as follows:

Order Processing

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

Ware Housing

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

Inventory

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

Transportation

Marketers need to take an interest in their company's transportation decisions. The choice of transportation carrier will affect the pricing of the products, on-time delivery performance and the conditions of the goods when they arrive all of which affect customer satisfaction (Palmer, 2000: pp 405-410).

2.1.3. Definitions of Customer Satisfaction

The concept of customer satisfaction has drawn the attention of practitioners and academics from last several years based on the fact that customers are the primary source of Profit for most of the firms operating in the market (Tam, 2004). Customer satisfaction facilitates the measure of how service and products provided by company meet customer expectation. It is a key performance indicator in business terms. Typically, service firms monitor and examine the satisfaction level of customers on an ongoing base by using different scales like Liker, to measure the level of customer satisfaction which is mainly based on service encounter experienced on their last visit (Peterson and Wilson, 1992). Quality and customer satisfaction both have long been recognized as crucial role for success and survival in today's competitive market. Considerable evidence exist in literature that supports relationship between company's performance and level of

satisfaction reported by customers (Anderson et al., 1994; Bolton, 1998). Therefore, it is argued that customer satisfaction should be considered the ultimate goal for all firms (Morgan et al., 2005; Mittal et al., 1999).

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

Customer satisfaction measures how well a company's products or services meet or exceed customer expectations. These expectations often reflect many aspects of the company's business activities including the actual product, service, company, and how the company operates in the global environment. Customer satisfaction measures are an overall psychological evaluation that is based on the customer's lifetime of product and service experience. Customer satisfaction differs depending on the situation and the product or service. A customer may be satisfied with a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute or any of these (Kurtz and Boone: pp. 176). To add some basic ideas from the above concept, customers are satisfied when their expectation is met and delighted when their expectation is exceeded. Satisfied customers remain loyal longer, buy more, are less sensitive and talk favorably about company. To be known, customer satisfaction has to be measured and there are several established ways of doing this. Therefore, the company should care about their customer's satisfaction, because if you do not truly care about your customer's you are not a good marketer.

The following are some famous definition of customer satisfaction.

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

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

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

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

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

2.2. Empirical Review of Literature

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

Sukati, Chin, Satit& Tat (2012) have conducted a study on “The relationship between marketing mix and customer decision making over travel agents” .The aim of this study is to investigate the relationship between the 4Ps, namely price, promotion, place and product, and customer decision making over travel agents in Palembang, Indonesia. Travel agents have seriously considered for these 4Ps activities to ensure that they allocate their resources effectively and efficiently. A total of 215 respondents were selected from

customers of three travel agents in Palembang, Indonesia. The data collected was analyzed using three statistical methods, that is, mean analysis, Pearson correlation and regression analysis. Based on multiple regression analysis, the findings revealed that among the 4Ps tested, that is, price, promotion, place and product, only price and product stood out as the most important marketing mix to affect customers' decision making over travel agents. Both price and product emerged as two of the strongest predictors. In terms of product, the perception of high product quality and high customer satisfaction will directly lead to high levels of purchase intention and repeat buying thus resulting in increased sales volume. When customers see that travel agents have a complete package of products, they will be more interested to buy from that particular travel agent. Product attributes such as product quality, complete and accurate information, capability to give suggestions and assistance, superior service, and so on may influence customer decision making over travel agent. On the other hand, travel agents must also remember to offer a reasonably prized tour package in order to gain the trust and satisfaction of their customers. This is extremely important because price reflects customers' perception of the value of products or services and all other marketing decisions are closely related with the price decision. In this respect, travel agents can retain existing customers by offering an attractive and competitive price, giving special discounts for a certain market that include business markets or customer markets resulting in increased sales.

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

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

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

Owomoyela, Olasunkanmi&Oyeniya (2013) conducted a study on “The impact of marketing mix elements on consumer loyalty: An empirical study on Nigerian breweries Plc”. The research paper investigated the effect of marketing mix elements on consumer loyalty with special reference to Nigerian breweries Plc. The survey method was used in this study. Data was collected from sixty (60) respondents, six managers and ten sales representatives of Nigerian breweries Plc, ten distributors and thirty four consumers from different joints in Ibadan were selected respectively. Correlation coefficient and multiple regression analysis were used to analyze the data. The result indicated that marketing mix elements (price, product, place and promotion) were jointly predictors of consumer loyalty. The predictor variables jointly explained 64% of the variance of consumer loyalty, while the remaining 36% could be due to the effect of extraneous variables. This implies that marketing mix elements have significant effect on consumer loyalty/ retention. McCarthy (1964) also noted that marketing mix is the pillar of any business organization, which means every element of marketing mix plays an important role in influencing consumer loyalty.

