ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

SCHOOL OF COMMERCE

THE EFFECT OF MARKETING MIX ELEMENTS ON SALES PERFORMANCE OF MRO (MAINTENANCE, REPAIR & OVERHAUL) SERVICES: THE CASE OF ETHIOPIAN AIRLINES.

ENGIDAWORK SEYOUM

OCTOBER 2022

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BY

ENGIDAWORK SEYOUM

ADVISOR: GETIE ANDUALEM (Ph.D.)

A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF Addis Ababa UNIVERSITY SCHOOL OF COMMERCE IN PARTIAL FULFILLMENT FOR THE REQUIREMENTS OF DEGREE OF MASTER OF ART IN MARKETING MANAGEMENT.

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DECLARATION

I, the undersigned, declare that this thesis **"THE Effect of Marketing Mix Elements on Sales Performance of MRO (Maintenance, Repair & Overhaul) Services: The case of Ethiopian Airlines"** is my original work, prepared under the guidance of **Getie Andualem (Ph.D.)**. All sources of materials used for this thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution for the purpose of earning any degree.

__ENGDAWORK SEYOUM____

Name | Signature

Addis Ababa University, Addis Ababa | October 2022

STATEMENT OF CERTIFICATION

This is to certify that **Engdawork Seyoum** has carried out his research work on the topic entitled **"THE Effect of Marketing Mix Elements on Sales Performance of MRO (Maintenance, Repair & Overhaul) Services: The case of Ethiopian Airlines"** is his original work and suitable for submission for the award of master's degree in marketing management.

Dr Getie Andualem

Name | Signature

Addis Ababa University, Addis Ababa | October 2022

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ABBREVATION AND ACRONYMS

MRO - Maintenance, Repair & Overhaul

ETCAA - Ethiopian Civil Aviation Authority

FAA - Federal Aviation Authority

EASA - European Union Aviation Safety Agency

ANOVA - Analysis of Variance

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ABSTRACT

The aim of this study was to investigate the effects of service marketing mix elements on sales performance for MRO services in the case of Ethiopian Airlines. To achieve the study objectives, explanatory research design along with quantitative approach was applied. A sample of 56 respondents were chosen from management staffs of Ethiopian MRO based on Non-probability judgmental (purposive) sampling strategy. Survey questionnaire was used to collect the primary data and a total of 51 valid responses were obtained for analysis. Using SPSS 20.0 statistical application software, both descriptive and inferential analysis were conducted for multiple linear regression analysis to attain the proposed objectives. The results showed that Promotion (β = .260) relatively has the highest effect on sales performance followed by Product (β = .238), Price (β = .156), Place (β = .146) and Process (β = .111) at p-value less than 0.05. however, People (β = .069), and Physical environment (β =.065) sowed the least effect. Therefore, the results of this study findings revealed that all the 7 marketing mix elements has positive and significant effect on sales performance of MRO services of Ethiopian Airlines. Accordingly, the study suggests in order to improve the sales performance from MRO service, the company should improve quality and variety of MRO service which in the long run will develop brand reputation. It is also mandatory to adhere to customer feedback so as to serve them better, effectively utilize promotion mix elements by increasing resources allocated for communication and advertising activities and put maximum effort to effectively utilize all the possible promotion and advertising means to make the MRO service visible to all potential customers, in order to improve the human resource management, Personnel who interact with customer should be properly equipped with training and skill development programs in line with adequate motivational rewards to enhance employee-customer interactions. and in order to improve accessibility of service locations, the company should implement expanded services on Customer-site & tool Support service, 24/7 AOG support service, etc. needs improvement and revision to meet the vast aviation industry.

Keywords: Marketing Mix Element, MRO Service, Sales performance

CHAPTER ONE: INTRODUCTION

This chapter consists of background of the study, background of the company, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study, limitations of the study, definitions of terms, and organization of the study report.

1.1 Background of the Study

The first decade of the 21st century challenged firms to prosper financially and even survive in the face of an unforgiving economic environment. Marketing is playing a key role in addressing those challenges (Kotler & Keller 2012). To effectively perform marketing activities, companies should implement Insightful and innovative marketing strategies and plans that can direct the marketing operations. Developing the right marketing strategy over time requires a blend of discipline and flexibility. Firms must stick to a strategy but also constantly improve it. They must also develop strategies for a range of products and services within the organization (Kotler & Keller 2012).

An effective marketing program blends the marketing mix elements into a coordinated program designed to achieve the company's marketing objectives. The marketing mix constitutes the company's tactical tool kit for establishing strong positioning in target markets. Generally, the Product marketing mix consists of product, price, place and promotion and it is generally used for marketing mix of tangible goods. However, Service marketing mix is related to three different variables for example people, process, and physical evidence (Singh 2012). These seven elements are referred to as the “7 Ps” of services marketing mix elements.

These elements are the seven strategic levers of services marketing used to develop strategies for meeting customer needs profitably in competitive marketplaces (Wirtz & Lovelock 2016). One of the measurement parameter of effective marketing strategy of a successful company is reflected by its sales performance. Accordingly, this study will try to investigate the effect of each marketing mix strategy for MRO services of Ethiopian Airlines.

MRO service is one of the service product and business segment of Ethiopian Airlines. Ethiopian Airlines has Seven sub-business units. This are, the Passenger service, Cargo, Aviation & leadership Academy, Catering, MRO (Maintenance Repair & Overhaul), ground service and Hotel Service. Accordingly, the research will investigate the type and nature of marketing strategy applied by the division considering the 7Ps of marketing Mix elements and measure the effectiveness against its sales performance.

1.2 Background of the Company

Ethiopian Airlines Enterprise, formerly Ethiopian Air Lines and often referred to as simply Ethiopian, is Ethiopia's flag carrier and is wholly owned by the country's government. EAL was founded on 21 December 1945 and commenced operations on 8 April 1946, expanding to international flights in 1951.

Ethiopian Airlines, currently named as Ethiopian Airlines Group has Seven sub-business/ strategic units, Passenger service, Cargo, Aviation & leadership Academy, Catering, MRO (Maintenance Repair & Overhaul), ground service and Hotel Service.

Ethiopian MRO (Maintenance Repair & Overhaul)

Ethiopian MRO Services is one of the major strategic segments of Ethiopian Airlines and it is established in 1957 to provide MRO services for aircraft, engines and components of Ethiopian and third-party customers with major customers are from African and Middle east operators and some European Airlines.

The primary base of Ethiopian is at Bole International Airport, Addis Ababa, Ethiopia. At present Ethiopian MRO has work force of over 1800 fully qualified technical staff and a facility certified by competent regulatory bodies like ETCAA, FAA and EASA. (Ethiopian Airlines.com)

1.3 Statements of the Problem

Marketing is a significant dimension of any business in today’s highly competitive environment and financial success is often dependent on marketing ability. Finance, operations, accounting, administration, and other business functions will not really matter if companies do not understand consumer needs and identify sufficient demand for their products and services for them to make a profit. (Kotler, Keller, Brady, Goodman & Hansen 2009) and this important activity should be carried out carefully by designing and implementing strategies and by continuously monitoring the effectiveness to provide competitive market offering by effective application of marketing Mix elements. Fully integrated and coherent marketing mix strategies form the major part of a successful marketing strategy (Akroush 2011).

Maintenance, repair and overhaul (MRO) is categorized under the aeronautical industry. And it is a complex process that has strict and precise requirements defined by airworthiness authorities to guarantee the safety of passengers and aircrew. Billions of dollars are spent by airlines every year to comply with such requirements, which represent a relevant portion of their total operational costs (Viera & Loures 2016). This complex and capital-intensive characteristics of the industry will demand the service providers to carefully select and implement effective marketing strategy mix in order to continue operating profitably.

Ethiopian MRO, as a government owned company having little or no funding provision while operating in international market, the first study gap to be addressed with the research is to evaluate how effective the company blend its marketing mix elements in achieving its objective and continue operation profitably with the limited resources at hand.

The market of Africa aviation MRO is fragmented with the presence of many local and foreign MRO providers offering various types of MRO services to the aircraft operators in the region. Raytheon Technologies Corporation, Safran SA, Lufthansa Technik, Leonardo S.p.A., and Airbus SE are some of the prominent players in the market. Over the past few years, there has been an increase in investments of foreign players to increase their geographic footprint in the Africa region through expansion into new locations. Several local players are partnering with OEMs (Original Equipment Manufacturers) to gain the technical expertise and required MRO certification for performing on-site MRO services. With the increasingly competitive environment in the MRO sectors, the local players are enhancing the efficiency of their MRO processes (www.mordorintelligence.com).

EGYPTAIR Maintenance & Engineering, a subsidiary of EGYPTAIR Holding Company, is one of the major MRO providers in the Middle East and Africa. Followed by South Africa, Morocco, Nigeria & Ethiopia (www.mordorintelligence.com).

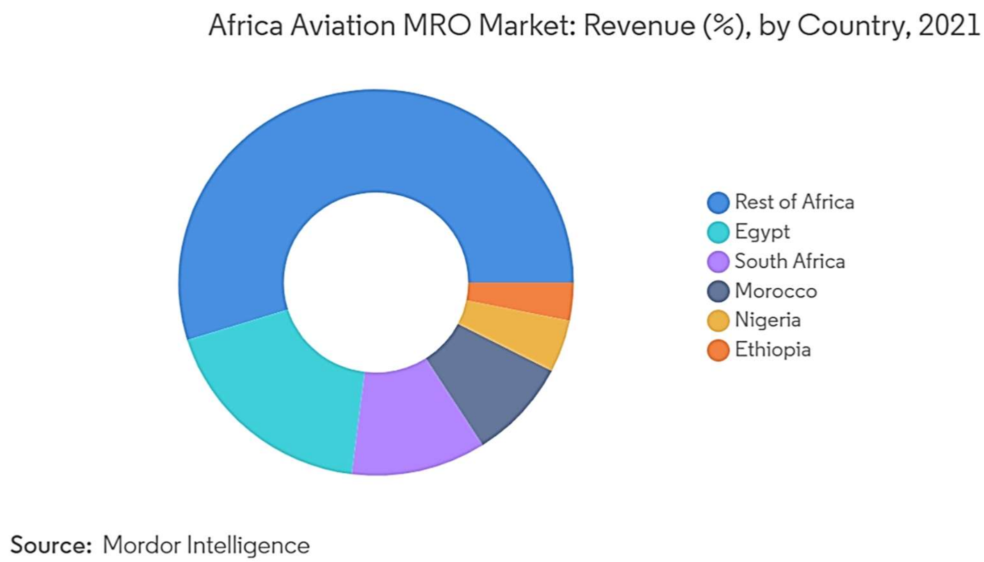

Figure 1: African Aviation MRO Market: Revenue Share, by country, 2021. (www.mordorintelligence.com)

According to the report, Ethiopian MRO is one of the top 5 service providers in the continent. However, it comprises the least revenue share dominated by other service providers. This study will try investigate the causes for the lower sales performance of the company by exploring the relationship between marketing mix elements and its sales performance.

1.4 Research questions

The service marketing process is altered because the conventional make–distribute–sell paradigm is transformed into buy, make, and consume simultaneously. The 4Ps become inadequate for service marketer's job (Verma 2012). Accordingly, this study will evaluate marketing strategy of Ethiopian MRO by examining the effect of each service marketing mix elements. Hence, the following research questions are raised.

1.4.1 Main Research Questions

- What is the effect of marketing mix elements & sales Performance?

1.4.2 Sub Research Questions

- What is the effect of Product on MRO service sales Performance?
- How does Price Influence Sales Performance of MRO Service?

- Do the place/ distribution support Sales Performance?
- What is the overall effect of promotion on sales Performance of MRO service?
- What is the effect of Service delivery process on MRO service sales Performance?
- What is the effect of Physical environment on sales Performance?
- What is the effect of human resource on sales Performance?

1.5 Objectives of the Study

1.5.1 General Objective

The general objective of the sturdy is to examine the effect of marketing mix elements on sales performance of Ethiopian MRO services.

1.5.2 Specific Objectives

The specific objectives of this study are.

- To Investigate to what extent price affect sales performance of Ethiopian MRO services.
- To examine to what extent does Product affect sales performance of Ethiopian MRO services.
- To determine to what extent distribution has effect on sales performance of Ethiopian MRO services.
- To investigate effect of promotion on sales performance of Ethiopian MRO services.
- To study to what extent process, affect sales Performance of Ethiopian MRO services.
- To investigate to what extent physical environment, affect sales performance of Ethiopian MRO services.
- To Determine effect of people on sales performance of Ethiopian MRO services.

1.6 Significance of the Study

The significance of this research includes the following:

Primarily, the result of the study is expected to narrow the knowledge gap by analyzing the effect of the service marketing elements on MRO services sales performance.

Second, the research will provide a signal to the company's management and policymakers to look into areas of improvement and to take corrective decision.

Finally, the study may help as a foundation for other researchers who may have the interest to carry out further investigations in the study area.

1.7 Delimitation/ Scope of the Study

The scope of the study is delimited to analyzing the effect of the service marketing mix elements on sales performance. specifically, to the MRO service.

