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**“The Effect of Selected Market Success Factors on
Customer Satisfaction in the case of Micro and Small
Business Enterprises Operated in Woliso Town”**

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“The Effect of Selected Market Success Factors on Customer Satisfaction in the case of Micro and Small Business Enterprises Operated in Woliso Town”

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Declaration

I declare that the project entitled “The Effect of Selected Market Success Factors on Customer Satisfaction in the case of Micro and Small Business Enterprises Operated in Woliso Town” is my original work and has not been presented in Addis Ababa University or any other University, and that all sources of material used for the project have been duly acknowledged.

Declared By:

Tewodros Habtu

Signature

May, 2018

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ABSTRACT

*The purpose of this paper was to examine the effect of selected market success factors on customer's satisfaction in the case of micro and small business enterprises operated in Woliso town. A structured questionnaire was developed. The hypothesis was also tested on a sample of 345 customers out of 384 distributed, giving a valid response rate of 89.84% percent. The questionnaires were analyzed using Cronbach's Alpha, descriptive statistics, correlation & regression. The application used to analyze and examine the hypotheses is the Statistical Package for Social Sciences (SPSS) Version 20. The findings of independent variable of descriptive statistics has shown that, the mean score of selected market success variables i.e. marketing skills of business operators, product or service knowledge, prior business or industry experience, price fairness and customer service has been 3.49, 3.47, 3.67, 3.65 & 3.64 respectively. All selected market success independent variables have a significant correlation with the dependent variable "customer satisfaction" with 95% confidence interval & at 0.05 p-value, by scoring a Pearson Correlation Coefficient "R-value" value of 0.576**, 0.636**, 0.580**, 0.577** & 0.584** respectively. In this case relatively product or service knowledge had a higher strong relationship with customer satisfaction than the other four independent variables. In addition to correlation analysis, further regression analysis was also conducted and the result indicates that all the selected market success factors have significant relation with customer satisfaction. Finally, the results are useful for MSEs operated in Woliso Town and pave the ways for further improvement and give a clue which factors better satisfy the customer.*

Key words: *Marketing skills of business operators, Product or service knowledge, Prior business or industry experience, Price fairness, Customer service, Customer satisfaction*

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In today's business environment customer is a pillar for company's existence. Without customer no business company survive in the market. Customer satisfaction measure how products and services supplied by a company meet or surpass its expectation (Joby, 2003). Successful companies will change their marketing as fast as their market places and market pace change. So they can build customer satisfaction value and retention (Kotler, 2000). Outstanding companies go out of their way to keep important customers satisfied. Most studies shows that higher level of customer satisfaction lead to greater customer loyalty, which in turn results in better company performance (Kotler, 2000)

The most important concept of customer satisfaction is accepted all around the world is the expectancy disconfirmation theory. This theory was presented by Oliver in 1980, he presented that satisfaction stage is the resultant of distinction between anticipated and supposed performance. Satisfaction will be encouraging when the actual level of services or products is better than the anticipated (positive disconfirmation), whereas (negative disconfirmation) when the product or service level is lower than expected.

Once customers satisfied and have a positive image about a particular firm, it will take some time for competitors to snatch or convince them and switch to their organization. Benefits derive by companies from customer satisfaction include repurchasing to increase sales or profits and speak well about the products or services to others, as a result end up with loyal customers. MSEs have different customers which may have different interest but all of them need to be satisfied. The importance of customer satisfaction cannot be dismissed because happy customers are like free advertising (Mohsan, 2011)

Customer satisfaction also plays especial role in highly competitive industries, where there is a tremendous difference between the loyalties of merely satisfied and completely satisfied or delighted customers. To improve its customer's satisfaction levels, a company must first find out how satisfied or dissatisfied its current customers actually are (Lovelock and Wright, 1999). Customers' satisfaction calls for the retention of customer for long term, which is more economical than attracting new customers (Reichheld and Kenny, 1990). Therefore for MSEs operators knowing which factors is better satisfy the customer is essential for their existence.

On the other hand small and medium business enterprises play a major role in most economies typically in developing countries. Formal MSEs contribute up to 60% of total employment and up to 40% of national income (GDP) in emerging economies. These numbers are significantly higher when informal MSEs included. According to World Bank estimates, 600 million jobs will be needed in the next 15 years to absorb the growing global workforce, mainly in Asian and sub Saharan Africa. In emerging market most formal jobs are generated by MSEs which also create 4 out of 5 positions. However access to finance is a key constraint to MSEs growth, without access to capital, many MSEs languish and stagnate (World Bank, 2015). Hence their efficiency matters in determining overall economic performance.

Each small business enterprises come to the market in order to be profitable but understanding market success factors effect on customer satisfaction is essential to maintain and even to develop their business (Tiruneh, 2011). So, on the basis of this fact the study was attempted to examine the effect of selected market success factors on customer satisfaction: the case of Micro and Small business enterprises in Woliso town.

1.2 Statement of the Problem

The Micro and Small business enterprises sectors contribute a bundle of benefit to the development of a nation by creating employment opportunities, production of goods and services and other value added activities.

Depending on Empirical studies reviewed (Siyoum, 2015; Tiruneh, 2011; Berihu, Abebaw, Biruk, 2014; and Manohar, 2008) in the literature reveal that there is a gap with regard to the effect of selected market success factors on customer satisfaction. Some reviewed Empirical studies on this sector conducted in our country are mostly focused on success and failure factors of MSEs and the importance of MSEs as a whole for the country economy (Siyoum, 2015: Tiruneh 2011: Berihu, Abebaw, Biruk, 2014). A research study by Siyoum (2015) focused on the role of MSEs in urban poverty alleviation in Addis Ababa city and tried to answer some research questions such as what is the role of MSEs in alleviating poverty of operators and members of the enterprises, what are the constraints and problem with regard to MSEs and the importance of MSEs contribution to poverty reduction and employment contribution as a whole. Another study by Tiruneh (2011) evaluates the relation between demographic and economic variables effect on the performance of MSEs operated in two selected sub cities of Addis Ababa and based on

survey result he recommend his own suggestion. Another study by Berihu, Abebaw and Biruk (2014) identify key success factors and constraints of Ethiopians MSEs development and tried to identify its contribution to the development of the country as well as identifies key constraints of the sector that should be alleviated. But all the reviewed Empirical studies by the researcher did not see how these selected market success factors (i.e. Marketing skills of MSEs operators, Prior business or industry experience, product or service knowledge, price fairness and customer service) affect customer satisfaction **especially outside Addis Ababa**.

Around the world there are so many research conducted by different researchers in connection with MSEs as a whole, from these, a study conducted in India by Manohar (2008) attempt to assess customer satisfaction on MSEs who participated on trade fairs, exhibition and other events. Manohar study identifies participating in events and exhibitions as one market success factors (independent variable) and tried to see its effect on customer satisfaction (dependent variable) and based on survey result finally recommend its own suggestion for better improvement.

Therefore, all of the above mentioned researchers especially in Ethiopia context attempt to examine the MSEs in different dimension with performance and development and ignore MSEs selected market success factors in relation with customer satisfaction. Hence this study was tried to fill this gap by examining the chosen market success factors effect on customer satisfaction in the case of MSEs operate in Woliso town.

1.3 Research Questions

In order to examine the effect of selected market success factors on customer satisfaction the researcher identifies five independent variables and one dependent variable identified from literature. The independent variables of this study were marketing skills, previous business or industry experience, product knowledge, price fairness and customer service (Luisser, 1995). Customer satisfaction is the dependent variable. So based on these variables the study were attempted to answer the following basic research questions.