NorsyaheeraAbd Wahab1 and LailatulFaizah Abu Hassan (2005) also studied the influence of marketing mix and customer satisfaction on customer loyalty among hijab consumers. This study aimed to investigate the relationship between marketing mix and

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

The study impact of internal marketing on customer loyalty (Case study: Iran Insurance Company - Kermanshah province) is also carried out by FarhadRahmati, *et.al*, (2013). The results of this study showed that internal marketing through the marketing mix and customer satisfaction has influenced the customer loyalty. Also, the results showed that employees and organizations must consider the process of overall marketing strategies with regard to competitive conditions in order to attain customer loyalty and satisfaction.

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

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

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

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

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

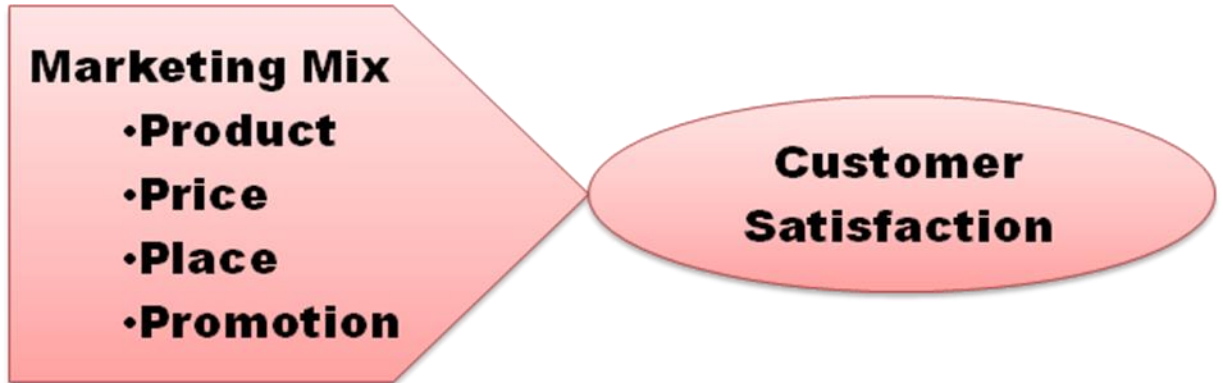
Mezgebu (2015), attempted to test the impact of customer relation marketing on customer satisfaction; the case of commercial bank of Ethiopia. And the research finding indicate that there is a significant relation between relationship between marketing components including trust, commitment ,communication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

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

2.3. Conceptual Frame work

In accordance with the research question, the conceptual framework was developed by the researcher to guide this study.

Figure 1: Conceptual framework



(Source: Adopted from Kotler and Armstrong and developed by researchers)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Description of the Study Area

Habesha Breweries Share Company is one of the leading Ethiopian brewing companies. Started distribution on July 11,2015,20 days after commencing production, with a limited market in Debre Birhan, Addis Ababa and Adama. The company is located in Debre Birhan town, 120km north of Addis Ababa, where it started construction in September 2013 on a 7.5ha plot of land.

3.2. Research Design

In order to achieve the objectives of the study, the researcher was undertaken descriptive research and use quantitative approach. To address the assessment of marketing mix that are currently practiced in Habesha Berwary factory

3.3. Data Types, Sources and Method of Collections

. Both primary and secondary source of data were employed in the study. Primary data is collected by the structured close ended questionnaire. The questionnaire is developed in five point Liker scales ranging from five to one; where 5 represents strongly agree and 1 strongly disagree. The secondary data gathered from publications including books, researches, journals and various materials that had relevance to this study. The study is a

descriptive type of research, it set out to assess the marketing mix elements of Habesha brewery. According to Pilot and Hurgle (1995), descriptive survey aims predominantly at observing, describing and documenting aspects of a situation as it naturally occurs rather than explaining them. Gay (1992) opined that, descriptive design describes and provides understanding of phenomenon usually with simple descriptive statistics. Gay (1992) further explained that the descriptive survey method is useful for investigating a variety of social problems including assessment of attitudes, opinions, demographic information, conditions and procedures; and that descriptive data are usually collected through questionnaire, interview or observation.