Conceptual Scope: The dependent variable of this study is sales performance, and the independent variables are MRO Product (Maintenance Service), MRO Price (cost to the consumer), MRO Promotion (communication), MRO Place (access and convenience), MRO People (Both Technical and non-Technical), MRO process (IT system and Internal procedure) and MRO Physical Environment (service Delivery workplace and offices).

Target Scope: The research targeted Ethiopian MRO Directors, Managers and supervisors who interacted with customer service.

Methodological Scope: The researcher has adopted a quantitative research approach, explanatory and descriptive research design.

1.8 Definition of Terms

Marketing: According to Kotler & Keller (2012) Marketing is about identifying and meeting human and social needs. One of the shortest, good definitions of marketing is “meeting needs profitably.”

Marketing Strategies: Varadarajan (2010) define marketing strategy 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 thereby enables the organization to achieve specific objectives.

Marketing Mix: Marketing mix is the combination of different marketing decision variables being used by the firm to market its goods and services (Singh 2012). Marketing mix is the set of 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 (Kotler & Armstrong 2012).

4P’s and 7P’s of Service Marketing: When developing strategies to market manufactured goods, marketers usually address four basic elements: product, place (or distribution), price, and promotion (or communication). They are usually referred to as the “4 Ps” of the marketing mix. Furthermore, the traditional marketing mix fails to cover the customer interface. We therefore need to extend the marketing mix by adding three Ps associated with service delivery—process, physical environment, and people. Collectively, these seven elements are referred to as the “7 Ps” of services marketing. (Wirtz & Lovelock 2018)

Product: According to Kotler & Keller (2012) a product is anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, persons, places, properties, organizations, information, and ideas.

Price: Price is the amount of money charged for a product or a service. More broadly, price is the sum of all the values that customers give up gaining the benefits of having or using a product or service (Kotler & Armstrong 2012).

Promotion: Promotion means activities that communicate the merits of the product and persuade target customers to buy it. It is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. (Kotler & Armstrong 2012).

Place/ Distribution: Place includes company activities that make the product available to target consumers (Kotler & Armstrong 2012).

Process: Processes describe the method and sequence in which service operating systems work, specify how they link together to create the value proposition promised to the customers (Wirtz & Lovelock 2016).

People: All human actors who play a part in service delivery and thus influence the buyer’s perception; namely, the firm’s personnel, the customer, and other customers in the service environment (Wilson, Zeithaml, Bitner & Gremler 2016).

Physical Environment: The appearance of buildings, landscaping, vehicles, interior furnishings, equipment, staff members’ uniforms, signs, printed materials, and other visible cues provide tangible evidence of a firm’s service quality (Wirtz & Lovelock 2016).

Sales Performance: It is typically defined as effectiveness, referring to the evaluation of objective outcomes such as sales volume, market share, percentage of quota achieved, number of new customers added, and so on.

1.9 Organization of the Study Report

The paper will consist of five chapters. The first chapter gives an overview, including: Background of the study, statement of the problem, objectives of the study, significance of the study, delimitation/ scope of the study and definition of terms. The second chapter is about Literature review (both theoretical and empirical). In Chapter three, data will be analyzed and Presented using a variety of statistical measurements and tools, including SPSS. Chapter four will be Providing the findings or results obtained and the final chapter provides conclusion and recommendation based on the study outcome.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

This chapter consists of Theoretical review, Empirical review and conceptual framework.

2.1 Theoretical Review

2.1.1 Marketing Mix Elements

Good marketing is no accident, but a result of careful planning and execution using state-of the-art tools and techniques. It becomes both an art and a science as marketers strive to find creative new solutions to often-complex challenges amid profound changes in the 21st century marketing environment and developing the right marketing strategy over time requires a blend of discipline and flexibility (Kotler & Keller 2012).

The marketing mix employed to execute a given strategy by designing, communicating, and delivering specific market offerings. Whereas strategy focuses on defining the target market and the value exchange among the relevant market entities, tactics or marketing mix describe the particular aspects of the offering that will ultimately create market value (Chernev 2014).

According to Kotler & Armstrong 2012, The strategic plan defines the company's overall mission and objectives. One of the strategic plan is the Marketing role which summarizes the major activities involved in managing a customer-driven marketing strategy and the marketing mix. Next comes marketing strategy, the marketing logic by which the company hopes to create this customer value and achieve these profitable relationships. Guided by marketing strategy, the company designs an integrated marketing mix made up of factors under its control—product, price, place, and promotion (the four Ps).

The traditional marketing mix does not cover the customer interface. It is therefore needed to extend the marketing mix by adding three Ps associated with service delivery — process, physical environment, and people. Collectively, these seven elements are referred to as the "7 Ps" of services marketing (Jochen & Christopher 2016). The marketing mix is not a theory of management that has been derived from scientific analysis, but a conceptual framework which highlights the principal decisions that marketing manager's make in configuring their offerings to suit customers' needs. The tools can be used to develop both long-term strategies and short-term tactical programs (Palmer, 2012).

2.1.1.1 Product/ Service

Marketing begins with formulating an offering to meet target customers' needs or wants. The offer will be judged in terms of the relative degree of customer-perceived value the offering delivers.

2.1.1.1.1 Brand Image/ Branding

The most distinctive skill of professional marketers is their ability to build and manage brands. A brand is a name, term, sign, symbol, or design, or a combination of these, that identifies the maker or seller of a product or service. Consumers view a brand as an important part of a product, and branding can add value to a product. A company or brand image should convey a product's distinctive benefits and positioning. Developing a strong and distinctive image calls for creativity and hard work. A company cannot develop an image in the public's mind overnight by using only a few ads (Kotler & Armstrong 2012).

According to Wirtz & Lovelock (2018), Most service organizations offer a line of products rather than a single product. Thus, they must choose from among four broad branding alternatives:

Branded house: When a company applies its brand name to multiple offerings in often unrelated fields.

Sub-brans: When the corporate or the master brand is the main reference point, but each product has a distinctive name as well.

Endorsed Brands: when the product brand dominates but the corporate name is still featured. They offer a family of sub-brands and/or endorsed brands.

House of Brands: At the far end of the spectrum is the house of brands strategy where each of each brands is actively promoted under its own name

2.1.1.1.2 Packaging

Packaging is traditionally defined as all the activities of designing and producing the container for a product or market offering. Packages might include up to three levels of material – beer comes in a bottle or can (primary package) in a cardboard box (secondary package) and in a palette box (shipping package). Well-designed packages can build brand equity and drive sales. The package is the customers' first encounter with the item and either impresses or disinterests them. It also affects consumers' later product experiences – good packaging, (Kotler, Keller, Brady, Goodman & Hansen 2009).

According to Raheem, Vishnu and Ahmed (2014). packaging has become itself a sales promotion tool for the organizations. The consumer's buying behavior also stimulated by the packaging quality, color, wrapper, and other characteristics of packaging. Packaging is a whole package that becomes an ultimate selling proposition, which stimulates impulse buying behavior. Packaging increases sales and market share and reduces market and promotional costs.

They have observed that the packaging is the most important factor and concluded that the packaging elements like its Color, packaging material, design of wrapper and innovation are more important factors when consumers making any buying decision. Furthermore, they also concluded that the Packaging is one of the most important and powerful factor, which influences consumer's purchase decision.

From the managerial point of view, in order for packaging to suitably develop its functions, the structural and graphic design of the packaging and even the optimum size of the pack will be subject to market research undertaken by the company and the positioning that the company wants the product to occupy in the market. So, packaging is, without doubt, specifically related to the strategic decisions of the marketing mix and, therefore, to positioning decisions (Ampuero and Vila 2006).

2.1.1.1.3 Labeling

The label may be a simple tag attached to the item or an elaborately designed graphic that is part of the package. It might carry only the brand name, or a great deal of information. Even if the seller prefers a simple label, the legal regulations may require more (Kotler, Keller, Brady, Goodman & Hansen 2009).

According to Kotler & Armstrong (2012), Labels range from simple tags attached to products to complex graphics that are part of the packaging. They further suggest that labeling perform several functions. At the very least;

- label *Identifies* the product or brand, such as the name Sunkist stamped on oranges.

- label might also *Describe* several things about the product—who made it, where it was made, when it was made, its contents, how it is to be used, and how to use it safely.
- Finally, label might help to *promote* the brand, support its positioning, and connect with customers.

2.1.1.2 Price

Price is the only element in the marketing mix that produces revenue; all other elements represent costs. Price is also one of the most flexible marketing mix elements. Unlike product features and channel commitments, prices can be changed quickly (Kotler & Armstrong 2012).

The foundations of pricing strategy can be described as a tripod, with costs to the provider, competitors' pricing, and value to the customer. Service firms are often faced with the problem of maximizing revenue and capacity, and one way to solve that is through dynamic pricing. Where the prices for different customers at different times, based on demand conditions. It is commonly used in the airline industry (Wirtz & Lovelock 2018).

2.1.1.2.1 Cost-Based Pricing

Cost-based pricing Involves setting prices based on the costs for producing, distributing, and selling the product plus a fair rate of return for its effort and risk. A company's costs may be an important element in its pricing strategy. A company's costs take two forms: fixed and variable. Fixed costs (also known as overhead) are costs that do not vary with production or sales level. Variable costs vary directly with the level of production. The sum of the fixed and variable costs for any given level of production called Total costs are. Management wants to charge a price that will at least cover the total production costs at a given level of production. The company must watch its costs carefully because if it costs the company more than its competitors to produce and sell a similar product, the company will need to charge a higher price or make less profit, putting it at a competitive disadvantage (Kotler & Armstrong 2012).

Wirtz & Lovelock (2018) describe that Pricing typically is more complex in services than it is in manufacturing. Because there's no ownership of services, it's usually harder to determine the financial costs of creating a process or intangible real-time performance for a customer than it is to identify the labor, materials, machine time, storage, and shipping costs associated with producing and distributing a physical good.

In addition, service organizations typically have a higher ratio of fixed costs to variable costs than manufacturing firms. They can impose Two type of costing approach. *Establishing the Costs of Providing Service* (Service firms with a large proportion of variable costs and/or semi – variable costs) and *Activity-based Costing* (ABC-approach, Service firms with high fixed costs and complex product).

2.1.1.2.2 Value-Based Pricing

Value based pricing uses buyers' perceptions of value, not the seller's cost, as the key to pricing. Value-based pricing means that the marketer cannot design a product and marketing program and then set the price. The company first assesses customer needs and value perceptions. It then sets its target price based on customer perceptions of value. The targeted value and price drive decisions about what costs can be incurred and the resulting product design. As a result, pricing begins with analyzing consumer needs and value perceptions, and the price is set to match perceived value (Kotler & Armstrong 2012).

Marketers need to understand how customers perceive service value in order to set an appropriate price. When customers purchase a service, they weigh the perceived benefits of the service against the perceived costs they will incur (Wirtz & Lovelock 2018).

The marketer must realize that price is only one of the components of the total sacrifices that a customer makes. This is particularly true for services that require long customer–provider interactions. What buyer would be willing to sacrifice depends on his or her perception of value. Therefore, perceived value must be estimated before putting a price tag on the service (Verma 2012).

2.1.1.2.3 Competition-Based Pricing

Competition-based pricing involves setting prices based on competitors' strategies, costs, prices, and market offerings. Consumers will base their judgments of a product's value on the prices that competitors charge for similar products (Kotler & Armstrong 2012).

Firms with relatively undifferentiated services need to monitor what competitors are charging and should to try to price accordingly. When customers see little or no difference between competing offerings, they may just choose what they perceive to be the cheapest. In such a situation, the firm with the lowest cost per unit of service enjoys an enviable market advantage and often assumes price leadership. Here, one firm acts as the price leader, with others taking their cue from this company (Wirtz & Lovelock 2018).

2.1.1.3 Promotion/ Communication

Marketing communications are the means by which firms attempt to inform, persuade and remind customers – directly or indirectly – about the brands they market. In a sense, marketing communications represent the 'voice' of the company and its brands and are the ways in which it can establish a dialogue and build relationships with customers (Kotler, Keller, Brady, Goodman & Hansen 2009). Integrated marketing communications involves identifying the target audience and shaping a well-coordinated promotional program to obtain the desired audience response. Today, marketers are moving toward viewing communications as managing the customer relationship over time (Kotler & Armstrong 2012).

The concept of integrated marketing communications suggests that the company must blend the promotion tools carefully into a coordinated promotion mix (Kotler & Armstrong 2012).

2.1.1.3.1 Advertising

According to Chernev (2014) Advertising involves non-personal marketing communications in which the company develops the message and absorbs most or all of the media costs (air time and print space). A wide array of paid advertising media is available, including broadcast (TV and radio), print (magazines and newspapers), movie theaters, and many types of outdoor media (posters, billboards, electronic message boards, and the exteriors of buses or bicycles) (Wirtz & Lovelock 2018).

Good advertising is largely about featuring the product in the as the 'hero' as associating it with various forms of symbols and images (Verma 2012). Advertising can reach masses of geographically dispersed buyers at a low cost per exposure, and it enables the seller to repeat a message many times. Beyond its reach, large-scale advertising says something positive about the seller's size, popularity, and success (Kotler & Armstrong 2012).

According to Kotler and Keller (2012) they suggested because of the many forms and uses of advertising, it's difficult to make generalizations about it. Yet a few observations are worthwhile:

Pervasiveness – Advertising permits the seller to repeat a message many times. It also allows the buyer to receive and compare the messages of various competitors. Large-scale advertising says something positive about the seller's size, power, and success.