- 1.3.1. Do micro and small business operators marketing skills affect customer satisfaction in Woliso town?

- 1.3.2. What is the effect of business or industry experience of MSEs operators on customer satisfaction in Woliso town?
- 1.3.3. What is the effect of product knowledge of MSEs operators on customer satisfaction in Woliso town?
- 1.3.4. Does price fairness of MSEs affect customer satisfaction in Woliso town?
- 1.3.5. To what extent customer service of MSEs operators affect customer satisfaction in Woliso town?

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of this study was to examine the effect of selected market success factors on customer satisfaction in the case of micro and small business enterprises operated in Woliso town.

1.4.2 Specific Objectives

- To identify the effect of marketing skills of MSEs operators on customer satisfaction
- To spot the effect of industry or business experience of MSEs operators on customer satisfaction
- To find out the effect of product knowledge of MSEs operators on customer satisfaction
- To identify the effect of price fairness on customer satisfaction
- To identify the effect of MSEs operators customer service on customer satisfaction

1.5 Significance of the Study

In general the findings of this study have major benefit for the MSEs operators and to the researcher. In general this study were identify the effect of selected market success factors on customer satisfaction, so once the business owners knows which factor better satisfy the customer he or she can strive to posses that market success factor. So knowing this market success factors help to retain its business as well as to gain new customers because satisfied customers can spread positive word of mouth. It also helps the researcher to explore new knowledge and gain experience on this specific study area.

1.6 Scope of the Study

This study focuses on *customers of those who are labeled as micro and small business enterprises and registered by Woliso Trade Bureau*. This study identifies five selected market success factors from literature (Luisser, 1995 a business success Vs failure prediction model for MSEs”) i.e. marketing skills, previous business or industry experience, product knowledge, price fairness and customer service as independent variables. And customer satisfaction identified as dependent variable, so based on this, the study was concentrated on the above mentioned independent variables effect on the dependent variable (customer satisfaction) by selecting sample size from customers of MSEs registered and working in **Woliso Town**.

1.7 Limitation of the Study

All research in every aspect of field has limitation but acknowledging a study limitation provides an opportunity for further research (James and Murnan, 2004). So based on this some of the limitation of this study was

Methodological limitation

- **Sample Size:** based on the data obtained from Woliso Trade Bureau currently there are registered 696 micro and small business enterprises. So including all of this MSEs customers is difficult due to time and financial constraints so this was one of the limitation.
- Because of using non probability convenience sampling technique this study was vulnerable to selection bias and influences beyond the control of the researcher

Other Limitations

- Access and willingness of the customers for the success of the study has an impact
- Internet connection: due to political instability of the Oromia region (Woliso is located in Oromia region) internet connection down for a long period of time, so this makes gathering of secondary data more difficult.

1.8 Definition of Terms

Micro Enterprises:

Micro enterprises are those businesses enterprises, in the formal and informal sector, with a paid up capital not exceeding birr 20,000 and excluding high tech consultancy firms and other high-tech establishments. (Ministry of Trade and Industry, 1997)

Small Business enterprises

Small business enterprises are those business enterprises with a paid up capital of above birr 20,000 and not exceeding birr 500,000 and excluding high tech consultancy firms and other high tech establishments. (Ministry of Trade and Industry, 1997)

GDP (Gross Domestic Product)

GDP is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

CSA

Central Statistics Agency: is an agency of the government of Ethiopia designated to provide all surveys and censuses for the country used to monitor economic and social growth, as well as to act as an official training center in that field.

1.9 Organization of the Study

The study were organized into five chapters: Chapter one is introduction which consists of background of the study, statement of the problem, research questions, research objectives, significance of the study, scope of the study, limitation of the study, definition of terms and organization of the study. The second chapter includes related literature review that both Theoretical and Empirical review on MSEs. The third chapter is about the Methodology of the study. The fourth chapter focus on the data presentation and analysis of the findings and the last chapter is summary of findings, conclusions and recommendations based on the findings.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1 Introduction

Literature review consists of three major parts these are Theoretical review, Empirical review and Conceptual framework. The Theoretical review part consists of the relevant literature from books written by different authors and from websites. On the other hand the Empirical review focuses on empirical data on the subject matter and review different researches previously done by different researchers. Conceptual framework part consist diagrammatic representation of independent variables and dependent variable.

2.2 Theoretical Review

2.2.1 Definition of Micro and Small Business Enterprises

The definition and types of micro and small business enterprises differ from county to country and there is no universal stated definition for micro and small enterprises. This is because the criteria and ways of categorizing enterprises as small, micro and medium varies from country to country and from organization to organization. The absence of such uniform definition of MSEs has created a difficulty. In line with this some of the MSEs definition across different countries are the following

United States: there are various definitions depending on industry type, according to the small business administration for example; those operating in the electric and utilities sector are classified as small if its annual electric output does not exceed four million megawatt hours, while businesses in the food manufacturing sector are considered small if they employ 500 employees or fewer (Gebreyesus, 2009)

Europe: the European Union has defined a small business as those with fewer than 50 employees with an annual turnover of 10 million Euros (about AU\$12.7 million) while a micro business is one with fewer than ten employees and annual turnover of 2 million Euros (about AU\$2.5 million). (Gebreyesus, 2009)

China: the definition is based on employee size, industry and annual turnover but distinguishes between small and medium sized enterprises only and not between micro businesses and small businesses, according to the international finance corporation ((Gebreyesus, 2009))

India: the ministry of micro, small and medium enterprises defines a business with small scale industrial undertakings as one with investment under Rs10 million (about AU\$182,000). (Gebreyesus, 2009)

Ghana: in Ghana to be a small business the number of employees in the small scale enterprises must be less than 10 workers and in terms of fixed asset no more than 10 million Cedis (Ghanaian currency) for plant and machinery (Gebreyesus, 2009)

2.2.2. Definition of Micro and Small business Enterprises in Ethiopian context

In the case of Ethiopia, there is lack of uniform definition at the national level to have a common understanding of the MSEs sector. Two different definitions of MSEs are used so far. These are the definition of MSEs by Ministry of Trade and Industry (MOTI) in 1997 and the other one by Central Statistics Agency (CSA) definition in 2011.

According to MOTI; Micro enterprises are those businesses enterprises, in the formal and informal sector, with a paid up capital not exceeding birr 20,000 and excluding high tech consultancy firms and other high-tech establishments. On the other hand small business enterprises are those business enterprises with a paid up capital of above birr 20,000 and not exceeding birr 500,000 and excluding high tech consultancy firms and other high tech establishments.