3.4. Population of the study

Population is defined as the complete set of units of analysis that are under investigation (Davis 2000). Proctor (2003) defines populations as the total group to be studied. Therefore, the target population for this study customer of Habesha beer, found at different hotels, bares, restaurant and groceries found in Kolfe and Lideta sub cities.

3.5. Sample size Determination

As the number of consumers is infinite and is difficult to prepare source list, the researcher used survey from infinite population. In this case, the researcher was generates samples from the total population using sample size formula, which is presented in (Bill Godden, January 2004.)

Sample Size – for Infinite Population (where the population is greater than 50,000)

$$SS = \frac{Z^2 \times p \times (1 - p)}{C^2}$$

Whereas,

SS = Sample Size

Z = Z-value (e.g., 1.96 for a 95 percent confidence level)

P = Percentage of population picking a choice, expressed as decimal (0.5 standard deviation)

C = Confidence interval, expressed as decimal (e.g., .05 = +/- 5 percentage points)

A Z-value (Cumulative Normal Probability Table) represents the probability that a sample will fall within a certain distribution.

The Z-values for confidence levels is 1.96 = 95 percent confidence level

:

$$S_s = \frac{(1.96)^2 * 0.5 * 0.5}{(0.05)^2} = \frac{0.9604}{0.0025}$$

$$\text{Sample size} = 384.16 \cong 384$$

3.6. Sampling Technique

Based on the literature, there are two main sampling methods, probability and nonprobability sampling (Zikmund, 2000). For this purpose the researcher was used both probability (simple random sampling) and non-probability (convenience) sampling approach was applied in contacting target units (respondents) of the study. The study used simple random sampling to select kolfe and Lideta sub cities.

The method used to distribute questionnaires to the respondents and in terms of selecting respondent using convenience sampling method.

3.7. Method of data analysis

The study is carried out mainly quantitative analysis with the statistical package for social sciences (SPSS). As a part of inferential analysis the study is planned to undertake mean, standard deviation, correlation and regression analysis to identify the influence of the predictor variables: product strategy, promotion strategy, distribution strategy and price strategy on the outcome variable customer satisfaction. Regression analysis allows the researcher to establish relationship between the independent and dependent variables, rather than purely using personal judgment

3.8. Validity and Reliability

3.8.1. Validity

Validity can be assessed using theoretical or empirical approaches. Theoretical assessment of validity focuses on how well the idea of a theoretical construct is translated into or represented in an operational measure (Bhattacharjee, 2012). The questionnaires were first assessed by the advisor of the research and a pilot survey was conducted first before distributing the questionnaires.

3.8.2. Reliability

Reliability refers to the absence of random error, enabling subsequent researchers to arrive at the same insight if they conducted the study along the same steps again (Yin, R.K. (2003). Whether or not the indicators that make up the scale or index are consistent, internal reliability was tested.

Cronbach's alpha is the most commonly used measure of internal reliability (Bryman and Bell, 2007). Therefore, Cronbach's alpha was used to assess the internal consistency of variables with the acceptable value of 0.70.

Table 1 Reliability Statistics

Variables	No. of Items	Cronbach's alpha result
Product	9	0.878
Promotion	6	0.879
Distribution	4	0.754
Price	5	0.706
customer overall satisfaction	4	0.898

3.9. Ethical Consideration

While conducting the study, ethical issues were primarily considered. Before conducting the data collection, all the necessary information about the study was provided to the sample respondents, i.e. who is conducting the study, for what purpose, and the like. This has helped them to decide whether or not to participate in this study. They also have notified that their participation in the study is voluntary; they are not harmed as a result of their

participation or non-participation in the study. They also aware that anonymity and confidentiality of their response are guaranteed.