Amplified expressiveness – Advertising provides opportunities for dramatizing the company and its brands and products through the artful use of print, sound, and color.

Control – The advertiser can choose the aspects of the brand and product on which to focus communications.

2.1.1.3.2 Direct Marketing

Direct marketing involves individually targeted communications (catalogs, direct mail, telemarketing, and online advertising), typically designed to elicit a direct response (Chernev 2014). This category embraces such tools as mailings, e-mail, and text messaging. These channels allow firms to send personalized messages to highly targeted micro-segments. Direct strategies usually succeed when marketers possess a detailed database of information about prospects and customers (Wirtz & Lovelock 2018).

Today, many marketers build long-term relationships with customers using direct marketing. It is the use of consumer-direct (CD) channels to reach and deliver goods and services to customers without using marketing middlemen. Direct marketing channel consists of Direct mail, Catalog marketing, Online marketing, telemarketing and others (Kotler & Armstrong 2012).

According to Kotler, Keller, Brady, Goodman & Hansen (2009) Direct and interactive marketing takes many forms and They share three distinctive characteristics. Direct and interactive marketing messages are:

- *Customized*: The message can be prepared to appeal to the addressed individual.
- *Up to date*: A message can be prepared very quickly.
- *Interactive*: The message can be changed depending on the person's response.

2.1.1.3.3 Personal Selling

Inter-personal encounters in which efforts are made to educate customers and promote a particular brand or product is referred to as Personal selling (Wirtz & Lovelock 2018). It involves personal interaction between two or more people, so each person can observe the other's needs and characteristics and make quick adjustments. Personal selling is the most effective tool at certain stages of the buying process, particularly in building up buyers' preferences, convictions, and actions (Kotler & Armstrong 2012).

According to Kotler & Keller (2012) Personal selling is the most effective tool at later stages of the buying process, particularly in building up buyer preference, conviction, & action and has three notable qualities:

- Personal interaction – It creates an immediate and interactive episode between two or more persons. Each is able to observe the other's reactions.
- Cultivation – It also permits all kinds of relationships to spring up, ranging from a matter-of-fact selling relationship to a deep personal friendship.
- Response – The buyer is often given personal choices and encouraged to directly respond.

2.1.1.3.4 Public Relations

A public is any group that has an actual or potential interest in or impact on a company's ability to achieve its objectives. Public relations (PR) include a variety of programs to promote or protect a company's image or individual products (Kotler, Keller, Brady, Goodman & Hansen 2009). It involves eff orts to stimulate positive interest in an organization and its products by sending out news releases, holding press conferences, staging special events, and sponsoring news-worthy activities put on by third parties (Wirtz & Lovelock 2018).

PR can also reach many prospects who avoid salespeople and advertisements—the message gets to buyers as "news" rather than as a sales-directed communication (Kotler & Keller 2012). A basic element in PR strategy is the preparation and distribution of press releases (including photos and/or videos) that feature stories about the company, its products, and its employees (Wirtz & Lovelock 2016). Because the message comes from a third party that typically has no vested interest in the company's offering, public relations communications are often viewed as more credible than communications directly sponsored by the company (Chernev 2014).

According to Kotler, Keller, Brady, Goodman & Hansen (2009) PR perform the following five functions:

- *Press relations:* presenting news and information about the organization in the most positive light.
- *Goods/market offering publicity:* sponsoring efforts to publicize specific marketing offerings.
- *Corporate communications:* promoting understanding of the organization through internal and external communications.
- *Lobbying:* dealing with legislators and government officials to promote or defeat legislation and regulation.
- *Counselling:* advising management about public issues and company positions and image during good times and bad.

2.1.1.3.5 Sales Promotion

Sales promotion is a key ingredient in marketing campaigns that consists of a collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade (Kotler & Keller 2012). Sales promotions invite and reward quick response. Whereas advertising says, "Buy our product," sales promotion says, "Buy it now." It is often short lived and often are not as effective as advertising or personal selling in building long-run brand preference and customer relationships (Kotler & Armstrong 2012).

Sales promotions for service firms (samples, coupons and other discounts, gifts, and competitions with prizes) increase sales during periods when demand would otherwise be weak. They also speed up the introduction and acceptance of new services and generally encourage customers to act faster than they would in the absence of any promotional incentive. However, sales promotions need to be used with care because research shows that customers acquired through sales promotions may have lower repurchase rates and lifetime values (Wirtz & Lovelock 2016).

According to Kotler, Keller, Brady, Goodman & Hansen (2009) Sales promotion tools offer three distinctive benefits:

- *Communication*: They gain attention and may lead the consumer to the product.
- *Incentive*: They incorporate some concession, inducement or contribution that gives value to the consumer.
- *Invitation*: They include a distinct invitation to engage in the transaction now.

2.1.1.3.6 Event sponsorship

Event sponsorship is Creating a brand-marketing event or serving as a sole or participating sponsor of events created by others (Kotler & Armstrong 2012). It involves backing events and activities of interest to the offering's target customers. A form of event sponsorship is product placement, where the sponsor secures the rights to embed (place) its offering within a particular form of entertainment, such as a sports event, television show, or a movie (Chernev 2014).

Kotler, Keller, Brady, Goodman & Hansen (2009) described that there are many advantages to events and experiences, among which are:

- *Relevance:* A well-chosen event or experience can be seen as highly relevant because the consumer gets personally involved.
- *Involvement:* Given their live, real-time quality, events and experiences are more actively engaging for consumers.
- *Implicitness:* Events are an indirect 'soft sell'.

2.1.1.4 Place/ Distribution

Making a good product or service, pricing it according to the customer value concept and promoting it using a variety of communication tools are essential ingredients of a marketer's mix. But this is not all. The product or service must be made available to customers for consumption in right quantity, in right time and at right locations (Verma 2012).

Distribution typically involves collaboration between a company and a set of distribution partners—retailers, wholesalers, and distributors—for the purpose of delivering a company's products to target customers (Chernev 2014).

Wirtz & Lovelock (2018) argues that, in services, there is often nothing to move. Experiences, performances, and solutions are not physically shipped and stored. According to them, in a typical service sales cycle, distribution embraces three interrelated flows that partially address the question of what is being distributed:

Information and promotion flow: Refers to the distribution of information and promotion materials related to the service offer with objective of getting the customer interested in buying the service.

Negotiation flow: This involves reaching an agreement on the service features and configuration as well as the terms of the offer so that a purchase contract can be closed.

Product flow: Many services, especially those involving people processing or possession processing, require physical facilities for delivery. Here, distribution strategy requires the development of a network of local sites.

The unique characteristics of services do not permit the straight adoption of this scheme in their context. Three service distribution strategies that are proposed are multi-site distribution, multi-service distribution and multi-segment distribution.

2.1.1.4.1 Intensive distribution Strategy

Intensive strategy is a strategy in which they stock their products in as many outlets as possible. These products must be available where and when consumers want them (Kotler & Armstrong 2012). This is used for products and services that are bought on convenience basis. The customer's primary consideration in buying certain goods or services tends to be logistical convenience. That at is, the willingness to spend time and eff ort to buy a product is minimal. (Verma 2012).

Achieving such an intensive distribution is difficult in services because their production and consumption are not separated. However, when convenience becomes a dominant driver of customer buying of services, options must be explored as to how a service can be distributed intensively (Verma 2012).

2.1.1.4.2 Exclusive distribution Strategy

Exclusive distribution is a strategy in which the producer gives only a limited number of dealers the exclusive right to distribute its products in their territories. Exclusive distribution is often found in the distribution of luxury brands (Kotler & Armstrong 2012).

This strategy Severely limit the number of intermediaries. It’s appropriate when the company wants to maintain control over the service level and outputs offered by the resellers, and it often includes exclusive dealing arrangements. Exclusive distribution requires a closer partnership between seller and reseller (Kotler, Keller, Brady, Goodman & Hansen 2009).

Exclusive distribution offers several advantages to the marketer. These include greater control over the service levels provided by the reseller, loyalty and commitment. This kind of arrangement generally envisages that reseller would exclusively deal in only one product. This is based on high-price low-volume revenue model. On the flip side, exclusive distribution suffers from the risk of over-reliance on a few dealers and possible loss of revenue due to limited product availability (Verma 2012).

2.1.1.4.3 Selective distribution Strategy

Reliance on more than a few but less than all of the intermediaries being willing to carry a particular product or service. It makes sense for established companies and for new companies seeking distributors. The company does not have to worry about too many outlets; it can gain adequate market coverage with more control and less cost than intensive distribution (Kotler, Keller, Brady, Goodman & Hansen 2009).

Sometimes full coverage of the market is not desired as majority of sales come from certain pockets. In such case, a company can be selective about building its distribution. Through this, adequate coverage could be achieved and greater control over intermediaries could be gained than the intensive distribution (Verma 2012).

2.1.1.4.4 Franchising

Franchising is a kind of multi-site operations where a successful service is offered by another party under a contract which typically incorporates transfer of elements like technology, know-how, brand name, operational guidance in exchange for a royalty or fee (Verma 2012).

According to Wirtz & Lovelock (2018) Franchising is a particularly attractive strategy for service firms when:

- *The firm has limited resources, and fast growth is necessary to preempt competition.* Service firms often have little protection beyond their brand as almost everything else they do can be copied by others.
- *The long-term commitment of the store manager is crucial.* Franchisees tend to be highly motivated to ensure high customer satisfaction, build customer loyalty, and run high-quality service operations.
- *Local knowledge is important.* Franchisees tend to be from the local community and can therefore be highly effective in dealing with local authorities, labor markets, media, and customers.

2.1.1.5 Process

The first step in designing or analyzing any process is to document or describe it. *Flowcharting* and *Blueprinting* are two key tools that we use for documenting and redesigning existing service processes and designing new ones (Wirtz & Lovelock 2018).

- ✓ **Flowchart** describes an existing process, often in a fairly simple form. Specifically, flowcharting is a technique for displaying the nature and sequence of the different steps involved when a customer "flows" through the service process.
- ✓ **Blueprinting** is a more complex form of flowcharting and specifies in detail how a service process is constructed. Service blueprints map customer, employee, and service-system interactions (Wirtz & Lovelock 2018).

The service process is an important part of marketing, and the design and operation of the service must ensure that service is delivered consistently, on time and over time. Service process activity can be viewed as an activity or an output of a system. When understood as an activity a service is performed for others, usually the customers. As an output a service is ‘a deed’, ‘a performance’, ‘an offering or ‘a benefit (Kotler, Keller, Brady, Goodman & Hansen 2009).

Most service processes can be divided into three main steps; *Pre-process stage* where preliminaries occur, *In-process stage* where the main purpose of the service encounter is accomplished and *Post-process stage* where the activities necessary for the closing of the encounter (Wirtz & Lovelock 2016).

Verma (2012) suggested three approaches to operations are also visible in services and their selection is a matter of making a strategic choice: These approaches are explained below.

Efficiency Approach

To organizing service operations is governed by the key motive to reduce the cost of operations, by implication, and they squeeze all in efficiencies out of their operations to cut down the costs to the bone level. And second path to achieving efficiency is to maximize the return from every dollar spent by productivity enhancement (Verma 2012).

Speed of operations plays a crucial role in this strategy. The highest possible utilization is possible only when the assets are utilized to the fullest keeping them occupied and high turnover by speedy utilization. The firms following this approach adopt assembly line, specialization, division of labor, reducing customer contact and standardization principles. The service delivery minimizes the customer contact to avoid interference and digressions because the system is designed for a limited set of highly structured operations. The revenue model in this case is lower price but high volume (Verma 2012).

Customization Approach

Customization approach is another approach in which the customer is given freedom to design a product or service according to unique needs. Many restaurants allow customers to have customer-made cuisines. Services are more prone to this strategy because of close customer–provider interaction that happens at the encounter level (Verma 2012).

Crucial to the implementation of this operational approach is building flexibility in operational capability. The system must be devised to cater to variety in customer demands. Therefore, instead of efficiency, the operations must seek effectiveness from the customer’s perspective. This means focus should be on crafting customer-centric responses instead of speed and productivity. Important to this is client–provider interactions and iterations. Customization calls for probing and communicating in order to develop key service specifications to be made available to customer (Verma 2012).

Service quality Approach

As the name suggests is based on the premise of providence excellence in technical ('what' or end results) and/or functional ('how' or process) outcomes for customers. Some companies focus on technical service quality and accordingly design operations to provide excellent technical outcomes for their customers (Verma 2012).

Firms pursuing this approach have to design their operations similar to operational efficiency route by focusing on process improvement to produce excellent service outcomes. Accordingly, operational aspects like specialization, standardization, division of labor and technology deployment assume importance. The customer contact is not significant in this approach and therefore can be minimized (Verma 2012).

The other approach to service quality is building operations focus on the process dimension of service delivery. Under this approach, 'how' service is delivered assumes strategic importance. Accordingly, how the customer is treated or dealt with during the course of service provision assumes the central role. This operational position however is different from customization because here the operations are not designed to extend customized responses to varying customer needs instead interpersonal quality is the driver of the strategy. The drivers of this position include customer contact and interpersonal skills. This does not mean the core of technical aspect of service can be compromised to any extent. After building acceptable technical core of service by operational route, the firm builds on functional aspects to win customers or target service-sensitive customers (Verma 2012).