Central Statistics Agency (CSA) categorizes enterprises into different scales of operation on the size of employment and the nature of equipment. According to CSA small scale enterprises is any enterprises employing less than ten persons and using motor operated equipment. On the other hand enterprises in the micro category are subdivided into informal sector operations and cottage industries. Cottage and handicraft industries are those establishments performing their activities by hand and using non power driven machines. The informal sector is defined as household type establishment or activities, which are non registered companies and cooperatives operating with less than 10 persons. All enterprises employing ten or more workers are grossly considered as medium and large enterprises (CSA, 2011)

The features that distinguish MSEs from larger scale enterprises include greater owner influence, dominance of one person, more subjective decision due to centralization of decision making,

close contact of the top management with employees at lower levels and greater concern with financial matters due to difficulty of attributable funds (Gebreyesus, 2009)

2.2.3. Defining Success

The subject of success factors in small business has become more popular in recent years amongst business researchers and entrepreneurs, each attempting to provide a definitive formula for success (Beaver, 2002). Success is often viewed in terms of growth or profitability, but this becomes more complicated when trying to determine the factors that lead towards it. It is important to recognize that while a common measure of success in business is still to be defined, there are some general factors found to influence the success potential of business (Beaver, 2002). Previous research in to the relationships between various factors and small business success has been lacking a comprehensive theoretical framework, and many small business owners are aiming to discover the management strategies, business objectives and personal characteristics most closely linked to small business success (Beaver, 2002)

2.2.4. Definition of Market Success Factors

Market success factors are those key elements which are required for an organization to accomplish or exceed their desired goals. It is crucial that these factors be given proper attention and are adhered so as to attain the desired objective. Any lax in these factors may lead the organization other way i.e. the organization will not attain their desired goals. The definition of market success factors does not only restrict to organizations but may encompass personal attainment of goals. They can be viewed from an individual perspective as well (Walker, 2004)

2.2.5. Variables of the Study

2.2.5.1. Prior Business and Industry Experience

Experience defined as a familiarity with a skill or field of knowledge acquired over months or years of actual practice and which, presumably, has resulted in superior understanding or mastery. (Job, 2003)

Experience working in a similar field or the same industry will, of course, mean that a greater understanding of that market and the way in which businesses in that field work. This will help to identify customers, marketing strategies and opportunities for growth. Experience can also give more confidence in a certain area than if someone never done anything like it before-

someone has a better idea of what to expect and can foresee problems more clearly. If you are planning to enter an industry with no prior experience of it, have a think about whether you'd benefit from trying to find a job in it for a year or so first to build your experience. You might even want to consider a bit of work experience or an apprenticeship. Alternatively, talk to as many people as you can in that industry, read trade mags and books and anything else you can get your hands on to give you a deeper understanding of the sector. (Job, 2003)

2.2.5.2. Marketing Skills of Business Owners

Marketing, as suggested by the American Marketing Association, is "an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders". In order to be successful in the marketing world, you must possess two key qualities: patience and consistency.

Norris' definition, perhaps simpler and more universal, is this: "Marketing is the ongoing process of moving people closer to making a decision to purchase, use, follow...or conform to someone else's products, services or values. Simply, if it doesn't facilitate a "sale" then it's not marketing." Philip Kotler in his earlier books defines as: "Marketing is human activity directed at satisfying needs and wants through exchange processes". Add to Kotler's and Norris' definitions, a response from the Chartered Institute of Marketing (CIM). The association's definition claims marketing to be the "management process of anticipating, identifying and satisfying customer requirements profitably". Thus, operative marketing involves the processes of market research, new product development, product life cycle management, pricing, channel management as well as promotion.

2.2.5.3. Product and Service Knowledge

Product knowledge means an understanding of a good or service that might include having acquired information about its application, function, features, and use and support requirements. A business sales representative is an example of an individual that is typically expected to acquire considerable product knowledge about the goods and services that they are responsible for selling to consumers. (Lussier, 1995)

Product knowledge is the ability to communicate information and answer questions about a product or service. It is considered an important knowledge area for any role that puts you in

front of customers, investors or the media. For example, an organization may offer product knowledge training for executive management, sales, marketing and customer service roles.

Luisser identifies Common types of product knowledge

- ✓ Customer: How the product addresses customer needs.
- ✓ Brand: The identity of the product on the market.
- ✓ Customer Experience: Knowledge about the end-to-end customer experience offered by a product or service.
- ✓ Competition: How the product or service compares with the competition.
- ✓ Industry: Knowledge of industry trends, concepts and terminology surrounding your product.
- ✓ Use: How to use the product.
- ✓ Complementary Products: How to use other products that are commonly used together with your product.
- ✓ Configuration: How to install and configure the product.
- ✓ Troubleshooting: How to fix problems with the product, this often has several different levels.
- ✓ Specifications: Specifications of the product including the meaning of related terminology.
- ✓ Customization: Knowledge of elements such as APIs that allow customers to customize and extend products and services.
- ✓ Integration: How to integrate the product with other things. For example, how to connect a mobile device to a particular type of network.

2.2.5.4. Price Fairness

According to Kotler and Armstrong (2010) price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service. While Stanton, Michael and Bruce (1994) defined price as the amount of money or goods needed to acquire some combination of another goods and its accompanying services. But the marketing literature showed researchers' inclination towards price fairness in relation with customer satisfaction (Kukar-Kinney, Xia and Monroe, 2007). Price fairness refers to consumers' assessments of whether a seller's price is reasonable, acceptable or justifiable

(Kukar-Kinney, Xia and Monroe, 2007). Price fairness is a very important issue that leads toward satisfaction. Charging fair price helps to develop customer satisfaction and loyalty.

As the consideration given in exchange for transfer of ownership, price forms the essential basis of commercial transaction: it may be fixed by a contract, left to be determined by an agreed upon formula at a future date, or discovered or negotiated during the course of dealings between the parties involved.

In commerce, price is determined by (1) what a buyer is willing to pay, (2) a seller is willing to accept, and (3) the competition is allowing to be charged. With product, promotion and place of marketing mix, it is one of the business variables over which organizations can exercise some degree of control. It is a criminal offense to manipulate prices in collusion with other supplier, and to give a misleading indication of price such as charging for items that are reasonably expected to be included in the advertised, list or quoted price. (Kukar-Kinney, Xia and Monroe, 2007).

2.2.5.5. Customer Service

Customer service is the provision of service to customers before, during and after a purchase. The perception of success of such interactions is dependent on employees "who can adjust themselves to the personality of the guest". Customer service concerns the priority an organization assigns to customer service relative to components such as product innovation and pricing. In this sense, an organization that values good customer service may spend more money in training employees than the average organization or may proactively interview customers for feedback (Gustafsson, Johnson and Roos, 2005).

From the point of view of an overall sales process engineering effort, customer service plays an important role in an organization's ability to generate income and revenue. From that perspective, customer service should be included as part of an overall approach to systematic improvement. One good customer service experience can change the entire perception a customer holds towards the organization. (Gustafsson, Johnson and Roos, 2005).

Customer service is the act of taking care of the customer's needs by providing and delivering professional, helpful, high quality service and assistance before, during, and after the customer's requirements are met. (Turel and Serenko, 2006)

Customer service is a system of activities that comprises customer support systems, complaint processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint (Kim, Park and Jeong, 2004). From a social point of view, services should be available to the customers on reasonable terms. As far as economic factor is concerned, services should satisfy the needs of the customers (Turel and Serenko, 2006). Satisfaction of customer is determined by his evaluation of service provided by a brand (Gustafsson, Johnson and Roos, 2005). The study of Ahn, Han and Lee (2006) shows that when the customers, do not get their complaints considered properly, they start looking for other brands. Furthermore, the friendly attitude and courteous behavior of the service workers at service firms leaves a positive impression on the customer which lead towards customer satisfaction (Soderlund and Rosengren, 2008).