CHAPTER FOUR

ANALYSIS AND INTERPRETATIONS DATA

This section of the research illustrates the data analysis and interpretation with two major constituents of the data collected that is the demographic characteristics of the respondents and their response towards the four marketing-mix elements with respect to their satisfaction. A total of 384 questionnaires were distributed to the respondents of Habesha beer customers using no probability (convenience sampling) techniques. This sampling technique was selected because it enables the researcher to draw representative data by selecting samples from the population who are conveniently available and volunteering to participate in study. Also, the researcher used this technique in order to gather the data quickly. Even though there are some risks in adopting a convenience selection such as representativeness which question the credibility of the findings. In order to have a representative sample, the researcher is disseminated the administrated questionnaire to sampled respondents with different backgrounds in terms of gender, age category, education background, occupation and income. Out of these, 379 usable questionnaires were collected. This response rate is quite large to confidently run the analysis. Accordingly, the analysis of this study is based on the responses obtained from these respondents.

4.1. Demographic Characteristics of the Respondents

Demographic characteristics of the respondents including: gender, age, occupation, monthly income and educational level and frequency of beer consumption and response towards all other variables are analyzed and interpreted based on the data collected from the respondents of the study area about beer selection decision based marketing-mix elements. Moreover, summarized results of the response towards the items included in the questionnaire as well as descriptive statistics were described, analyzed and synthesized in tables, percentage and charts are presented. Inferential statistics based on

Correlation, regression and factor analysis is also conducted with the help of Statistical Package for Social Science (SPSS) Version 20.

Table 2. Demographic Information of Respondents

characteristics of respondents	Categories	frequency	percent
Gender	Male	297	78.4
	Female	82	21.6
	Total	379	100.0
Age	18-25	59	15.6
	26-35	112	29.6
	36-45	121	31.9
	above 45	87	23.0
	Total	379	100.0
Occupation	government employee	171	45.1
	non government employee	83	21.9
	private business owners	110	29.0
	other specify	15	4.0
	Total	379	100.0
monthly income	below 1000	13	3.4
	1001-3000	63	16.6
	3001-5000	143	37.7
	above 5000	160	42.2
	Total	379	100.0
educational level	1-12 complete	37	9.8
	Certificate	47	12.4
	Diploma	102	26.9
	BA/BSC	150	39.6
	MA/MSC/MBA	43	11.3
	PHD	0	0

	Others	0	0
	Total	379	100.0

Source: analyzed output data, 2020

From the data presented in table 4.1, the majorities (78.4%) of the respondents were male and the remaining (21.6%) of the respondents were female. This specified that out of 379 respondent's 297 of them were male and the remaining 82 were female. This result reveals that the majority of the customers of Habesha beer were male. Therefore, the company should go to work extra miles to attract female customers through different strategies.

Likewise as explained in the above table, the majorities (31.9%) of the respondents were at the age group of 36-45years old followed by age group of 26-35years accounted for 29.6%. The remaining 23.0% accounted from age group above 45, from the age group of 18-25 low rates which is 15.6% this clearly indicates that the majority of respondents are adult age which is sensitive to product quality, price, promotion and distribution/place. Therefore, the company is expected work hard to maintain those customers at productive age.

According to the table majority of the respondents were government employee covered 171 (45.1%), 110 respondents who covered (29.0%) of the respondents were private business owner, 83(21.9%) were non-government employee.

The study covered the upper and lower income of level. When we see the income level category of customers of Habesha beer 42.2% and 37.7% of the total respondents earn above 5000 birr and 3000-5000 birr/month respectively , 16.6% of total respondents earn 1000-3000 birr per month and the remaining 3.4% of total respondents earn below 1000 birr/month. This indicates that the analysis comprising different income section of population. Therefore the company should consider the income of its customers during the time of formulating its pricing strategy.

Moreover, regarding the educational level of respondents were 9.8% of them were 1-12 completed. 12.4% were certificate, 26.9% of the respondents diploma completed, 39.6% respondent were obtained their bachelors Degree and the remaining 11.3% of the

respondents were obtained master degree. This shows that majority of people who drink the product of Habesha beer to deliver and communicate with its customers easily.

4.2. Descriptive statistics

This section the descriptive analysis deals with analyzing those marketing mix which are influential to the respondents beer selection decision. Here, customers were asked to separately evaluate each marketing mix elements and overall satisfaction, according to the gap between their perception and expectations, using five point likert scale: **strongly disagree, disagree, neutral, agree, and strongly agree.**