2.1.1.6 Physical Evidence

In services, the product itself being intangible, the need is to tangibilize it as far as possible. Thus, physical evidence can be successfully employed to describe the service product and its distinguishing qualities. Service is usually surrounded by physical elements that act as evidence to service which is to follow for a potential buyer. Components of physical layout such as odors, colors, temperature, noise level, and comfort of furnishings may influence the perceived performance of service provider (Bitner, 1990).

The services cape/service environment also facilitates service delivery and guides customers through the service process. Service firms need to manage services capes carefully, since they can have a profound impact on customer satisfaction and service productivity (Wirtz & Lovelock 2016).

Therefore, the service provider’s task is to “manage the evidence,” to “tangibilize the intangible.” Service companies can try to demonstrate their service quality through physical evidence and presentation (Kotler & Keller 2012).

(Verma 2012) describe Some of the guidelines for effective physical evidence management. This are;

- ❖ Recognize Importance

Before one sets out to manage physical evidence strategically, it is important that its significance is appreciated by the management. When such an appreciation is missing, the firm has a risk of managing evidence without a coherent strategy and thereby missing on exploiting its potential strategically (Verma 2012).

- ❖ Service Mapping

Once the importance of physical evidence is appreciated and its role is admitted, the next challenge is how to integrate physical evidence in the service such that the potential benefits are realized to their maximum. The starting point at this stage could be to map the service process. This mapping could indicate as to how the service would be created in terms of different steps and processes (Verma 2012).

- ❖ Clarify Role

Physical evidence is not equally important for all kinds of services. In some services, physical evidence management offers more opportunities and challenges, while in others it is much less. The role of physical evidence must be understood considering the service provided (Verma 2012).

- ❖ Identify Opportunities

A service firm may not really be doing a good job of evidence management by its current system. It may be sending signals that are not good for the image or it may be under-performing so far as evidence effectiveness is concerned. Sometimes, the evidence elements may be inconsistent and send confusing signals to potential audience (Verma 2012).

- Flexibility

Change is a constant part of life. The physical evidence or service scape cannot be created to last forever. With changing market conditions and customer requirements, the service scape need to be changed. The meaning of colors, styles and designs may not remain constant forever. Therefore, the physical evidence must be taken with flexibility. There should be openness to incorporate changes in service scape as the need arises (Verma 2012).

- Involve Others

The service customer comes into contact with system where he or she is exposed to different physical evidence elements. This evidence, if not created, designed and managed by a single entity, the probability that they would go in different directions is very high. This often happens in services. For instance, three contact points in a typical service encounter could be with employees, facility and service process. These three elements will not give consistent signals and be compatible unless a single team involving these functions is responsible for evidence management (Verma 2012).

2.1.1.7 People

Many companies forget how important their staff are to them. The organizational chart needs to be turned on its head. So instead of everything focusing on the managing director at the top of the chart, the staff should be at the top and everything should be oriented towards them and how to help them achieve the required service levels (Kotler, Keller, Brady, Goodman & Hansen 2009).

People who deliver the service are of key importance to both the customers they serve and the employer they represent. To the customer they are in fact part of the product. Their ability and willingness to satisfy, their manner and appearance, all play a part in determining how satisfied the customer is with the service encounter. To the employer, those delivering the service can make or break the organization. On the one hand, they may be the only way that a service brand differentiates itself. On the other hand, they can also be the reason why people do not come back (Mudie & Pirrie 2006).

The importance of service employees emanates from the role they play in a service encounter. When service people and customers come together to create and consume a service, a complex interaction occurs (Verma 2012).

According to Verma (2012) people may involve in service process as;

- ✓ Service Encounters

These encounters constitute the core of the service. The kind of experience that a customer gets in a service entirely depends on the nature of these encounters. Encounters can lead to frustration and dissatisfaction; these could also generate satisfactory outcomes. Service encounters assume critical importance in human interaction-oriented services like teaching and hospitality. The total perceived value of a service is an aggregation of the value outcomes created at each of these encounters. The service personnel – especially the ones who come in direct face-to-face contact with customer – play a crucial role in affecting quality perceptions (Verma 2012)

- ✓ People as Part of Service

By definition services are deeds, performances or actions. In this manner, the employees become the service product for the customers. Since nothing is transferred on to customers in a service exchange, employees who are service creators are assumed to be the service. Since their performance and they themselves are so interlinked, they become the service in customer perception (Verma 2012).

- ✓ People as Representatives of the Firm

Service personnel are the representatives of the entire service organization. They enact roles and perform on behalf of the system; therefore, they become the organization in customer's perception. Employee behavior and performance shapes the reality about the organization as it is constructed in customer's mind. We form opinion about service firms largely on the basis of their employees (Verma 2012).

- ✓ People as Marketers

Finally, service employees are important because, they are marketers. If marketing is defined as the process of producing a satisfied customer, then it is the frontline personnel who play a direct role in service creation and ultimately driving customer satisfaction. Their roles and behaviors can affect buyers' willingness patronize the service further or discontinue. Besides this crucial role, they are also engaged in more tactical role of service promotion and cross-selling (Verma 2012).

2.1.1.7 Sales Performance

Ideally, sales performance is an integrative component of an organization's strategy. Sales performance measures should be consistent with organizational mission and objectives (Zallocco, Pullins and Mallin 2009). It can be seen as the evaluation of salespeople based on what they produce (i.e., sales outcomes) Examples include generations of sales units, revenue, market share, new accounts, profitability, etc. (Zallocco, Pullins and Mallin 2009).

2.2 Empirical Review

Akroush (2011) accomplish a study to investigate the generalizability of Boom and Bitner's (1981) services Marketing Mix Paradigm, 7Ps, and examine the effect of SMM on business performance in Jordan's services organizations. He applied a quantitative methodology in which a structured questionnaire was developed and distributed to a sample of 164 marketing managers in Jordan's services organizations.

His findings indicate that from the 7Ps of the SMM, Structural paths analyses findings indicate that the 5Ps of SMM (People, Price, Place, product & promotion) have a positive and significant influence on Jordan's service organizations performance. The findings also indicate that the strongest predictors of the 5Ps model on performance are people (the service providers), service price and service distribution, respectively.

Another major finding of the study is that the expanded 3Ps (people, process, physical evidence) of SMM have loaded on only one factor named as "people", meanwhile the 4Ps of traditional marketing mix loaded on four factors as theoretically proposed. The study suggested to adopt the 5Ps of SMM with the 5th P(people) should include the expanded 3Ps (people, process, physical evidence) as an integrated approach to achieve intended performance levels.

Singh (2012) has studied the important relationship of various components of marketing mix for attaining competitive advantage in market. Marketing Mix comprises of Product marketing mix consisting of product, price, place and promotion used for marketing of tangible goods and Service marketing mix related to three different variables, people, process and physical evidence.

The study tries to overview the past, present and future of the Marketing Mix of 4P'S for competitive advantage by considering a wide view of Marketing Mix of 4P's, as the biggest challenges before the Marketing professionals in today's world in designing an optimum marketing mix which takes care of both customer's satisfaction and organizational goals.

He also concluded that, expertise decision made on 4 P's as marketing mix has a very important role for attaining competitive advantage for the organization. Companies should meet the demand from different markets and also match the competition in the market by delivering satisfaction to the customer. And this is only possible by an accurate blend of all the elements of 4P's of marketing mix as it helps in achieving organizational goals of profit maximization by high sales volume and attaining higher market share.

Chumaidiyah (2013) conducted a study to examine the impact of each element of the marketing mix elements (7P - product, price, promotion, place, people, physical evidence, and process) to the marketing performance in telecommunication service companies in Indonesia.

The study found that Product, promotion, and people are three most important elements from the 7Ps in the marketing mix which influence to marketing performance in telecommunication service companies.

The study also discovered that although Price, place, physical evidence, and process are elements in the marketing mix strategy which do not partially influence the marketing performance. However, telecommunication service companies need to keep and maintain the four in the marketing mix strategy in order to strengthen the positioning of the companies.

Pourhosseini and Shahrokh (2013) perform a study to identify performance implications of marketing strategy and moderating effects of transformational leadership, demand uncertainty and competitive intensity on sales performance entailing sales and marketing managers of companies in food industries that are members of Tehran stock exchange.

Strategies being classified into three hierarchical levels: corporate, business and functional level strategies, the research investigated the relationships between marketing strategy and sales performance. And one of the finding of the study is that marketing strategy has an important factor in shaping and influencing the sales performance. The results showed that marketing strategy has major influence on sales performance.

Abdelhady, Fayed & Fawzy (2019) conducted a study with the objective of investigating the influence of marketing mix elements (4Ps) for airlines on passengers’ purchasing decision-making. With the help of questionnaire, the research participated a sample of 600 air passengers.

Although, the results showed a significant negative relationship between price and passengers’ purchasing decision-making, it also indicates that there is a significant positive relationship between the three elements of marketing mix, product, promotion and place, and passengers’ purchasing decision-making. Furthermore, we can conclude that positive impact of customer’s purchase decision-making will also have positive effect on sales performance.

Srinivasan and Lisanu (2020) conducted a study with the objective of examining the effects of each marketing mix elements (Product, Price, Promotion and Place) on sales performance of MSEs in Merab Abaya town, Gomo region, Ethiopia.

The study found that the price and promotion had only positive effect on sales performance. Whereas place and product had a significant and positive effect on sales performance. Therefore, the study has been identified that, among the four marketing mix strategies the product and place strategies were played key role in enhancement of sales performance of the MSEs.

2.3 Conceptual framework and Hypothesis of the Study

The Conceptual framework is a diagrammatic representation of the variables in the study. The structure illustrates the relationship between the dependent and independent variable. The independent variables are product strategy, pricing strategy, Promotion strategy, Distribution strategy, process strategy, physical evidence strategy and process strategy while the dependent variable consists of the sales Performance of Ethiopian MRO.

Independent variable **Dependent Variable**

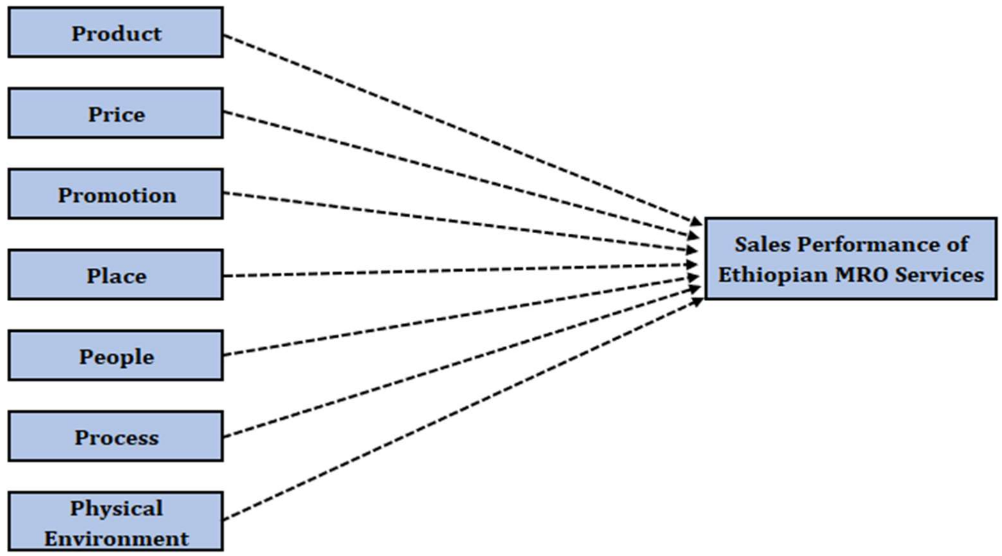

Figure 2: Conceptual Framework

Source: Researcher's Own Construct (2022)

Based on the empirical review and the suggested conceptual framework, the study hypothesized the below seven points.

HO_1: Price has significant positive effect on sales Performance

HO_2: Product has significant positive effect on sales Performance

HO_3: Place/Distribution has significant positive effect on sales Performance

HO_4: Promotion has significant positive effect on sales Performance

HO_5: People have significant positive effect on sales Performance

HO_6: Process has significant positive effect on sales Performance

HO_7: Physical Environment has significant positive effect on sales Performance

CHAPTER THREE: RESEARCH METHODOLOGY

This part explains the methodological framework of the study that the researcher applied to gather relevant data, analyze the collected data and present the findings and give recommendations as per the research objectives.

3.1 Description of Study Area

Generally, the study tried to investigate the relationship between Sales performance and marketing mix elements of Ethiopian MRO Services. Recent annual sales report of the department is evaluated against its target or planned performance and with its compotators operating in similar industry zone. And question is raised if there is a positive relationship between service marketing mix and sales performance of Ethiopian MRO. The study then answers these questions using the survey collected from respondents performed with key staffs like sales manager and Director.

3.2 Research Approach

The study has adopted quantitative research approach using data collected through questionnaires to understand employee's perception about the MRO service sales performance. Although More of inductive approach is applied where some pattern of meaning will be drawn based on the data collected, deductive approaches will also be adopted.