Characteristics of Good Customer Service

Customer service is the act of taking care of the customer's needs by providing and delivering professional, helpful, high quality service and assistance before, during, and after the customer's requirements are met. Customer service is meeting the needs and desires of any customer. Some characteristics of good customer service include: (Turel and Serenko, 2006)

- Promptness: Promises for delivery of products must be on time. Delays and cancellations of products should be avoided.
- Politeness: Politeness is almost a lost art. Saying 'hello,' 'good afternoon,' 'sir,' and 'thank you very much' are a part of good customer service. For any business, using good manners is appropriate whether the customer makes a purchase or not.
- Professionalism: All customers should be treated professionally, which means the use of competence or skill expected of the professional. Professionalism shows the customer they're cared for.
- Personalization: Using the customer's name is very effective in producing loyalty

Types of Customer Services

Customers need different types of information or support services from a company. Customer interaction is also required for sales and marketing. Hence, a contact center can be used for a

variety of business process. Robinson and Kalakota (2010) have analyzed different types of customer service functions in their book 'Offshore Outsourcing: Business Models, ROI and Best Practice'. These functions include:

- Support: Support services include resolution of billing queries, order taking, activation of accounts, registration of new customers and recording complaints.
- Marketing: Marketing tasks carried out through a contact center include sending outbound emails, telemarketing, surveys and polling, responding to inbound emails and management of marketing campaigns.
- Sales: Sales tasks include inbound sales, outbound sales, web chat, web call-back and co-browsing.
- Technical Support: Customers require different technical support services such as data verification, application support, address updates and problem resolution through the technical help desk.
- Customer Analytics: Customer analytics includes profitability analytics, quality auditing, and reporting. (Robinson and Kalakota, 2010)

2.2.5.6. Customer Satisfaction (Dependent variable)

Customer satisfaction is an evaluative process, it is defined as “a judgment that a product or service feature or the product or service itself, provided a pleasurable level of consumption related fulfillment, including levels of under or over fulfillment” (Oliver 1997). Customer satisfaction is “captured as positive feeling (satisfaction), indifference or negative feeling (dissatisfaction)” (Bhattacherejee, 2001). It is short term attitudes that can readily change a given constellation of circumstances. Therefore, satisfaction is not a static idea and it changes as soon as a client finds a better deal that meets his expectation. In this perspective, firms must focus on customer satisfaction, studying and determining as soon as possible the customer satisfaction level, to adjust the product to customer needs. Indeed, customer satisfaction has great significance for the future of an institution and it is seen as a basis for securing market position and achieving other objectives of the institution (Koraus, 2002)

Parasuraman, Zeithami and Berry (1985) customer definition seems to be more dominant, it is now more criticized because of practical problems related to the gap “performance minus

expectation” (Teas 1994). Thus, an alternative measurement of customer satisfaction has been proposed estimating that customer satisfaction would be only obtained by focusing on actual perceived satisfaction (Johnson and Taylor 1992). In this perspective and contrary to Parasuraman, Zeithami and Berry approach “customer satisfaction is defined as customers overall evaluation of the performance of an offering to date” (Johnson and Fornell 1996)

Importance of Customer Satisfaction

When customers are satisfied, they become more loyal and will increase their level of purchasing from the firm over time (Anderson, 1996). Directly they will also recommend other customers to consume the firm’s products and services. Thus “the positive word of mouth that satisfied customers generate influences on other consumer’s future purchases (Anderson, 1996). Satisfied customers are also expected to be “less likely to defect to competing products as a result of lower prices” (Johnson and Fornell, 1996). For this reason, “greater customer satisfaction may enable firm to charge higher prices or at least to better resist downward pressure on prices (Anderson, 1996). Briefly, a satisfied customer reacts less sensitively to price changes and is prepared to pay a higher price for a service that corresponds to their requirements and conceived ideas.

Customer satisfaction will also exert a positive impact on firm’s costs through retention. Indeed, by satisfying customers, firms will lower their actual costs and gaining new clients (Anderson, 1996). Marketers must be careful to set the right level of expectations. If they set expectations too low, they may satisfy those who buy but fail to attract enough buyers if they set expectations too high, buyers will be disappointed (Kotler and Armstrong 2010).

Benefits of customer satisfaction assessment

Naumann (1995), expressed that the reasons for measuring customer satisfaction may vary among companies, and the success of measurement depends on if the measurement is incorporated into the firm’s corporate culture or not. He suggested five reasons for measuring customer satisfaction

- ***To get close to the customer:*** this will help to understand customers more, their needs, the attributes that are more important, their effect on the customers decision making, the relative importance of the attributes and the performance evaluation of the firm delivery of each attribute. This process helps to provide enabling communication with customers
- ***Measure continuous improvement:*** the important attributes of customers can be incorporated into the internal measurement to evaluate the value added process in the

company. This process involves comparing performance against internal standards (process control and improvement), and comparing performance against external standards (benchmarking)

- ***To achieve customer driven improvement:*** the data collected from customer can be developed into sources of innovations and this can help to achieve customer driven improvement. This requires a comprehensive database and not just records of sales. This process helps to identify opportunities for improvement (Quality costing)
- To measure competitive strengths and weaknesses determine customer perceptions of competitive choice and companies
- To link customer satisfaction measurement data to internal system

2.3. Empirical Review

2.3.1. Empirical Evidence from Other Countries

The primary goal of micro and small business establishment is to reduce the number of unemployment rate but in order to stay in the market every business firm must satisfy their customers because customer is the pillar of any business firm existence. A research study conducted on customer satisfaction among MSEs found in **India in 2008 by Manohar** address Indian MSEs contribution to the socio economic development of the county for the past 50 years and tried to identify selected market success factors effect on customer satisfaction. Manohar study identifies participation in events and exhibitions as independent variable and customer satisfaction as dependent variable. The study used questionnaire as one means of gathering data from customer and distribute for more than 1000 MSEs customers; so based on the result from the survey data the researcher conclude that the chosen market success factors (participation in events and exhibitions) positively affect customer satisfaction. From the total respondents 87% of them satisfied by MSEs that participate in exhibitions and events.

Another Exploratory study conducted in Kenya by Muturi, Douglas and Ocheing in 2017 assesses critical success factors of MSEs operated in Kenya. This study identifies variables from previous international research and designed survey sample in relation to MSEs and try to identify which factors is critical to MSEs success. So based on that distributed a questionnaire for selected MSEs customers. Finally the researchers were identifies having a good relation with

customer and satisfy the needs and wants of the customer as one of the major critical success factor (Muturi, Douglas and Ocheing 2017).

Another study by Lim Chan and Samuel in 2013 conducted in Singapore assesses customer satisfaction in relation with MSEs Performance. This study set out to investigate customer satisfaction as a critical factor for MSEs survival and indeed in helping to maintain the overall health of the economy. Data were collected from a Singaporean MSEs which supplies and installs glass for construction projects. Department involved were sales and marketing, administration and installation. A questionnaire survey was administered to every customer of the company in order to evaluate the services provided by the three departments and categorizes customers in to five groups: main contractors, designers or sub contractors, property managers, home owner and commercial owners. Data were analyzed in terms of thirteen customer service variables identified from literature. So based on the sample size of 224 customers show that courtesy and friendliness, fulfillment of commitments made during sales and workmanship are significant factors affecting total satisfaction and the study of this findings was relevant for understanding sustainability of growth and survival of MSEs in Singapore.

2.3.2. Empirical Evidence on the Ethiopian MSEs Sector

It is difficult to find well documented research studies of MSEs in Ethiopian context especially on the field of market success factors effect on customer satisfaction. But the researcher struggle to asses some of the studies conducted in Ethiopia MSEs critical success factors. A study by Tiruneh in 2011 for the partial fulfillment of MBA from Addis Ababa university business faculty tried to examine selected demographic and economic variable from literature as a success factors and see its effect on performance of MSEs found and operated in the town of Addis Ababa. Based on that the researcher identifies eight variables and grouped them in to personal related and business related variable and taken Arada and Gulele sub city as a population. Primary data through questionnaire were collected from the samples of 73 MSEs randomly selected from different industries as a result the study find that the identified variables has a positive relation with performance but the study ignores customer satisfaction.

A research study by Siyoum (2015) focused on the role of MSEs in urban poverty alleviation in Addis Ababa city and tried to answer some research questions such as what is the role of MSEs in alleviating poverty of operators and members of the enterprises, what are the constraints and

problem with regard to MSEs and the importance of MSEs contribution to poverty reduction and employment contribution as a whole.