Table 1 Measuring customer satisfaction towards product attributes

PRODUCT	N	MEAN	SD
I think that product quality of Habesha beer is better than other beers brand	379	3.33	1.182
I think that the taste of Habesha beer is better than other beer brand	379	3.32	1.108
I feel that Habesha beer product seems to have adequate ingredient	379	3.61	0.879
I think that there is a consistencies the quality of Habesha beer	379	3.49	0.96
I think that the packaging of Habesha beer is attractive aesthetics and easy to use	379	3.75	0.961
I remind Habesha beer at first when I went to drink beer	379	3.17	1.092
I think that Habesha beer is making change in design and bring new products	379	3.12	1.02
I think that Habesha beer is adding unique feature in the existing product	379	3.06	1.09

I think that Habesha beer respond to change in customer perception and needs	379	3.42	0.982
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Source: analyzed output data, 2020

From the above product table 3, the respondents were asked nine questions to measure the level of their satisfaction towards the company product. The questionnaires were designed to collect the respondent's attitude towards how the company products fulfilled their needs, wants and desire. Let us see in detail in the following manner.

As one of the marketing strategy, respondents were asked questions with product strategy dimension issues. As can be inferred from the above table there is a fairly high agreement for items of Habesha beer is attractive and packaging aesthetics and easy to use Habesha beer product seems to have adequate ingredient be the major factors which affect the satisfaction of its customers. But there is a lower mean score of adding unique feature in the existing product and making change in design and bring new product. The results indicate the product element enabled the company to meet customers' needs above average.

Table 3 Measuring customer satisfaction towards promotion attributes

	N	MEAN	SD
I observed that Habesha beer participates in community development and public affairs	379	3.43	0.927
Habesha beer promotion activates are frequently updated	379	3.68	0.969
My decision to consume Habesha beer is influenced by advertisement	379	3.09	1.195
Promotion by use sales person retailers and distributors keep me informed about Habesha beer	379	2.8	1.135
Promotion by advertisement (media) is more effective than personal effort (sales person retailer and distributors) informing about Habesha beer	379	2.91	1.205

The promotion activity of Habesha beer is ethical	379	3.98	0.948
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Source: analyzed output data, 2020

The respondents were asked six questions to measure the level of their satisfaction towards the company's promotion. The questionnaires were design to collect the respondent's attitude towards how the company promotes its product to fulfill their needs, wants and desire. Obviously, promotion is one of the backbones of any business because it generates the required awareness about the products or service among customers. A good promotional strategy should correlate well with the long-term marketing plans and goals of the business. The mean values from the research finding in the above table also explained that the respondents perception on promotional strategy dimensions and they rate of those questions as; perception in community development (Mean= 3.98, SD=0.948), Habesha beer is influenced by advertisement. (M=3.43, SD=0.927), have high score value to influence customer satisfaction .Generally, the promotional strategy dimension indicate above table somehow powerful to create the required awareness to target customers. The results show that the company promotional strategies play a vital role in the creation of awareness and influence the company profitability positively.

Table 4 Measuring customer satisfaction towards distribution/place attributes

	N	Mean	Std. Deviation
I believe that the availability of Habesha beer is high when compared with other beers brand	379	3.64	.881
The store is located at the convention place for shopping	378	3.26	.912
Transportation for travelling the goods is easily available	379	3.17	1.206

The store is big enough to carry well stock of diverse products	379	3.28	.843
Valid N (list wise)	378		

Source: analyzed output data, 2020

As depicted in the table 5, the availability of Habesha beer was registered the highest score (Men=3.64, SD=0.881) and the store is located at convention place of shopping of Habesha beer had got the least mean score value of 3.26 and standard deviation of 0.912. Therefore, high score value implied that these factors are paramount important in affecting customer satisfaction. The results show that place/ distribution strategy averagely effectively.

Table 6 Measuring customer satisfaction towards price attributes

	N	Mean	Std. Deviation
Habesha beer product is reasonable	379	3.39	1.086
Compare the price of Habesha beer with other beers	379	3.44	1.030
I realize that the price of Habesha beer is lower than other than other beer brand	379	2.58	1.106
Habesha beer sold at the same price with other brand beer	379	3.29	1.059
Habesha beer officers seasonal discounts and incentive	379	2.66	.1.073
Valid N (list wise)	379		

Source: analyzed output data, 2020

From table 6 above the respondents were asked five questions to measure the level of their satisfaction towards the company product pricing. In the table 4 the mean value of 3.39 is reasonable, compare the price of Habesha beer with other beer mean 3.44, the

mean value of 2.58 Habesha beer is lower than other beer brand, Habesha beer sold at the same price with other beer mean 3.29, the mean value 2.66 Habesha beer offers seasonal discount and incentive. From, the results the pricing strategy considers the competitors before deciding the selling price of the company products, this would enable the customers to purchase the products of the company as the cost comparative with the competitors.