3.3 Type/ Design of Research

The study has descriptive and explanatory design. The study will be conducted using primary data for statistical analysis and secondary data for literature review analysis. The data collection modes are survey using structured questionnaires with Department Directors, managers and Supervisors/ Team Leaders of Ethiopian Airlines from MRO Division.

3.4 Population and Sampling Design

3.4.1 Target Population

Ethiopian MRO has a total employee 2,750.00 from which 2,698 are permanent and only 52 are temporary employees. When we see the gender composition, there 302 Female and 2,448 Male employees as shown on Table 1.1.

Employment Group		Gender Ratio		
Group	***Total Number of Employees***	***Gender***	***Total Number of Employees***	***Percent***
ET Contract	52	Female	302	10.98
Permanent	2,698	Male	2,448	89.02
Total	**2,750**		**2,750**	**100**

Table 1.1 ET-MRO Employee Employment group and Gender Ratio.
Source: Ethiopian MRO-HR Record (2021)

Table 1.2 further shows that Ethiopian MRO subgroup categorized as Director, Manager, Supervisor, Ground Maintenance & Support, Maintenance & Engineering and Others. The first 3 subgroup categorized as management staff with 242 total employees and the remaining 3 subgroup categorized as non-management staff with comprising the remaining 2,508 employees.

By Subgroup	
Subgroup	***Number of Employees***
Director	9
Manager	35
Supervisor (Team Leader & Forman)	198
Ground Main't. & Sup. (Non-Mgmt.)	240
Maintenance & Eng'g (Non-Mgmt.)	1,993
Others (Non-Technical & Non-Clerical)	275
Total	**2,750**

Table 1.2 ET-MRO Employee Sub-Group.
Source: Ethiopian MRO-HR Record (2021)

3.4.2 Sampling Technique

For the purpose of this study, the researcher will consider only management staff of the division, Ethiopian MRO. It is believed that management staffs are said to be the one who are involved in strategy design and implementation rather to consider the total employees. Accordingly, the total population for this study will be, Directors (9 employee), Managers (35 employees) and Supervisors (198 employees) with a total of 242 employees.

Table 1.3 shows that 56 sample respondents were chosen based on Non-probability judgmental (purposive) sampling strategy. According to (Taherdoost, 2016) Nonprobability sampling is often associated with case study research design and qualitative research. A sample of participants or cases does not need to be representative, or random, but a clear rationale is needed for the inclusion of some cases or individuals rather than others. And Purposive or judgmental sampling is a strategy in which particular settings persons or events are selected deliberately in order to provide important information that cannot be obtained from other choices (Taherdoost, 2016).

Subgroup by Function					
Function	***Subgroup***	***Number of employees***	***Sample Respondents***	***Sample Taken in %***	***Method of Data Collection***
MRO Sales & Marketing Department	Director	1	1	100%	Questionnaire
	Manager	2	2	100%	Questionnaire
	Supervisor	9	9	100%	Questionnaire
Other Service delivery Departments	Director	8	2	30%	Questionnaire
	Manager	33	13	40%	Questionnaire
	Supervisor	189	28	15%	Questionnaire
Total		**242**	**56**		

Table 1.3 ET-MRO Employee Functional Sub-Group.
Source: Ethiopian MRO-HR Record (2021)

Accordingly, the target population is divided in to two, the first group is departments that specifically assigned for customer service i.e. MRO Sales & Marketing Department and the second group is other departments concerned mainly on other function like in-house or self-service but can also support customer service as well. Based on functional rationale, all employees on the first subgroup will be considered.

On the second subgroup, 3 criteria were placed to select respondents. The first is having experience in customer service delivery activity, second to have continuous communication with MRO Sales division during offer preparation and service delivery process. And the last one to have marketing perspective of customer service as most of the population have technical background and may have less information on the marketing side of customer service.

Based on the above rationale a sample size of 56 respondents were chosen based on Non-probability judgmental (purposive) sampling method.

3.5 Source of Data

Data will be collected from both primary and secondary source. The primary data will be gathered through questionnaire from Management of Ethiopian MRO. And secondary data sources consist of, all relevant documents such as books, journal articles, published and unpublished research papers, company reports, and other related documents will be reviewed and analyzed.

3.6 Research Instrument

The study will use primary source of data collected from questionnaires from selected respondents. The survey will be conducted using 5-point Likert scales questionnaires. The survey had 5 rating scales ranging from 1= strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree.

The study will involve mainly sales director and managers to get deep information regarding policies and procedures adopted by the sales department that may have impacted its sales performance.

3.7 Method and Procedure of Data Collection

The questionnaire distributed to the respondents, will be useful to evaluate and analyze the effect of Marketing Mix elements on sales performance of the company. And it will be helpful for understanding the challenges faced by the company in relation with sales performance and the effort undertaken by the company to improve competitiveness by applying effective Sales Strategies. All necessary care and diligence will be applied to ensure the validity, reliability and accuracy of data collection.

After securing approval from the university and the company that gives privilege to get relevant information for the intended research. Primary data will be collected using questionnaires and interviews. A review will be made with the sales manager on the questionnaires to distributed and interview points and make some correction and modification so that the intended data can be collected based on the policy and procedures of the company and at the same time to get the relevant information to support the study.

3.8 Reliability and Validity

3.8.1 Reliability

Reliability is the extent to which measurements are repeatable – when different persons perform the measurements, on different occasions, under different conditions, with supposedly alternative instruments which measure the same thing. In sum, reliability is consistency of measurement, or stability of measurement over a variety of conditions in which basically the same results should be obtained (Drost, 2011).

Reliability of the items used on the study instrument was measured using Cronbach's alpha, the most frequently used reliability test to measure internal consistency specially when using Likert scale measures.

Table 1.4 shows that the overall Cronbach's alpha result of the 44 items is 0.929 that is higher than the minimum acceptable alpha value set as 0.70.

Cronbach Alpha

Reliability Statistics		
Measurements	**Cronbach's Alpha**	**N of Items**
Product	0.822	6
Price	0.780	6
Promotion	0.768	6
Place	0.853	4
Process	0.905	5
People	0.846	5
Physical Environment	0.785	5
Sales Performance	0.817	7
Reliability of all items	**0.929**	**44**

Table 1.4 Reliability Statistics
Source: (survey data, 2022)

Case Processing Summary			
		N	**%**
Cases	Valid	51	100.0
	Excluded [a]	0	.0
	Total	51	100.0

Table 1.5 Case Processing Summary
Source: (survey data, 2022)

3.8.2 Validity

Validity is concerned with the meaningfulness of research components. When researchers measure behaviors, they are concerned with whether they are measuring what they intended to measure (Drost, 2011).

In checking validity of data first the questionnaires and interview points were given to the sales manager to get feedback. After review, some adjustments were made so that correct data can be collected in a way it can best represent and evaluate the division's activity.

3.9 Method of Data Analysis

The primary data collected from the questionnaire was analyzed using both descriptive and inferential analysis Statistical Package for Social Sciences (SPSS) version 20 software is used.

Empirical model which was used in this study is formulated in such a way that a multi-regression analysis model for investigating individual effect of each independent variable. To do so, the relationship between the variables is formulated as:

- The effect of marketing mix elements on Sales performance

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_6 + \beta_6 X_7 + \beta_7 X_8 + e$$

Where: Y = Sales performance; x1 = Product; x2 = Price; x3 = Promotion; x4 = Place; x5 = People; x6 = Process; x7 = Physical Evidence; e = error term; β_0 = constant, term; β_1 - β_7= coefficient terms of the corresponding listed variables.

3.10 Ethical Consideration

A marketing researcher is expected to pay close attention to ethical considerations while engaging respondents and collecting data since research deals with assessing both the larger external and internal environment.

Similarly, because the study is focused on examining the sales performance of MRO services of Ethiopian Airlines, a conversation will be held to raise knowledge about the study's goal. And understanding will be created that, the information gathered will be kept private and used only for the intended purpose.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATIONS

This chapter discusses the interpretation and presentation of findings obtained from the study. Data were collected to study the relationship between Marketing mix elements and sales performance. This chapter presents the background information of the respondents and finding of the results derived from the questionnaire analysis and results from the interview conducted are presented in this chapter.

4.1 Descriptive Statistics

The study was conducted using data collected through 5-point Likert scales questionnaires. The survey had 5 rating scales ranging from 1= strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree

4.1.1 Response Rate

Questionnaires Planned to be Administered	Questionnaires Filled & Returned	Percentage
56	51	91.07%

Table 1.6 Response Rate
Source: (survey data, 2022)

Among the 56 questionnaires that were distributed 54 were returned and 3 of them were rejected due to data omission in filling and respondent's inconveniences to participate in the survey. Overall, 51 questionnaires (91.07%) with complete responses were returned and used in the analysis (Table 1.6).

4.1.2 Demographic Characteristics of Respondents

The demographic characteristics of respondents is categorized in four parameters, gender, Age, Educational status, years of experiences and current working position as shown in table 1.6.

When we see gender composition of the respondents, 9 of them were female and 42 males were participated with a percentage of 82.4% and 17.6% respectively. Female participants seems to be lower however, we can say there is fair gender distribution as compare to the total female employees of the division i.e. 10.98% (MRO-HR record 2021).

Parameters		Frequency	Percent
Gender	Male	42	82.4
	Female	9	17.6
Age	20-29	1	2.0
	30-39	34	66.7
	40-49	10	19.6
	Above 50	6	11.8
Educational Status	Diploma	14	27.5
	1st Degree	29	56.9
	2nd Degree	3	5.9
	MA/ MSC	5	9.8
Years of Experience	1-5	1	2.0
	6-10	10	19.6
	11-15	23	45.1
	Over 15	17	33.3
Position	Director	3	5.9
	Manager	16	31.4
	Team Leader/ Supervisor	32	62.7
	Total	**51**	**100.0**

Table 1.7 Respondent’s profile
Source: (survey data, 2022)

As we can see from table 1.7 majority of the respondent’s age ranges from 30-39 years with a percentage of 66.7% and the least percentage falls under 20-29 i.e. 2%.

Regarding the educational background of the respondents, the majority with 56.9% has first degree but the rest 27.5% are diploma holders, 9.8% were diploma holders and 5.9% has 2nd degree. Thus, the result implies that the majority of the respondents possessed a high level of education and they have knowledge to evaluate the sales performance as well as to fill the questionnaire.

It was also found that close to half 45.1%, of the respondents have 11-15 years of experience while 33.3% served more than 15 years and the remaining 19.6% and 2% of the respondents served for 6-10 years and below 5 years respectively. The results also illustrated that majority of the respondents are well experienced to give acceptable suggestion about the service under research.

Finally, when we see the respondent’s position, all of them have managerial position. This will help the study to get relevant information regarding strategic decision on marketing and sales performance. Accordingly, more than half of the respondents (62.7%) are Team leaders or Supervisors from different sections while 31.4% have managerial position and the remaining 5.9% are department Directors.

4.1.3 Description of Study Variables

To compare the respondent's perception towards the variables, descriptive statistics of mean and standard deviation are used. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statement and respondents strongly disagreed if the mean scored value is in the range of 1.00 – 1.80; disagreed within 1.81 – 2.60; neither agreed nor disagreed within 2.61 - 3.40; agreed if it is in the range of 3.41 – 4.20; while strongly agreed when it falls within 4.21 – 5.00. While standard deviation shows the degree of dispersion or the scatter of the probability distribution relative to its mean and the result will be said less varied if the value is close to zero usually below 1 and the result will be said highly varied when the value is far from zero usually above 1. Below, the results are discussed in detail.

4.1.3.1 Service Marketing Mix Elements

4.1.3.1.1 Product

Descriptive Statistics	N	Mean	Std. Deviation
ET-MRO offers less range of services	51	3.86	.749
ET-MRO provides lower quality service as compared to its competitors	51	3.57	.831
ET-MRO utilizes less advanced technology of the Industry	51	3.39	.777
ET-MRO gives less emphasis for brand reputation to provide distinctive service quality to its customers	51	3.49	.758
Less emphasis is given for customer feedback to improve the quality and efficiency of services delivered	51	3.78	.783
Less emphasis is given for customers' needs and requirements at service/product development stage.	51	3.80	.800
Product	**51**	**3.65**	**.570**
Valid N (listwise)	51		

Table 1.8 Descriptive Statistics - Product
Source: (survey data, 2022)

Referring Table 1.8, the respondents believed that ET-MRO offers less range of service and lower quality service as compared to competitors with mean scored value of 3.86 and 3.57 respectively. Moreover, they further agreed that utilization of advanced technology and brand reputation in providing distinctive service quality to its customers is given lower emphasis with mean scored value of 3.39 and 3.49 respectively. And finally, the respondents believed that less emphasis is given for customer feedback to improve the quality and efficiency of services delivered and for customers' needs and requirements at service/product development stage with mean scored value of 3.78 and 3.80 respectively. Accordingly, majority of the respondents with (mean 3.65) agreed that the overall product/ service of the department needs further improvement to be best MRO service provider. Moreover, their perception in this regard were less varied the standard deviation (.570) is close to zero and below 1.