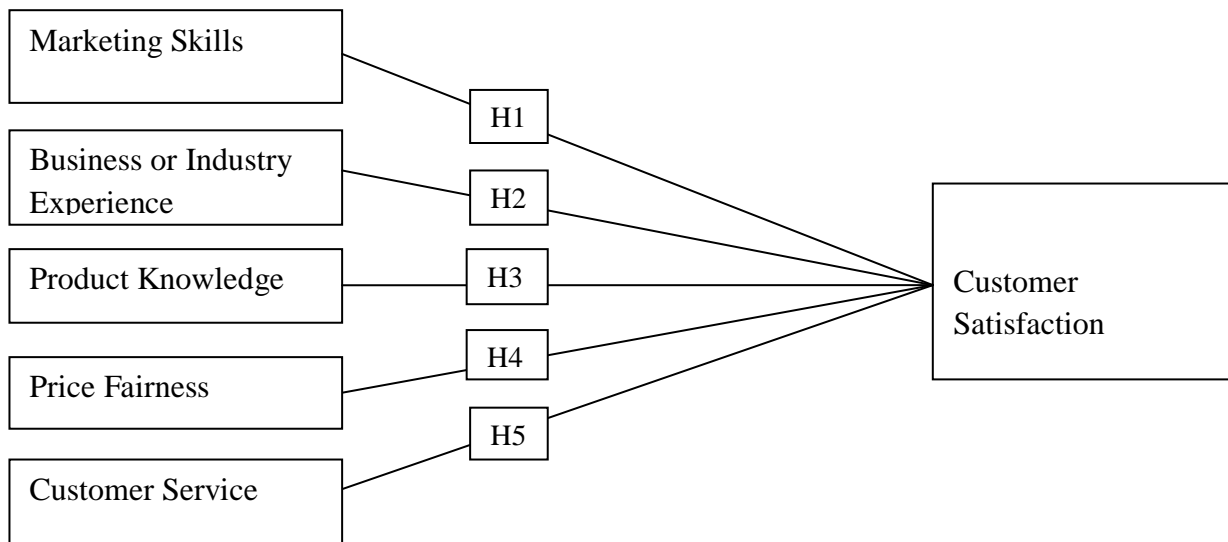
The other one is an exploratory research conducted by Berihu, Abebaw and Biruk (2014) tried to assess key market success factors and their constraints of MSEs development in Ethiopia. Based on this study major findings was personal qualities such as having an articulate vision or ambition and innate abilities, working experience in the formal sector as a factory employee or having worked in family businesses, managerial and entrepreneurial skills and higher equity in the invested money has a positive effect for success. All the reviewed research papers on market success factors identifies different variables that is most contribute for success, but business success comes from when satisfied customer available. Therefore in one or other way the above mentioned studies touch customer satisfaction.

2.4. Conceptual Framework and Discussion on Hypothesis

2.4.1. Conceptual Framework

After the study of literature review, the following conceptual model is developed to show the effect of selected market success factors on customer satisfaction. In this study customer satisfaction is considered as a dependent variable whereas marketing skill, business or industry experience, product knowledge, price fairness and customer service are independent variables. The researcher inclined to these factors because they directly related with the customers other success factors such as age, gender, planning, record keeping, resource allocation are mostly related with performance not with customer satisfaction, and the researcher think the above mentioned factors better go with customer satisfaction that is why the researcher inclined to this factor and knowing which factors better satisfy the customer is the most essential thing for every business firms not only for MSEs that is why the researcher focused on these factors.

Fig. 2.1 Conceptual Framework



Source: Developed by the Researcher

2.4.2. Discussion on Hypothesis

Prior Business and Industry Experience

Prior to starting their businesses, MSEs operators are involved in a number of different fields of work and for a variety of reasons such as desire, flexibility, independence and family commitments decide to open their own businesses. In most instances, they start a business in an area in which they feel comfortable. However, there are also a number of individuals what have absolutely no experience in a given field but start businesses.

Praag, Bosma and Wit (2003) reported that experience in the same industry as a business venture gives better chances and help the business to survive by retaining the existing customers and by attracting new ones.

In addition to the above study Politis and Gabrielson (2002), in their study supports the argument that prior experience from starting up new ventures showed a significant and positive association with increased opportunity recognition. Previous start up experience and cross functional experience seems to provide individual with knowledge that improve their ability to recognize how to satisfy its customers. Therefore

H1: Prior business and industry experience have a positive and significant effect on customer satisfaction

Marketing Skills of Business Owners

The study of Lussier (1995) emphasizes on the importance of marketing skill of the business owners as one factor to the success and better performance of small businesses.

Marketing skills can be expressed in different terms such as identifying new prospects, showing effective corporate positioning, customer handling, finding ways to efficiently advertise and the ability to come up with new ideas are very important factors that MSEs owners should possess in order to be successful.

Temtime and Pansiri (2004) reported in their study of small business critical success/failure factors in developing economies, in Botswana shows that; marketing activities such as product marketing, market research, and demand forecast and so forth have a greater impact on the success of small business performance. In this study customer relationship also reported as one of the important success factors of the small business owners to satisfy the customer. From this study report one can understand the importance of marketing skill of the business owners to be successful in their competitive environment. As a result

H2: Business owners with higher Marketing skills will have a positive and significant impact on customer satisfaction

Product and Service Knowledge

Product knowledge is an essential business skills and understanding the products and services allows MSEs owners to present their benefits accurately and persuasively. Customers are more likely trust sales persons who show confidence in themselves and what they are selling. Therefore building confidence by increasing the knowledge of products and services cannot be overlooked. (Lussier, 1995)

H3: product and service knowledge of MSEs operators have a direct and positive effect on customer satisfaction

Price Fairness

According to Kotler and Armstrong (2010) price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service. While Stanton, Michael and Bruce (1994) defined price as the amount of money or goods needed to acquire some combination of another goods and its accompanying services. But the marketing literature showed researchers' inclination towards price fairness in relation with customer satisfaction (Kukar-Kinney, Xia and Monroe, 2007). Price fairness refers to consumers' assessments of whether a seller's price is reasonable, acceptable or justifiable (Kukar-Kinney, Xia and Monroe, 2007). Price fairness is a very important issue that leads toward satisfaction. Charging fair price helps to develop customer satisfaction and loyalty. Research has shown that customer's decision to accept particular price has a direct bearing at satisfaction level and loyalty indirectly (Martin-Consuegra, Molina and Esteban, 2007). In another study of Martin-Consuegra, Molina and Esteban (2007), it was concluded that customer satisfaction is directly influenced by price perceptions while indirectly through the perception of price fairness. The price fairness itself and the way it is fixed and offered have a great impact on satisfaction.

H4: price fairness has a direct and significant effect on customer satisfaction

Customer Service

Customer service is a system of activities that comprises customer support systems, complaint processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint (Kim, Park and Jeong, 2004). From a social point of view, services should be available to the customers on reasonable terms. As far as economic factor is concerned, services should satisfy the needs of the customers (Turel and Serenko, 2006). Satisfaction of customer is determined by his evaluation of service provided by a brand (Gustafsson, Johnson and Roos, 2005). The study of Ahn, Han and Lee (2006) shows that when the customers, do not get their complaints considered properly, they start looking for other brands. Furthermore, the friendly attitude and courteous behavior of the service workers at service firms leaves a positive impression on the customer which lead towards customer satisfaction (Soderlund and Rosengren, 2008). Consequently

H5: A better customer service has a positive and significant effect on customer satisfaction

CHAPTER THREE: METHDOLOGY

3.1. Description of the Study Area

The study are located in the town of Woliso (also known as Ghion, which is also transliterated “Giyon” which are given by emperor Haileselassie and this name is no longer used after the fall of his regime as the town as original name Woliso) is a town and separate Woreda in central Ethiopia located in the South West Shewa zone of the Oromia region , 114 KM South West of Addis Ababa, it has a latitude and longitude of 8* 32N 37* 58 E with an elevation of 2063 meters above sea level. Woliso is the administrative center of this zone. According to data obtained from Woliso Finance and Economic development offices. The total population in 2016 is 244,272 out of the total population male and female accounts 114,808 (47%) and 129,464 (53%) respectively.