4.3. Correlation Analysis

A correlation refers to a quantifiable relationship between two variables, and the statistics that provides an index of the relationship is called a correlation coefficient which is a measure of the relationship between two interval or ratio variables. It is very useful means to summarize the relationship two variables with a single number that falls between -1 and +1 (Field, 2005). As per the guideline suggested by (Field 2005), the strength of relationship between the two variables. Hence, in this study correlation analysis was used to examine the relationship between marketing mix elements and customer satisfaction. Accordingly, the relationship between variables in indicated in the below table.

Table 7 Pearson Correlation Matrix

		Product	Promotio n	Distribution	Price	satisfaction
Product	Pearson Correlation Sig. (2-tailed) N	1 379				
Promotion	Pearson Correlation Sig. (2-tailed) N	.679** .000 379	1 379			
Distributio n	Pearson Correlation Sig. (2-tailed) N	.578** .000 378	.638** .000 378	1 378		

Price	Pearson	.428**	.463**	.595**	1	
	Correlation	.000	.000	.000	379	
	Sig. (2-tailed)	379	379	378		
	N					
Customer satisfaction	Pearson	.713**	.608**	.615**	.519**	1
	Correlation	.000	.000	.000	.000	379
	Sig. (2-tailed)	379	379	378	379	
	N					

Significant at the 0.01 level (2-tailed).

Source: own computation from primary data source, 2020

Bivariate Correlation indicates that whether the relationship between two variables is linear (as one variable increases, the other also increases or as one variable increases, the other variable decreases). Accordingly, as indicated in the above table, the correlation matrix, all of the independent variables (marketing mix elements) were positively and strongly correlated with the dependent variable (customer satisfaction). As the above table, the coefficient show that all independent variables were positively related with dependent variable (customer satisfaction) within the range of 0.205-0.860, were all are significant at $p < 0.01$ level. The independent variables product and distribution shows highest and strong positive relation (0.713 and 0.615 respectively). While one independent variables called promotion show a moderate level of positive relation (i.e. 0.608) with customer satisfaction. Among all variables only price indicates low but positive relation with customer satisfaction (i.e. 0.519). And the Table also shows that the correlation of the independent variables within themselves. It can be noted that all variables are positively correlated with each other where the strongest correlation goes between product and promotion at 0.679 and promotion and distribution 0.638, while the moderate correlation goes between distribution and price with the value of 0.592 and price and place or distribution with the value of 0.578. But the correlation is low between promotion and price with the value of .463 and product and price with the value of 0.428.

Generally, the above correlation matrix shows that all independent variables were positively and strongly correlated with the dependent variable.

Sig (2-Tailed) value: - This value tells that whether there is a statistically significant correlation between two variables or not. If the Sig (2-Tailed) value is greater than .05, the researcher can conclude that there is no statistically significant correlation between two variables. That means, increases or decreases in one variable do not significantly relate to increases or decreases in the second variable. If the Sig (2-Tailed) value is less than or equal to .05, the researcher can conclude that there are a statistically significant correlation between two variables. That means, increases or decreases in one variable do significantly relate to increases or decreases in the second variable (Pedhazur, 1982).

Hence, as indicated in the above correlation table, the numbers next to Sig. (2-tailed) shows that all are (.000). The convention implies that, if this value is less than .05, then the correlation is considered to be significant (meaning that the researcher can be 95% confident that the relationship between variables is not due to chance). Therefore, the researcher can connote that there is a significant correlation between the independent variables (predictor variables) and dependent

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

The researcher has tried to examine assessment of marketing mix on customer satisfaction. This chapter presents the major findings of the study, conclusions and recommendations based on the analysis and discussion made in the previous chapter.