4.1.3.1.2 Price

Descriptive Statistics	N	Mean	Std. Deviation
ET-MRO do not charge acceptable fees	51	3.98	.735
The price charged are not proportionate to the quality of service offered	51	4.00	.775
The service charges do not measure up to competitors' offers or it is not competitive	51	3.92	.717
The prices are not communicated and easily understandable	51	4.04	.564
ET-MRO does not consider the different kinds of costs incurred when determining price for services rendered.	51	4.02	.583
No Price discrimination (charging different price) is available according to the market segments it serves.	51	3.88	.711
Price	**51**	**3.97**	**.473**
Valid N (listwise)	51		

Table 1.9 Descriptive Statistics - Price
Source: (survey data, 2022)

Referring Table 1.9, the respondents believed that ET-MRO do not charge acceptable fees and the price charged are not proportionate to the quality of service offered with mean scored value of 3.98 and 4.00 respectively. Moreover, they further agreed that charges are not competitive and are not communicated and easily understandable to customers with mean scored value of 3.92 and 4.04 respectively. And finally, the respondents also believed that ET-MRO do not consider the different kinds of costs incurred when determining price for services rendered and there is no Price discrimination available according to the market segments it serves having mean scored value of 4.02 and 3.88 respectively. Consequently, majority of the respondents with (mean 3.97) Agreed that the department should implement better pricing strategy to achieve its objectives. Furthermore, their perception in this regard were less varied the standard deviation (.473) is close to zero and below 1.

4.1.3.1.3 Promotion

Descriptive Statistics	N	Mean	Std. Deviation
There is less effective utilization of advertising media such as TV, magazine, etc. to promote its products	51	3.94	.580
Less emphasis is given for various sales promotions such as promotional gifts, price discounts etc.	51	3.63	.662
ET-MRO do not use publicity and public relations to enhance its image	51	3.82	.555
ET-MRO promotes its services less adequately and effectively	51	3.67	.739
ET-MRO do not use direct marketing methods such as the internet, direct mail, social Media etc.	51	3.75	.688
ET-MRO allocates few promotional budgets to advertise its services.	51	3.84	.644
Promotion	**51**	**3.77**	**.441**
Valid N (listwise)	51		

Table 2.0 Descriptive Statistics - Promotion
Source: (survey data, 2022)

Referring Table 2.0, the respondents believed that ET-MRO do not fully utilize advertising media such as TV, magazine, etc. to promote its products and few promotional budgets are allocated to advertise its services and generally the department promotes its services less adequately and effectively with mean scored value of 3.94, 3.84 and 3.67 respectively. Moreover, they further agreed that less emphasis is given for various sales promotion initiatives such as promotional gifts, price discounts etc. and there is less use publicity and public relations to enhance its image with mean scored value of 3.63 and 3.82 respectively. And finally, the respondents also believed that there is less effective utilization of direct marketing methods such as the internet, direct mail, social Media etc. (mean 3.75). Accordingly, majority of the respondents with (mean 3.77) agreed that the overall promotional activity of the department needs further improvement to best promote the MRO service. Additionally, their perception in this regard were less varied the standard deviation (.441) is close to zero and below 1.

4.1.3.1.4 Place

Descriptive Statistics	N	Mean	Std. Deviation
ET-MRO service locations are less accessible	51	3.73	.750
ET-MRO use few multi-distribution channels (service at Customer-site, Tool Support) to extend its service	51	3.51	.703
24/7 support is limited to few services.	51	3.59	.779
ET-MRO appreciates the role of intermediaries rather than direct contact with customers.	51	3.67	.739
Place/ Distribution	**51**	**3.62**	**.619**
Valid N (listwise)	51		

Table 2.1 Descriptive Statistics - Place
Source: (survey data, 2022)

Referring Table 2.1, the respondents believed that ET-MRO service locations are less accessible to customers and 24/7 support is limited to few services while it encourages the role of intermediaries rather than direct contact with customers with mean scored value of 3.73, 3.59 and 3.67 respectively. Moreover, the respondents also believed that there are few multi-distribution channels like service at Customer-site, Tool Support, etc. to extend its services with mean scored value 3.51. Consequently, majority of the respondents with (mean 3.62) agreed that the overall distribution activity of the department needs further improvement to make the MRO service more accessible and to reach its customers easily. Moreover, their perception in this regard were less varied the standard deviation (.619) is close to zero and below 1.

4.1.3.1.5 Process

Descriptive Statistics	N	Mean	Std. Deviation
ET-MRO do not use standard procedures in all of its services	51	3.96	.720
ET-MRO use information technology inadequately on its service delivery processes	51	3.75	.868
ET-MRO use Non-flexible systems and procedures in responding to customers' needs	51	3.86	.960
ET-MRO's systems and processes weaken efficiency of service delivery	51	3.76	.815
Service delivery time exceeds target date.	51	3.78	.856
Process	**51**	**3.82**	**.721**
Valid N (listwise)	51		

Table 2.2 Descriptive Statistics - Process
Source: (survey data, 2022)

Referring Table 2.2, the respondents agreed that ET-MRO do not use standard procedures in all of its services and use Non-flexible systems and procedures in responding to customers' needs and generally the department systems and processes weaken efficiency of service delivery and effectively with mean scored value of 3.96, 3.86 and 3.76 respectively. Moreover, they further believed that ET-MRO uses information technology inadequately on its service delivery processes while Service delivery time exceeds target date with mean scored value of 3.75 and 3.78 respectively. Accordingly, majority of the respondents with (mean 3.82) agreed that the department needs to have simple and efficient process to enhance the service delivery. In addition, their perception in this regard were less varied the standard deviation (.721) is close to zero and below 1.

4.1.3.1.6 People

Descriptive Statistics	N	Mean	Std. Deviation
ET-MRO do not carefully choose personnel who interact with customers.	51	3.69	.648
The service staff are not adequately motivated and rewarded to provide effective customer interactions	51	3.90	.539
The customer contact staffs do not exhibit enthusiastic, positive and caring attitude	51	3.57	.755
Less emphasis is given for training and development programs to improve employees' capabilities	51	3.69	.735
The service staff lacks courtesy and are less competent to handle customer service	51	3.80	.722
People	**51**	**3.73**	**.538**
Valid N (listwise)	51		

Table 2.3 Descriptive Statistics - People
Source: (survey data, 2022)

Referring Table 2.3, the respondents believed that ET-MRO do not carefully choose personnel who interact with customers and service staff lacks courtesy and are less competent to handle customer service and they do not exhibit enthusiastic, positive and caring attitude with mean scored value of 3.69, 3.80 and 3.57 respectively. Moreover, they further agreed that the service staff are not adequately motivated and rewarded to provide effective customer interactions and less emphasis is given for training and development programs to improve employees' capabilities with mean scored value of 3.90 and 3.69 respectively. Consequently, majority of the respondents with (mean 3.73) agreed that the department must give more attention and allocate sufficient resources to improve its human resources. Furthermore, their perception in this regard were less varied the standard deviation (.538) is close to zero and below 1.

4.1.3.1.7 Physical Environment

Descriptive Statistics	N	Mean	Std. Deviation
The overall facility layout, décor, furnishings, colors, lighting, etc. are not friendly and welcoming ambience.	51	3.86	.401
Customer service employees do not exhibit appearance that shows the company image.	51	3.57	.608
The facilities and layout of the organization are not designed in a way that communicates service quality.	51	3.82	.623
Safety and security requirements ignore customer's comfort.	51	3.84	.644
Customer Representatives suffers in using company facilities like cafeteria, parking lot, etc..	51	3.76	.651
Physical Environment	**51**	**3.77**	**.435**
Valid N (listwise)	51		

Table 2.4 Descriptive Statistics – Physical Environment
Source: (survey data, 2022)

Referring Table 2.4, the respondents believed that the overall facility layout, décor, furnishings, colors, lighting, etc. are not friendly and safety & security requirements ignore customer's comfort with mean scored value of 3.86 and 3.84 respectively. Moreover, they agreed that facilities and layout of the organization are not designed in a way that communicates service quality and customer's representatives suffers in using company facilities like cafeteria, parking lot, etc. with mean scored value of 3.82 and 3.76 respectively. Finally, the respondents also believed that customer service employees do not exhibit appearance that shows the company image. (mean 3.57). Accordingly, majority of the respondents with (mean 3.77) agreed that the department should have customer inviting Physical environment to enhance the service delivery. Likewise, their perception in this regard were less varied the standard deviation (.435) is close to zero and below 1.

4.1.3.2. Sales Performance

Descriptive Statistics	N	Mean	Std. Deviation
PRODUCT - level of impact on Sales Performance	51	4.08	.523
PRICE - level of impact on Sales Performance	51	3.90	.500
PROM'N - level of impact on Sales Performance	51	3.88	.516
PLACE - level of impact on Sales Performance	51	3.94	.544
PEOPLE - level of impact on Sales Performance	51	3.94	.465
PROCESS - level of impact on Sales Performance	51	4.06	.465
PHY. ENV - level of impact on Sales Performance	51	3.90	.575
Sales Performance	**51**	**3.96**	**.355**
Valid N (listwise)	51		

Table 2.5 Descriptive Statistics – Sales Performance
Source: (survey data, 2022)

Table 2.5 shows respondents' level of agreement of the impact of each marketing Mix elements on sales performance. Accordingly, higher level of agreement is given to Product and Process with mean scored value of 4.08 and 4.06 respectively. And second level of agreement is given to place & People and Price & Physical environment with mean scored value of 3.94 and 3.90 respectively. And finally, promotion has lowest level of agreement (mean 3.88). Consequently, majority of the respondents with (mean 3.96) agrees that all the 7 marketing mix elements can impact the sales performance of the department. Moreover, their perception in this regard were less varied the standard deviation (.355) is close to zero and below 1.

4.2. Inferential Statistics

4.2.1 Multiple Regression Assumption Tests

Multiple regression is an analysis that assesses whether one or more predictive variables explain the dependent (criterion) variable. The regression assumptions are Multivariate Normality, Linearity and Homoscedasticity.

4.2.1.1. Multicollinearity

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are Multicollinearity, there is "overlap" or sharing of predictive power. Thus, the impact of Multicollinearity is to reduce any individual independent variable's predictive power by the extent to which it is associated with the other independent variables.

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	PRO	.532	1.881
	PRI	.542	1.844
	PRMO	.297	3.368
	PLC	.938	1.066
	PRC	.608	1.644
	PPL	.333	3.004
	PHY ENV	.552	1.810

a. Dependent Variable: SAL PRF

Table 2.6 Collinearity Diagnostics

"Tolerance" and "variance inflation factors" (VIF) values for each predictor is a means of checking for Multicollinearity. Tolerance value below 0.1 and VIF value above 10% indicate a Multicollinearity problem. As shown on table 2.6, all values of VIF is within the specified range, it can be concluded that there is no problem of Multicollinearity issue in the present study.

4.2.1.2 Homoscedasticity

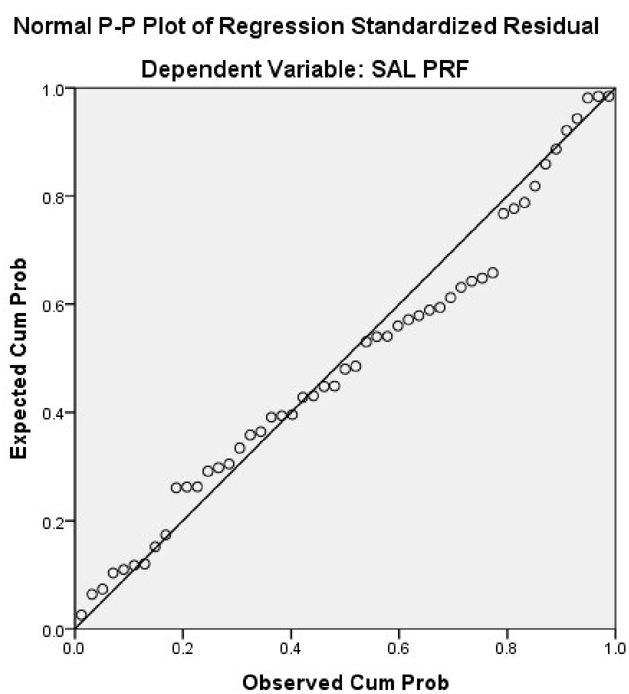

Figure-3: Homoscedasticity Test

The normal Q-Q chart plots the values one would expect to get if the distribution were normal (expected values) against the values actually seen in the data set (observed values). The expected values are a straight diagonal line, whereas the observed values are plotted as individual points. If the data are normally distributed, then the observed values (the dots on the chart) should fall exactly along the straight line (meaning that the observed values are the same as you would expect to get from a normally distributed data set). Any deviation of the dots from the line represents a deviation from normality. Therefore, the Q-Q plot of the all variable considered in this study looks like a straight line with a wiggly snake wrapped around it, then it showed little deviation from normality.

4.2.1.1 Multivariate Normality

To check that a distribution of scores is normal, it needs to look at the values of Kurtosis and Skewness. Both of which have an associated standard error. The skewness should be within -2.0 to 2.0; and Kurtosis value should fall within -3.0 to 3.0). As shown in Table 2.7, only Product, Promotion, Place, People & Physical environment was found to be within acceptable range (skewness within -2.0 to 2.0; and Kurtosis within -3.0 to 3.0). The P-P plot graph is also normal as shown on figure 5, most of the data are within the bell shape.