3.2. Research Approach

This study was used quantitative research approach because it allows to collect and analyze much more information and allows the researcher to make a general statement about a given situation because it is difficult to analyze the data gathered from qualitative sources due to time. Plus to this the researcher uses statistical package for social science (SPSS) software to analyze the data gathered from questionnaire therefore in order to do this quantitative research approach is more advantageous than qualitative.

3.3. Research Design

Research design is a blue print for fulfilling research objectives and answering research question. A research design is a master plan specifying the methods and procedures for collecting and analyzing the needed information (Creswell, 2009). In order to conduct the study the researcher were use Explanatory research design. Explanatory research is conducted in order to identify the extent and nature of cause and effect relationships. Explanatory research focus on an analysis of a situation or a specific problem to explain the patterns of relationships between variables so based on this it is best to describe the effect of selected market success factors on customer satisfaction.

3.4. Population and Sampling

The study of population comprises customers of MSEs operates in Woliso in different sectors. Sampling means choosing a smaller more manageable number of people to take part in the research from the population (Catherine, 2002). The appropriated sample size is required for validity. If the simple size is too small, it will not yield valid results and appropriated sample size can produce accuracy of results (Catherine, 2002). A sample size that is too large will result in wasting money and time. In order to determine a sample size for unknown population the researcher use a formula developed by Scott Smith (PHD in Harvard University) the formula is

$$(Z \text{ value})^2 \times \text{Standard Deviation} (1-\text{Standard Deviation}) / (\text{Margin of Error})^2 = N$$

Confidence Interval: 95%

Standard Deviation: 0.5

Confidence interval equivalent Z value summarized under the next table

CI	Z value
90%	1.645
95%	1.96
99%	2.58

So based on Scott Smith calculation for unknown population for a proportionate sample size the researcher reduce Confidence Level and Margin of Error, therefore

CI- 95% Standard Deviation 0.5 and Margin of Error 5%

$$(Z \text{ value})^2 \times \text{Standard Deviation} (1-\text{Standard Deviation}) / (\text{Margin of Error})^2 = N$$

CI 95% equivalent Z value 1.96

$$(1.96)^2 * 0.5(1-0.5) / (0.05)^2$$

$$3.8416 * 0.5(0.5) / 0.0025$$

384.16 This will round up to 385

So this study was take 385 customers as a sample size

3.5. Sampling Method

Sampling method classified into two categories probability and non probability sampling. Due to the absence of the list of the total population the researcher forced to use non probability convenience sampling. In non-probability convenience sampling the researcher chooses the closest live persons as respondents, "Captive audience" sampling. In other words, this sampling method involves getting participants wherever the researcher find them and typically wherever is convenient. In convenience sampling no inclusion criteria identified prior to the selection of subjects. All subjects are invited to participate (Saunders, Lewis and Thornhill, 2012). Convenience sampling is very easy to carry out with few rules governing how the sample should be collected, the relative cost and time to carry out a convenience sample are small in comparison to probability sampling techniques and it is helpful for pilot studies and for hypothesis generation (Saunders, Lewis and Thornhill 2012).

3.6. Sources of Data

In order to collect reliable data the researcher employ only primary sources of data. Primary data means original data that has been collected from the original source first hand and it is more reliable, authentic and objective. (Creswell, 2009)

3.7. Data Collection Techniques

3.7.1. Primary data collection techniques

Questionnaire

Questionnaire is the most commonly used method. Questionnaire can be open end and close end but the researcher prefers close ended questions and also prefers the 5 point Likert scale, according to the 5 point Likert scale, strongly agree assign 5 points, agree 4 points, neutral 3 points, disagree 2 points and strongly disagree 1 point. The questionnaire was prepared in English and in order to make the communication easy, clear and understandable the researcher guided the respondents in every aspect in the time of filling the questionnaires.

3.8. Ethical Considerations

Ethical considerations in researches are critical. Ethics are the norms or standards for conduct that distinguish between rights and wrong (Burgess, 1989)

Bryman and Bell (2007) identified some ethical considerations should be considered in research. Therefore based on that the researcher was used this ethical consideration as a guideline for conducting this research paper

- Research participants were not be subject to harm in any ways what so ever
- The dignity of research participants were prioritized
- Full consent was obtained from the participants prior to the study
- Privacy of the participants also ensured
- Adequate level of confidentiality of research data were ensured
- Any deception or exaggeration about the aims and objectives of the research was avoided
- Acknowledgments of works of other authors used in any part of the dissertation with the use of Harvard referencing system

3.9. Data Analysis

Research data can be seen as the fruit of researcher's effort. If a study has been conducted in a scientifically rigorous manner, the data will hold the clues necessary to answer the researcher's questions, to unlock these clues, researchers typically rely on a variety of statistical procedures. These statistical procedures allow researchers to describe groups of individuals and events, examine the relationships between different variables, measure differences between groups and conditions and examine and generalize results obtained from a sample back to the population from which the sample was drawn. Data analysis can help a researcher to interpret data for the purpose of providing meaningful insights about the problem being examined. Descriptive statistics allow the researcher to describe the data and examine relationship between variables (Marcz, 2005). After the collection of appropriated data, it was analyzed quantitatively by using quantitative statistical tools and method which are broader in scope and user friendly, from these tools statistical package for social sciences (SPSS version 20) was used in this study.

Descriptive statistical analysis methods mainly involving the mean and standard deviation was used in the data analysis. Also to measure the relationship and effect between selected market success factors and customer satisfaction that is to test hypothesis, coefficient of correlation and regression were employed in the method of data analysis.

Coding

In order to ease the analysis of data collected different characteristics or variables are coded as follows

Selected Market success factors coding

Marketing skills of MSEs operators (MSBO)

MSBO1= MSEs operators properly handling customers request

MSBO2= MSEs operators are good in creating new business ideas

MSBO3= MSEs operators advertise about the product and services in a timely manner

MSBO4= satisfied by MSEs advertisement

MSBO5= spread positive word of mouth about MSEs business operators

Product and service knowledge of MSEs operators (PSK)

PSK1= MSEs operators possess the necessary skills and knowledge

PSK2= MSEs operators strive to upgrade their knowledge in a timely manner

PSK3= MSEs operators give the necessary explanation about the product or service before and after sale

PSK4= MSEs operators are knowledgeable about the product and service they sale

Prior business or industry experience (PBIE)

PBIE1= prior business or management experience essential for establishing new business

PBIE2= MSEs operators have prior business and industry experience

PBIE3= I benefit a lot from MSEs operators prior business experience

Price Fairness (PF)

PF1= High price is a sign of high quality

PF2= Willingness to pay high price for high quality product

PF3= MSEs price is fair and affordable

PF4= the price of the product and its benefit is equivalent

PF5= if the price increases I will not shift to other service provider

Customer service (CS)

CS1= MSEs operators is responsive for customer request

CS2= MSEs operators are ready for listening my complaint if any at any time and give me quick response