5.1. Summary of the major finding

The purpose of the study was to assess the marketing mix on consumer satisfaction in Habesha brewery Share Company. The research was guided by the following objectives: To examine the product quality and customer satisfaction, to analyse the effect of promotion customer satisfaction, to assess the price of company's product and customer satisfaction, to examine the impact of product distribution on customer satisfaction. The study was conducted on Habesha brewery Share Company. The survey population comprise different type of customer from which majority of them are familiar in Habesha beer. Since its challenging to cover all population through survey, this study has used sampling techniques to arrive at representative sample. Thus of 379 respondents were randomly sampled for the survey. The study uses descriptive research design and the study was carried out through collecting data by questioner from the customer of Habesha beer. In addition secondary data also gathered by reviewing different books, research papers, articles, journals and websites. Probability (random sampling) and non-probability (convenience) sampling was used

Information collected from consumers through questionnaire was analyzed quantitatively using descriptive statistics (mean and standard deviation) correlation analysis using SPSS version 20.

Major finding one: **product quality and customer satisfaction**. It was also established that majority of the respondents agreed that product quality has a positive

impact on marketing mix, product ingredient, brand awareness performance, packaging influence consumer-perceived product quality, packaging used describes the product and its use, packaging is used to attract attention, company's brand image, and loyalty has an influence on profitability of a company and package designs increases Habesha beer is attractive and packaging aesthetics and easy to use Habesha beer product seems to have adequate ingredient be the major factors which affect the satisfaction of its customers. But there is a lower mean score of adding unique feature in the existing product and making change in design and bring new product. The results indicate the product element enabled the company to meet customers' needs above average.

Major finding two: **effect of promotion on customer satisfaction.** It was also established that majority of the respondents agreed that use of promotion is one of the backbone of any business because it generates the required awareness about the products or service among customers. A good promotional strategy should correlate well with the long-term marketing plans and goals of the business. The mean values from the research finding explained that the respondents perception on promotional strategy dimensions and they rate of those questions as; (Mean= 3.98, SD=0.948), indicated the most respondents agreed on promotional activities of Habesha beer is ethical. (M=3.68, SD=0.969), have high score value to Habesha beer promotion activities are frequently updated. Promotion by use sales persons, retailers and distributes keep informed about Habesha beer is low value (Mean= 2.8, SD=.1.135), generally, the promotional strategy dimension indicate above table somehow powerful to create the required awareness to target customers. The results show that the company pro motional strategies play a vital role in the creation of awareness and influence the company profitability positively.

Major finding three: **impact of product distribution on customer satisfaction.** The availability of Habesha beer was registered the highest score (Men=3.64, SD=0.881) and the store is located at convention place of shopping of Habesha beer had got the least mean score value of 3.17 and standard deviation of 1.206 Therefore, high score value implied that these factors are paramount important in affecting customer satisfaction. The results show that place/ distribution strategy averagely effectively.

Major finding four: **price of company's product and customer satisfaction.** It was established that majority of respondents agreed their satisfaction towards the company product pricing. The respondent compare the price of Habesha beer with other beer mean 3.44, the mean value of 2.58 Habesha beer is lower than other beer brand, Habesha beer sold at the same price with other beer mean 3.29, the mean value 2.66 Habesha beer offers seasonal discount and incentive. From, the results the pricing strategy considers the competitors before deciding the selling price of the company products, this would enable the customers to purchase the products of the company as the cost comparative with the competitors.

5.2. Conclusions

The brewery industry in Ethiopia is becoming a very competitive environment where maximum efficiency and sustainable competitive advantage are critical for the success of a company. And in the current business environment establishing an effective marketing strategy is becoming an increasingly important practice to enhance competitiveness. This study investigate the determinants of brewery preference and selection criteria by customers. The study is motivated by the need to address the issue in Ethiopian context by providing recent and extensive evidence collected from Habesha beer customers.

In order to asses those factors which influence customer satisfaction four variables. (Product, promotion, placement and price) are taken to consideration. The finding assert that all variable are found to be influential to determine customer satisfaction. The correlation obtained from statistical analysis illustrate product, promotion and placement are highly relation to customer satisfaction. Price is low relation to customer satisfaction. Beside price of the company product is found to be a variable having detrimental effect on satisfaction on the customer.

5.3. Recommendations

On product: The Company must make unreserved effort to provide its customers with more advantages than the competitors must in order to increase customer satisfaction by adding adequate ingredients, adding unique features in the existing product and making change in design and bring new product.

On promotion strategy: Promotional activities have a great role in increasing the number of customers. Building brand loyalty through coordinating various promotional tools i.e. events sponsorship, corporate social responsibility also sales persons, retailers and distributors keep informed about Habesha beer.