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
PRO	51	.503	.333	.234	.656
PRI	51	-.277	.333	-.637	.656
PRMO	51	.338	.333	1.306	.656
PLC	51	-.296	.333	.096	.656
PRC	51	-.438	.333	-.767	.656
PPL	51	-.570	.333	1.422	.656
PHY ENV	51	-.352	.333	2.246	.656
SAL PRF	51	1.296	.333	1.488	.656
Valid N (listwise)	51				

Table 2.7 Normality Test

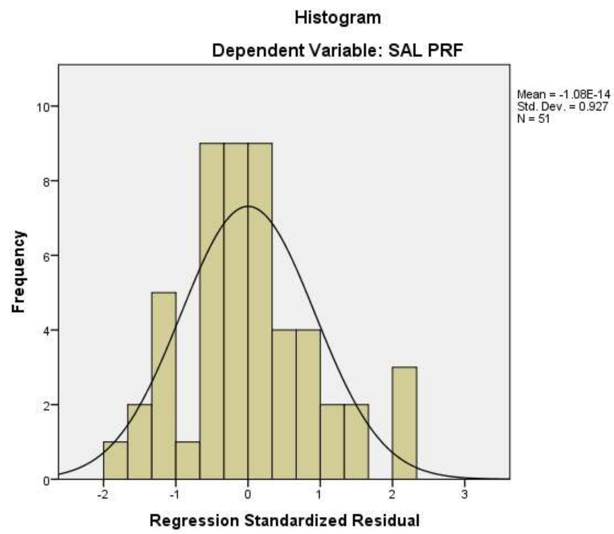

Figure-4: Normal P-P Plot

4.2.2 Correlation Analysis

This study employs correlation analysis, which investigates the strength of the relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 + 1.0).

	Product	Price	Promotion	Place	Process	People	Physical Env't	Sales Perform.
Product	1							
Price	.489**	1						
Promotion	.494**	.515**	1					
Place	.058	.156	.067	1				
People	.459**	.536**	.311*	.132	1			
Process	.122	.286*	.702**	.014	.157	1		
Physical Env't	.316*	.386**	.378**	-.080	.416**	.515**	1	
Sales Perform.	.757**	.705**	.657**	.359**	.641**	.301*	.370**	1

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
Table 2.8 Pearson Correlation Matrix
Source: (survey data, 2022)

The correlation coefficient (r) refers 0.1– 0.29 is weak; 0.3 – 0.49 is moderate; and > 0.5 is strong. Based on this scale, the responses of the respondents are summarized as follows. Table 2.8 indicate that, there is positive and strong relationship between Product and sales performance (r = 0.757, < 0.01), Price and sales performance (r = 0.705, < 0.01), Promotion and sales performance (r = 0.657, < 0.01), and Process and sales performance (r = 0.641, < 0.01). On the other hand, there is moderate positive correlation among Physical Environment and sales performance (r = 0.370, < 0.01), Place and sales performance (r = 0.359, < 0.01) and People and sales performance (r = 0.301, < 0.01).

4.2.1 Regression Analysis

Multiple regression analysis in this research was used to model the value of the construct variable (Sales Performance) based on its linear relationship to two or more predictors (product, price, place, promotion, people, process and physical evidence). In order to indicate the impact that each predictor has on the construct variable, the unstandardized coefficients are checked.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.931a	.866	.845	.13992	.866	39.810	7	43	.000

a. Predictors: (Constant), PHY ENV, PRO, PLC, PRMO, PRC, PRI, PPL

Table 2.9 Model Summary

As indicated in the model summary of the analysis on Table 2.9, above, the value of R (.931) indicated relations of the seven independent variables with the dependent one which are accounted for approximately 86.6% (R2) of the variation in sales performance. However, the remaining percent (13.4%) was explained by other variables not included in this study.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.456	7	.779	39.810	.000b
	Residual	.842	43	.020		
	Total	6.298	50			

a. Dependent Variable: SAL PRF

b. Predictors: (Constant), PHY ENV, PRO, PLC, PRMO, PRC, PRI, PPL

Table 3.0 ANOVA Analysis

As indicated in Table 3.0 of ANOVA test, F value of 39.810 is significant at $p < 0.001$. Therefore, it can be inferred that with 86.6% of variance (R Square), marketing mix element is significant, and the model appropriately measured the dependent variables – Sales performance. Thus, the regression model predicts sales performance and has been significantly explained by the seven service marketing mix elements.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.681	.245		2.783	.008	.188	1.174
	PRO	.238	.048	.383	5.006	.000	.142	.334
	PRI	.156	.057	.208	2.748	.009	.042	.271
	PRMO	.260	.082	.323	3.153	.003	.094	.426
	PLC	.146	.033	.255	4.427	.000	.080	.213
	PRC	.111	.035	.226	3.162	.003	.040	.182
	PPL	.069	.088	.105	.789	.004	.108	.246
	PHY ENV	.065	.055	.098	-1.187	.002	.175	.045

a. Dependent Variable: SAL PRF

Table 3.1 ANOVA Analysis

Table 3.1 shows the constant, beta, and significance level of each variable. It indicates that all the seven variables, product, price, promotion, place, process, people and physical environment influence sales performance significantly at 95% confidence interval with a $p<.05$ sig. level. Accordingly, considering the four variables, the results in the model yields:

$$SAL\ PRF=.681+.238PRO+.156PRI+.260PRMO+.146PLC+.111PRC+.069PPL+.065PHY\ ENV$$

Where:

SAL PRF = Sales Performance, PRO = Product, PRI = Price, PRMO = Promotion, PLC = Place, PRC = Process, PPL=People and PHY ENV = Physical Environment

The regression analysis shows that all the seven marketing mix elements have positive and significant effect on sales performance. Promotion (β = .260) has the highest effect followed by Product (β = .238), Price (β = .156), Place (β = .146) and Process (β = .111). however, People (β = .069), and Physical environment (β =.065) have relatively lower contribution to the prediction model. The regression model from the above table shows that keeping other variables constant, a one-unit increase in promotion will bring a 0.260-unit increase in sales performance and the same applies for the other three service marketing mix elements. And, since p- value of product, price, promotion, place, process, people and physical environment is less than 0.05, we can reject the null hypothesis and accept that all the seven marketing mix elements has positive effect on sales performance.

4.3. Secondary Data Analysis

In this part of the study, secondary data analysis on the sales performance of Ethiopian MRO will be analyzed. This will be done by reviewing and analyzing five years' sales report of the department based on data collected from the Annual Reports of the company. This helps to ascertain results obtained from the survey collected through questionnaires about the sales performance of the department.

4.3.1 Annual Sales/Revenue Report

Period	Revenue (USD)		Achievement (%)
	Forecast	Actual	
2016/17	56,759,851.07	57,231,660.26	101%
2017/18	69,456,178.65	57,725,095.25	83%
2018/19	104,767,906.33	78,416,154.52	75%
2019/20	146,000,001.04	88,764,965.77	61%
2020/21	176,314,834.03	67,784,587.44	38%

Table 3.2 Ethiopian MRO Revenue Report

Annual Sales/Revenue report shows the amount of dollar sales in a given period. As shown on Table 3.2 and Figure 5, five years' consecutive Annual revenue report is presented from 2016/17 up to 2020/21. With highest percentage achieved in 2016/17 (101%) and 2017/18 (83%) and 75% and 61% achieved in the year 2018/19 and 2019/20 respectively. While the lowest percentage achieved in 2020/21 (38%).

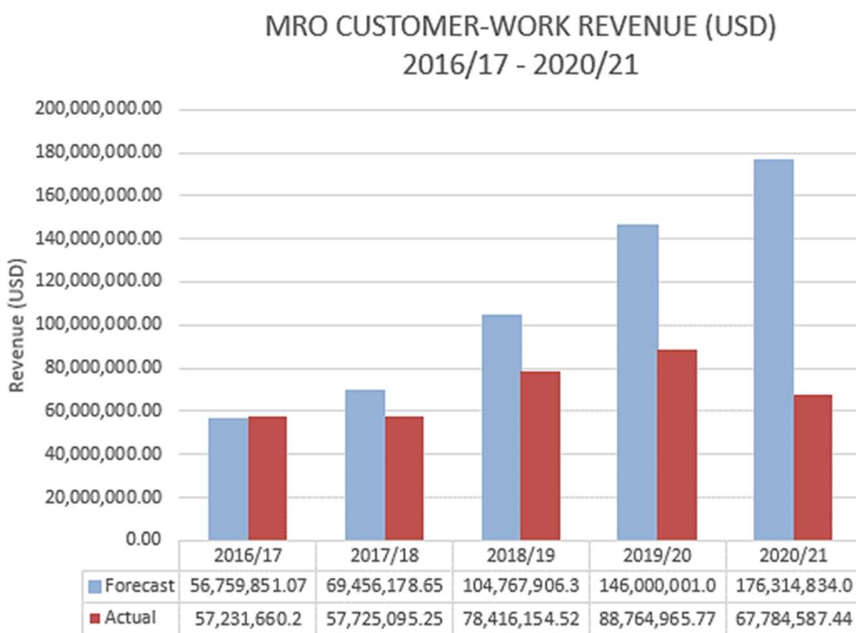

Figure-5: Revenue Actual Vs Forecast

4.4 Discussion

This part explains the findings of the results in line with the study objectives. This study wants to examine the effect of service marketing mix elements on sales performance of MRO (Maintenance, Repair & Overhaul) services of Ethiopian Airlines delivered to different international and local customers. The discussion focuses on the major findings of product, price, promotion, place, people, process and physical environment and their relationship with sales performance.

Promotion (β =.260) has higher positive and significant effect on sales performance. Effective utilization of promotion mix elements will make the service provider visible to the customer which will have direct effect on sales performance. From the finding outcome, we can conclude that Promotion (β =.260) is one of the important marketing mix that has a significance influence on sales performance of the company.

Product (β = .238) also has higher positive and significant effect on sales performance. Delivering the service as per customer need would provide customer satisfaction that in turn will have impact the sales performance. The findings also revealed that Product (β = .238), is also an important marketing mix that has positive impact on sales performance.

Price (β =.156) and Place (β = .146) also has a relative higher positive and significant effect on sales performance. Due to existence of rigid competition in the MRO industry, effective price estimation and implementation and ease of accessibility are most significant elements to attract more customer and enhance sales performance. From the finding outcome, we can conclude that Price (β =.156) and Place (β = .146) are important marketing mix elements that has a significance influence on sales performance of the company.

Process (β = .111), People (β =.069) and Physical Environment (β = .065) has relatively lower but also positive and significant effect on sales performance. Simplified and technologically supported process, having motivated and well trained sales person and establishment of welcoming environment will improve sales performance. The findings also revealed process, people and physical environment can also be considered as an important factor for sales performance.

The above findings are supported by Akroush (2011), Singh (2012), Chumaidiyah (2013), Abdelhady, Fayed & Fawzy (2019) and Srinivasan & Lisanu (2020) that the seven marketing mix elements, product, price, promotion, place, process, people and physical environment can significantly affect sales performance of an organization.

Hypothesis	Findings		Result
HO_2: Promotion has significant positive effect on sales Performance	$\beta = .260; p<.05$	Positive Significant	Supported
HO_1: Product has significant positive effect on sales Performance	$\beta = .238; p>.05$	Positive Significant	Supported
HO_4: Price has significant positive effect on sales Performance	$\beta = .156; p<.05$	Positive Significant	Supported
HO_3: Place/Distribution has significant positive effect on sales Performance	$\beta = .146; p<.05$	Positive Significant	Supported
HO_6: Process has significant positive effect on sales Performance	$\beta = .111; p>.05$	Positive Significant	Supported
HO_5: People have significant positive effect on sales Performance	$\beta = .069; p<.05$	Positive Significant	Supported
HO_7: Physical Environment has significant positive effect on sales Performance	$\beta = .065; p>.05$	Positive Significant	Supported

Table 3.3 Summary of the Research Hypothesis Test Result

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

this chapter of the study will present summary of major findings, conclusion, and recommendations of the study.

5.1. SUMMARY OF MAJOR FINDINGS

Generally, the study has primary objective of examining the effect of marketing mix elements on sales performance of Ethiopian Airlines MRO services. Accordingly, seven factors were considered i.e., product, price, place, promotion, people, process, and physical evidence to investigate their effect on sales performance.

5.1.1. Primary Data

To carry out the study, A sample size of 56 respondents was were chosen based on Non-probability judgmental (purposive) sampling strategy. The respondents were supervisors, managers and directors selected from a total of 242 employees. Based on the theoretical framework and objectives of the study, a questionnaire with 44 items were provided in a 5-point Likert scale to be filled by the respondents. The gathered data was analyzed by descriptive and inferential statistics. The major findings are summarized and presented as below:

- The demographic background of the sample respondents shows that, Majority of the respondents are males (82.4%) and the rest females (17.6%). Out of the total respondents, more than half of them (66.7%) were aged in the range of 30-39. Respondents with the age group of 40-49 accounted 19.6%. Majority (56.9%) of the respondents are First Degree holders while Diploma holders are 27.5%. Most (45.1%) of the respondents have 11-15 years of experience and 33.3% of them has more than 15 years of experience and when we see their position 62.7% are supervisors and 31.4 % are directors.

The empirical results from correlation and regression analysis for the seven service marketing mix elements and sales performance shows that.