CS3= MSEs operators has a good relationship with customers such as friendly attitude, courteous behavior of workers

CS4= I came again and again because of MSEs operators friendly attitude

CS5= overall service layout of the MSEs is suitable for my preferences

Customer satisfaction (CSD)

CSD1= overall I am satisfied by the marketing skills of MSEs operators

CSD2= overall I am satisfied by the customer service of MSEs operators

CSD3= overall I am satisfied by the prior business or industry experience of MSEs operators

CSD4= overall I am satisfied by the product and service knowledge of MSEs operators

CSD5= overall I am satisfied by the price fairness of MSEs operators

3.10. Instrument of Reliability and Validity

Validity is the most critical criterion and indicated the degree to which an instrument measures what is supposed to measure. The questionnaire was constructed to obtain a complete coverage of the topic, with a strong attention on the general and specific objectives in order to ensure content validity. Content validity involves the degree to which the study is measuring what it is

supposed to measure. In other words it focuses on the accuracy of the measurement. To increase validity, the questionnaire was compared with other papers and framed in a very clear and concise manner to make sure each question measures each variable at a time.

Reliability: - is a measure of how stable, dependable, trustworthy and consistent a test is in measuring the same thing each time (Kothari, 2004). Most importantly, the data the researcher analyzed should map to the research questions the researcher has tried to answer. This sounds obvious but is often overlooked or ignored because it can be inconvenient. Optimally, this means that the outcome measure should accurately reflect the phenomenon of interest, the model should include all relevant predictors, and the model should generalize to the cases to which it would be applied (Gelman, 2007). To examine the reliability of this study Cronbach’s alpha was calculated for each variable by the researcher using SPSS version 20. Zikmund, (2003) suggest that a Cronbach’s alpha value of > 0.7 indicates a considerably high reliability.

In this study, all the independent variables and dependent variable, met the above requirement. The alpha value is identified and summarized in the following table:

Table 3.1: Reliability of the Instrument

Reliability of the instrument			
No	Variables	Number of value	Cronbach Alpha
1	Marketing Skills of business operators	5	0.758
2	Product or service knowledge	4	0.876
3	Prior business experience	3	0.826
4	Price Fairness	5	0.817
5	Customer Service	5	0.862
6	Customer Satisfaction	5	0.740
	Overall Reliability		0.833

Source: Survey Result, 2018

Customer satisfaction was measured using the selected market success variables listed in the questionnaire, which were combined into a single scale (Cronbach's alpha = 0.833). Based on the result, all the variables in the construct namely: Marketing Skills of business operators

(Cronbach's alpha = 0.758), Product or service knowledge (Cronbach's alpha = 0.876), Prior business experience (Cronbach's alpha = 0.826), price fairness (Cronbach's alpha = 0.817), customer service (Cronbach's alpha = 0.862), and customer satisfaction (Cronbach's alpha = 0.740). Therefore In this study, all the independent variables and dependent variable, met the above requirement alpha of 0.70 or greater.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1. Overall Response Rate

The survey was conducted in Woliso town; from the total 384 questionnaires distributed 345 were returned. From which 39 were not correctly filled and rejected. Therefore 345 questionnaires were effectively used for analysis that shows response rate of 89.84%. The following table shows response rate of the questionnaires

Table 4.1 Questionnaires Response Rate

	Number	Percent (%)
Distributed questionnaires	384	100
Fully filled and returned questionnaires	345	89.84
Incomplete questionnaires	39	10.16
Total	345	89.84

Source: Survey Result, 2018

4.2. Descriptive statistical analysis for demographic data

A total of 345 questionnaires were completed and used in data analysis representing 89.84% of response rate. Age, Gender, Education level and Marital status were part of demographic questions and all of them summarized in the following table.

Table 4.2: Age of the Respondent

Valid	Minimum	Mean	Maximum
345	17	30.01	50

Source: Survey Result, 2018

Table 4.2 shows as the age of the subject's average of the respondent fall on the age of 30, Maximum age of the respondent were 50; minimum 17 and average number of respondent age were 30.

Table 4.3 Demographic Variables Result of the Respondent

		Frequency	Percent	Valid Percent
Respondent sex	Male	246	71.3	71.3
	Female	99	28.7	28.7
	Total	345	100.0	100.0
Education Background		Frequency	Percent	Valid Percent
	High School Certificate	40	11.6	11.6
	College Diploma	80	23.2	23.2
	Bachelor's Degree	193	55.9	55.9
	Master's Degree	32	9.3	9.3
	Total	345	100.0	100.0
Marital status		Frequency	Percent	Valid Percent
	Single	160	46.4	46.4
	Married	180	52.2	52.2
	Divorced	2	.6	.6
	Widowed	3	.9	.9
	Total	345	100.0	100.0

Source: Survey Result, 2018

Table 4.3 shows that demographic variables result of the respondent; Majority of the respondent was male which 71.3 and female respondents were 28.7%. Regarding Educational background, where most of the respondents educational background of both sex amid BA which accounts 55.9% the remaining 11.6%, 23.2% and 9.3% was high school certificate, college diploma, MA respectively and Marital status of the respondent were also taken based on that 52.2% of the respondents were married, 46.4% were single the remaining 1.4% were divorced and widowed.

4.3. Descriptive Analysis of Variables

Descriptive statistics were used to describe the basic features of the data in a study. It provides simple summaries about the sample and the measures. The researcher used descriptive Statistics to present quantitative descriptions in a manageable form; each descriptive statistic reduces lots of data into a simpler summary (Gelman, 2007). The mean scores have been computed for all the five independent variables by equally weighting the mean scores of all the items under each

dimensions. Respondents were asked to rate their insight /observation on a five-point Likert type scale ranging from 1 being strongly disagree to 5 strongly agree for customer satisfaction dimensions. The result is presented in the Table below.

Marketing Skills of Business operators

Table 4.4 Descriptive Statistics of Marketing Skills of Business Owners

	N		Mean	Std. Deviation	Variance
	Valid	Missing			
I believe that operators of MSEs properly handling my requests	345	0	3.86	.935	.874
I believe that operators of MSEs is good in creating new business ideas to satisfy my needs	345	0	3.66	.673	.452
the business operators of MSEs advertise about the product and services in a timely manner	345	0	3.17	.688	.474
I am satisfied by his/her advertisement	345	0	3.12	.662	.439
I spread a positive word of mouth about the MSEs business operators to other people i know	345	0	3.61	.707	.499

Source: Survey Result, 2018

Descriptive statistics especially mean and standard deviation was used to evaluate the effect of marketing skills of MSEs operators effect on customer satisfaction. Under marketing skills of MSEs operators, there were about 5 specific statements in the form of likert scale. Each statement focused on the theoretical background of marketing skills of MSEs operators and how much it influences the customer satisfaction of MSEs customer. From the above statistic table, the researcher understand that the aggregate mean is (Mean=3.48) with the standard deviation (0.527) implies that the majority respondents inclined to agree on the importance of marketing skills of MSEs operators on their satisfaction.

Product or Service Knowledge of MSEs operators

Table 4.5 Descriptive statistics of Product or service knowledge of MSEs operators

	N		Mean	Std. Deviation	Variance
	Valid	Missing			
all operators of MSEs possess the necessary knowledge and skills to satisfy the needs of the customer	345	0	3.58	.853	.727
all employees strive to upgrade their knowledge in a timely manner	345	0	3.42	.736	.541
MSEs operators give the necessary explanation about the product before and after sale	345	0	3.42	.744	.553
overall MSEs operators are knowledgeable about the product and service they sell	345	0	3.44	.741	.550

Source: Survey Result, 2018

Under product or service knowledge of MSEs operators there are four statements which were used to test the effect of product or service knowledge of MSEs operators on customer's satisfaction. From the above statistics result, the customers response rate is (Mean=3.47) with the standard deviation (0.657), which means the response of the respondents apt to agree up on product or service knowledge of MSEs operators questions. Based on this, the researcher came to understand that product or service knowledge of MSEs operators has influence in satisfying the customers.