On distribution/place strategy: The brewery company should expand their branches, having a safety stock, increase number of distributes so as to make customer convenient.

On price strategy: Pricing is one of the important decision that need to be made by a company which would affect its customer satisfaction. Habesha beer marketing managers should set their prices against the background and charge acceptable price as well as price offering.

Generally, Habesha beer company better develop a long run view and try to implement a more structured approach to attain information about potential customers, competitor's action and market intelligence within the industry. The marketing strategy has become more important for companies its competitive advantage.

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APPENDIX

ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
MARKETING MANAGEMENT PROGRAM

Research Questionnaire for Customers

Dear respondents;

The purpose of this questionnaire is to enable me carry out a research for the partial fulfillment of Master's Degree in Marketing Management the research is to be conducted on Habesha Brewery with the title of **ASSESSMENT OF MARKETING MIX IN ON CUSTOMER SATISFACTION: THE CASE OF HABESHA BREWERY SHARE COMPANY**

This study is aimed at finding out the level of customer satisfaction with regard to the product quality, price charged, the distribution mechanism and promotion utilized by the factory. I kindly ask you to give few minutes of your time to answer the questions. Your answers will be handled strictly confidential and will exclusively be used for the purpose of this research. Therefore I request you to answer the questions as honest as possible, in order to contribute to the success of this research.

If you would like further information about this study, or have problem in completing this questionnaire please contact me via +251-9 19-90-87-88

Thank you in advance for your cooperation!

General Instruction

- Writing your name is not necessary.
- Your participation is voluntary.
- Please put “√” for your choice in the box provided.

PART 1: General information of Respondents'

1. Gender

- A) Male
- B) Female

2. Age category

- A) 18-25
- B) 26-35
- C) 36-45
- D) Above 45

3. Occupation

- A) Government employee
- B) Non-government employee
- C) Private business owner
- D) Other specify please, _____

4. What is the monthly income level?

- A) Below 1000
- B) 1001-3000
- C) 3001-5000
- D) Above 5000

5. Educational level

- A) 1-12 complete

B) Certificate

C) Diploma

D) BA/BSC

E) MA/MSc/MBA/

F) PhD

Other (if any) _____

PART Two: Questions related with Marketing Mix elements

To what extent you agree or disagree with the following statements.

1= strongly disagree 2 = Disagree 3 = Neutral 4 = Agree 5= `strongly agree

Please use tick (√) mark in the table under the options given the number you selected to reflect your rating

No	Product	1	2	3	4	5
1	I think that product quality of Habesha beer is better than other beer's brand					
2	I think that the taste of Habesha beer is better than other beer brand					
3	I feel that Habesha beer product seems to have adequate ingredients					
4	I think that there is a consistence in the quality of Habesha beer					
5	I think that the packaging of Habesha beer is attractive aesthetics and easy to use					
6	I remind Habesha beer at first when I wanted to drink beer					
7	I think that Habesha beer is making change in design and bring new products					
8	I think that Habesha beer is adding unique features in the existing product					
9	I think that Habesha beer respond to change in customer perception and needs					

No	Promotion	1	2	3	4	5
1	I observed that Habesha beer participates in community development and public affairs					
2	Habesha beer promotion activates are frequently updated					
3	My decision to consume Habesha beer is influenced by advertisement					
4	promotion by use sales persons retailers and distributors keep me informed about Habesha beer					
5	promotion by advertisement [media] is more effective than personal efforts [sales person retailer and distributors] informing about Habesha beer					
6	The promotion activity of Habesha beer is ethical					
No	Distribution	1	2	3	4	5
1	I believe that the availability of Habesha beer is high when compared with other beers brand					
2	The store is located at a convenient place for shopping					
3	Transportation for travelling the goods is easily available					
4	the store is big enough to carry well stock of diverse products					
No	Price	1	2	3	4	5
1	Habesha beer product is reasonable					
2	compare the price of Habesha beer with other beers					
3	I Realize that the price of Habesha beer is lower than other beers brand					
4	Habesha beer sold at the same price with other brand beer					
5	Habesha beer offers seasonal discounts and incentives					
No	Customer overall satisfaction	1	2	3	4	5
1	I am satisfied with the taste of Habesha brewery					
2	I am satisfied with the price of Habesha beer offering					
3	I am satisfied with the availability of Habesha beer offering					
4	overall I'm satisfied with the quality of Habesha beer products					