- The correlation between the seven marketing mix elements and sales performance indicates that, there is positive and strong correlation between Product and sales performance ($r = 0.757$, < 0.01), Price and sales performance ($r = 0.705$, < 0.01), Promotion and sales performance ($r = 0.657, < 0.01$), and Process and sales performance ($r = 0.641, < 0.01$). On the other hand, there is moderate positive correlation among Physical Environment and sales performance ($r = 0.370, < 0.01$), Place and sales performance ($r = 0.359, < 0.01$) and People and sales performance ($r = 0.301, < 0.01$).

- As per the regression analysis result, the overall service marketing mix elements are accounted for 86.6% variation in sales performance. All the seven service marketing mix elements have significant effect on sales performance.
- Finally, Promotion ($\beta = .260$) relatively has the highest effect on sales performance followed by Product ($\beta = .238$), Price ($\beta = .156$), Place ($\beta = .146$) and Process ($\beta = .111$). however, People ($\beta = .069$), and Physical environment ($\beta =.065$) have relatively lower contribution to the prediction model. And also, since, p- value of product, price, place, promotion, people, process and physical environment is less than 0.05 the null hypothesis can be rejected and it can be concluded that all marketing mix elements has positive effect on sales performance.

5.1.2. Secondary Data

The Annual revenue report of the department is analyzed and found that the target revenue is achieved only for the period 2016/17 (101%). Continuing onwards the department failed to meet the revenue target at decreasing rate from 83% (2017/18) to the lowest percentage achieved in 2020/21 (38%).

5.2. CONCLUSION

The Overall objective of the study was to examine the effect of the seven marketing mix elements on sales performance in the case of MRO service for Ethiopian airlines. Using multiple regression analysis, it was found that all of the seven marketing mix elements (Product, Price, Promotion, Place Process, People and physical environment) have positive and significant effect on sales performance. From this study it can be concluded that the company should be committed in building effective programs and policies for the above marketing mix elements based on customer's needs and requirements.

Prices charged by the department are not proportionate to the quality of service offered and not competitive with the market and due to lack of deep investigation, different costs are not considered as an input in price determination. The lack of effective utilization of promotional mix hinders the departments to effectively communicate its capacity and the benefit customers can receive from acquiring its services. Low budget allocation and utilization of the various communication means, like advertising, sales promotion and public relation makes the services less visible to all possible potential customers.

The departments strategy to distribute its service is less effective as service locations are few and less accessible and existence of limitation to deliver expanded service like Customer-site & tool Support service, 24/7 AOG support service, etc. needs improvement and revision to meet the vast aviation industry.

The overall process of the department shows highest mean which accordingly refer to contribute the highest contribution for the lowest sales performance suggested by the respondents. The human resource management of the company is questionable. Personnel who interact with customer should be properly equipped with training and skill development programs in line with adequate motivational rewards to enhance employee-customer interactions. Generally, physical environment factors are not given equal emphasis with the core service objective of the company. Where facility layout of the organization is not designed to communicates service quality and Customer Representatives are not comfortable to use various service facilities. as they set the customers expectation that led them to start with satisfaction or dissatisfaction

Finally, from the general result of this study, it can be concluded that service marketing mix plays an important role in enhancing sales performance. And thus, ET-MRO to become prominent service provider, the management should invest their time, effort, resource and commitment to build sound and effective service marketing mix elements.

5.3. RECOMMENDATION

Based on the major findings of the results, the following recommendations have been forwarded:

Product/ service has significant and positive effect on sales performance of the company. Delivering superior and customer-oriented products and service is an important factor to increase sales volume of the company and achieve organizational objective. Thus, the department should improve quality and variety of service and in the long run will develop brand reputation. It is also mandatory to adhere to customer feedback so as to serve them better.

Promotion has positive and significant effect on sales performance for MRO service. Effective utilization of promotion mix elements will make the service provider visible to the customer which will have direct effect on sales performance. Thus, the management and policy makers of the department should increase the resources allocated for communication and advertising activities and put maximum effort to effectively utilize all the possible promotion and advertising means to make the MRO service to all potential customers.

Place/ distribution also has significant and positive effect on sales performance of the company. According to the outcome of this study, setting the proper distribution mix is an important factor to improve sales performance. Thus, the company should put in to practice the various distribution channels as the more accessible the service provider is to the customer the more chance it has to be selected by the customer.

People affect sales performance positively and significantly the MRO service of Ethiopian Airlines. The quality of service highly depends up on the ability and motivation of the employee. The company should provide adequate training and skill development programs for staffs who interact with customer in line with adequate motivational rewards to enhance employee-customer interactions. Thus, by understanding and giving due attention to individual needs, the company can meet its goal in achieving good customer service and high sales performance.

5.4. LIMITATIONS AND SUGGESTION FOR FURTHER RESEARCH

As the study respondents were management staff of Ethiopian MRO division. It has a limitation not to include all management staff due to the reason most of them has technical background and have limited information regarding marketing perspectives of the business. And due to time and resource limitation consumers were not participated in the study. Based on this limitation, if any other researcher wants to continuously study about this topic, it is suggested for consideration of customer's feedback so that the research can cover customer perspective and the result can be more comprehensive.

Finally, based on value of determination of service marketing mix element to repurchase decision was found to be around 86.6%, its mean that there is other element outside of service marketing mix element that can explain sales performance compared with element on this study. The last suggestion is that future research can use those other elements, so that results can be more comprehensive that could help companies to make more competitive strategy to improve sales performance.

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APPENDIX -1 QUESTIONNAIRE

Addis Ababa University

College of Business and Economics

School of Commerce Graduate Studies Program

Questionnaire for Employees at ET-MRO

Dear Respondents,

My name is Engdawork Seyoum. I am employee of Ethiopian Airlines and a postgraduate student at Addis Ababa University's School of Commerce. This questionnaire is being produced to gather data for my thesis, "***The effect of Marketing Mix Elements on Sales Performance of MRO (Maintenance, Repair & Overhaul) Services: the case of Ethiopian Airlines.***" in partial fulfillment for the requirement of Master of Arts (*MA) in Marketing Management*.

I kindly request you to answer the questions as truthfully and honestly as possible. Because your opinions are extremely valuable, and it is important that you complete all the items of the questionnaire.

I would like to affirm you that all the information you share are completely private and will be used for academic purpose ONLY.

Thank you in advance for your time and cooperation!

Engdawork Seyoum

If you have any inquiries, feel free to contact me through my E-mail:

engdaworks@gmail.com

Part I: Profile of Participants

Please answer by putting a tick mark (√) in the box provided.

1. Sex: Male ☐ Female ☐

2. Age Group: 20-29 ☐ 30-39 ☐ 40-49 ☐ >50 ☐

3. Educational Status:

Diploma ☐ 1st Degree ☐ 2nd Degree ☐ MA/MSC ☐ Other ☐

4. Work Experience:

Below 1 Years ☐ 1-5 Years ☐ 6-10 years ☐ 11-15 years ☐ Over 15Years ☐

5. Position:

Director ☐ Manager ☐ Team Leader/ Supervisor ☐

Part II: Marketing Strategy Issues

This part of the questionnaire covers items related to Marketing strategy of ET-MRO. Please indicate how much you agree or disagree with each of the following statements by circling the number that best represents your opinion. 1 indicates *strongly disagree (SDA)*, 2 indicates *disagree (DA)*, 3 indicates *neutral (N)*, 4 indicates *agree (A)* and 5 indicates *strongly agree (SA)*.

A) Product Related Questions

S/N	Issues	SDA	DA	N	A	SA
1.	ET-MRO offers less range of services	**1**	**2**	**3**	**4**	**5**
2.	ET-MRO provides lower quality service as compared to its competitors	**1**	**2**	**3**	**4**	**5**
3.	ET-MRO utilizes less advanced technology of the Industry	**1**	**2**	**3**	**4**	**5**
4.	ET-MRO gives less emphasis for brand reputation to provide distinctive service quality to its customers	**1**	**2**	**3**	**4**	**5**
5.	Less emphasis is given for customer feedback to improve the quality and efficiency of services delivered	**1**	**2**	**3**	**4**	**5**
6.	Less emphasis is given for customers' needs and requirements at service/product development stage.	**1**	**2**	**3**	**4**	**5**

B) Price Related Questions

S/N	Issues	SDA	DA	N	A	SA
1.	ET-MRO do not charge acceptable fees	**1**	**2**	**3**	**4**	**5**
2.	The price charged are not proportionate to the quality of service offered	**1**	**2**	**3**	**4**	**5**
3.	The service charges do not measure up to competitors' offers or it is not competitive	**1**	**2**	**3**	**4**	**5**
4.	The prices are not communicated and easily understandable	**1**	**2**	**3**	**4**	**5**
5.	ET-MRO do not consider the different kinds of costs incurred when determining price for services rendered.	**1**	**2**	**3**	**4**	**5**
6.	No Price discrimination (charging different price) is available according to the market segments it serves.	**1**	**2**	**3**	**4**	**5**

C) Promotion Related Questions

S/N	Issues	SDA	DA	N	A	SA
1.	There is less effective utilization of advertising media such as TV, magazine, etc. to promote its products	**1**	**2**	**3**	**4**	**5**
2.	Less emphasis is given for various sales promotions such as promotional gifts, price discounts etc.	**1**	**2**	**3**	**4**	**5**
3.	ET-MRO do not use publicity and public relations to enhance its image	**1**	**2**	**3**	**4**	**5**
4.	ET-MRO promotes its services less adequately and effectively	**1**	**2**	**3**	**4**	**5**
5.	ET-MRO do not use direct marketing methods such as the internet, direct mail, social Media etc.	**1**	**2**	**3**	**4**	**5**
6.	ET-MRO allocates few promotional budgets to advertise its services.	**1**	**2**	**3**	**4**	**5**

D) Place/ Distribution Related Questions

S/N	Issues	SDA	DA	N	A	SA
1.	ET-MRO service locations are less accessible	**1**	**2**	**3**	**4**	**5**
2.	ET-MRO use few multi-distribution channels (service at Customer-site, Tool Support) to extend its service	**1**	**2**	**3**	**4**	**5**
3.	24/7 support is limited to few services.	**1**	**2**	**3**	**4**	**5**
4.	ET-MRO appreciate the role of intermediaries rather than direct contact with customers.	**1**	**2**	**3**	**4**	**5**

E) Process Related Questions

S/N	Issues	SDA	DA	N	A	SA
1.	ET-MRO do not use standard procedures in all of its services	**1**	**2**	**3**	**4**	**5**
2.	ET-MRO use information technology inadequately on its service delivery processes	**1**	**2**	**3**	**4**	**5**
3.	ET-MRO use Non-flexible systems and procedures in responding to customers' needs	**1**	**2**	**3**	**4**	**5**
4.	ET-MRO's systems and processes weaken efficiency of service delivery	**1**	**2**	**3**	**4**	**5**
5.	Service delivery time exceeds target date.	**1**	**2**	**3**	**4**	**5**

F) People Related Questions

S/N	Issues	SDA	DA	N	A	SA
1.	ET-MRO do not carefully choose personnel who interact with customers.	**1**	**2**	**3**	**4**	**5**
2.	The service staff are not adequately motivated and rewarded to provide effective customer interactions	**1**	**2**	**3**	**4**	**5**
3.	The customer contact staff do not exhibit enthusiastic, positive and caring attitude	**1**	**2**	**3**	**4**	**5**
4.	Less emphasis is given for training and development programs to improve employees' capabilities	**1**	**2**	**3**	**4**	**5**
5.	The service staff lacks courtesy and are less competent to handle customer service	**1**	**2**	**3**	**4**	**5**

G) Physical Environment Related Questions

S/N	Issues	SDA	DA	N	A	SA
1.	The overall facility layout, décor, furnishings, colors, lighting, etc. are not friendly and welcoming ambience.	**1**	**2**	**3**	**4**	**5**
2.	Customer service employees do not exhibit appearance that shows the company image.	**1**	**2**	**3**	**4**	**5**
3.	The facilities and layout of the organization are not designed in a way that communicates service quality.	**1**	**2**	**3**	**4**	**5**
4.	Safety and security requirements ignore customer's comfort.	**1**	**2**	**3**	**4**	**5**
5.	Customer Representatives suffers in using company facilities e.g. cafeteria, parking lot, etc..	**1**	**2**	**3**	**4**	**5**

Part III: General Observation

To what level of agreement do you think the following factors has significant impact on MRO Sales performance?

Please give your answer circling the appropriate response in each row below. 1 indicates *strongly disagree (SDA)*, 2 indicates *disagree (DA)*, 3 indicates *neutral (N)*, 4 indicates *agree (A)* and 5 indicates *strongly agree (SA)*.

S/N	Issues	SDA	DA	N	A	SA
1.	Product/ Service	**1**	**2**	**3**	**4**	**5**
2.	Service Price	**1**	**2**	**3**	**4**	**5**
3.	Service Promotion/ Advertising	**1**	**2**	**3**	**4**	**5**
4.	Place/ Distribution of Service	**1**	**2**	**3**	**4**	**5**
5.	People (Staff or Employee)	**1**	**2**	**3**	**4**	**5**
6.	Process	**1**	**2**	**3**	**4**	**5**
7.	Physical (work/ office) Environment	**1**	**2**	**3**	**4**	**5**

Thank you!!!