Prior Business or Industry Experience

Table 4.6 Descriptive statistics of Prior business or industry experience

	N		Mean	Std. Deviation	Variance
	Valid	Missing			
I believe prior business or management experience essential for establishing new business	345	0	4.24	.558	.311
the operators of MSEs have prior business and industry experience before establishing this business	345	0	3.34	.584	.341
I benefit a lot from MSEs operators prior business experience	345	0	3.42	.600	.360

Source: Survey Result, 2018

Prior business or industry experience is the third variable represented by three statements. The average mean shows that (Mean=3.66) with the standard deviation (0.500). This means that most consumers understand the use of prior business or industry experience to satisfy their needs and most of them inclined to agree.

Price Fairness

Table 4.7 Descriptive statistics of Price fairness

	N		Mean	Std. Deviation	Variance
	Valid	Missing			
High price is a sign of high quality	345	0	3.90	.900	.810
I am willing to pay high price for high quality product	345	0	3.70	.612	.375
The price charged the service I get from MSEs is fair and affordable	345	0	3.51	.561	.315
I believe that the price of the product and it is benefit is equivalent	345	0	3.46	.533	.284
if the price of the product increases i will not shift to other service provider in order to benefit from price changes	345	0	3.67	.626	.391

Source: Survey Result, 2018

The above statistics revealed from the five statements under price fairness, the questions raised to test weather customers think the price charged by MSEs is fair and satisfied by it, the average mean shows that (Mean=3.65) with the standard deviation (0.501). This means that consumers satisfied by the price charged by MSEs and they think the service they get and the price charged for it is equivalent.

Customer Service

Table 4.8 Descriptive statistics of customer service

	N		Mean	Std. Deviation	Variance
	Valid	Missing			
The MSEs operator of the business are responsive for my request	345	0	4.00	.789	.622
The MSEs operators are ready for listening my compliant if any at any time and give me quick response	345	0	3.86	.652	.425
I believe MSEs operators has a good relationship with customers such as friendly attitude, courteous behavior of worker and alike	345	0	3.49	.728	.530
I came again and again because of MSEs operators friendly attitude and courteous behavior	345	0	3.51	.691	.477
The overall service layout of the MSEs is suitable for my preferences	345	0	3.34	.872	.760

Source: Survey Result, 2018

Table 4.8 revealed that the five statements under customer service, the questions raised to test weather customers satisfied by the service they get from MSEs, the average mean shows that (Mean=3.64) with the standard deviation (0.602). This means that consumers satisfied by the customer service of MSEs such as their friendly attitude, courteous behavior of MSEs operators and a like and most of them inclined to agree.

Customer satisfaction

Table 4.9 Descriptive statistics of customer satisfaction

	N		Mean	Std. Deviation	Variance
	Valid	Missing			
Overall I am satisfied by the marketing skills of MSEs operators	345	0	3.61	.704	.495
Overall I am satisfied by the customer service of MSEs operators	345	0	3.68	.467	.218
Overall I am satisfied by prior business and industry experience of MSEs operators	345	0	3.26	.588	.346
Overall I am satisfied by the price charged by MSEs operators	345	0	3.74	.564	.318

I am overall satisfied by the product and service knowledge of MSEs operators	345	0	3.94	1.056	1.116
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Source: Survey Result, 2018

The last variable of the study customer satisfaction shows that the overall customer response of the above independent variable has effect on customer satisfaction. From the above statistics result, the customers response rate is (mean=3.65) and standard deviation (0.494), which means most of the customer satisfied by the above mentioned independent variables and they inclined to agree on the overall customer satisfaction.

Descriptive analysis of all variables

Table 4.10: Descriptive Analysis of market success factors and customer satisfaction

	N		Mean	Std. Deviation	Variance
	Valid	Missing			
Marketing skill of business owners	345	0	3.49	.527	.278
Product or service knowledge of MSEs operators	345	0	3.47	.657	.432
Prior business experience	345	0	3.67	.500	.250
Price fairness	345	0	3.65	.501	.251
Customer service	345	0	3.64	.602	.363
Customer satisfaction	345	0	3.65	.494	.244

Source: Survey Result, 2018

Table 4.10 shows that prior business experience is the strongest with Mean 3.67 and SD=0.500 then price fairness with Mean=3.65 and SD=0.501; customer service is the third strongest variable with Mean=3.64 and SD=0.602; the fourth strongest variable is marketing skills of business owners Mean=3.49 and SD=0.527 the least strong is product or service knowledge mean=3.47 and SD=0.657. From the above statistics table the researcher can understand that most of the respondent inclined to agree on the importance of these variables on customer satisfaction.

4.4. Correlation Analysis

The correlation between independent and dependent variables was analyzed using Statistical Package for Social Science software version 20 (SPSS).

In this study Pearson's correlation coefficient was used to determine the relationship between selected market success factors i.e. independent variables and customer satisfaction i.e. dependent variable. Pearson's coefficient of correlation (or simple correlation) is the most widely used method of measuring the degree of relationship between two variables. This coefficient assumes there is linear relationship between the two variables; that the two variables are casually related (Kothari , 2004).

Table 4.11 Pearson Correlation Matrix

		Marketing skill	Product or service knowledge	Prior business experience	Price fairness	Customer service	Customer satisfaction
Marketing Skill	Pearson Correlation	1	.372**	.338**	.465**	.394**	.576**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	345	345	345	345	345	345
Product or service knowledge of MSEs operators	Pearson Correlation	.372**	1	.468**	.491**	.408**	.636**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	345	345	345	345	345	345
Prior Business Experience	Pearson Correlation	.338**	.468**	1	.299**	.298**	.580**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	345	345	345	345	345	345
Price Fairness	Pearson Correlation	.465**	.491**	.299**	1	.458**	.577**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	345	345	345	345	345	345
Customer Service	Pearson Correlation	.394**	.408**	.298**	.458**	1	.584**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	345	345	345	345	345	345
Customer Satisfaction	Pearson Correlation	.576**	.636**	.580**	.577**	.584**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	345	345	345	345	345	345

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Survey Result, 2018

From table 4.11 we can see that Pearson correlation test was conducted to know the degree of relationship between the independent variables and the dependent variable. The results of the correlation between marketing skills of business operators and customer satisfaction are ($r = 0.576$, $p < 0.01$), that means, If marketing skills increased by one unit customer satisfaction also increased by 57.6%, which indicate there is positive and significant relationship between Marketing skills of business owners and customer satisfaction.

Pearson's correlation test also conducted to know the degree of relationship between product or service knowledge and customer satisfaction. The results of the correlation between these variables are ($r = 0.636$, $p < 0.01$), this means if product or service knowledge of MSEs operators increased by one unit customer satisfaction also increased by 63.6%, which indicate there is positive and significant relationship between product or service knowledge and customer satisfaction.

The results of the correlation between prior business/industry experience and customer satisfaction are ($r = 0.580$, $p < 0.01$), This means if prior business experience increased by one unit customer satisfaction also increased by 58% this indicate that there is positive and significant relationship between prior business experience and customer satisfaction.

Pearson's correlation test also conducted to know the relationship between price fairness and customer satisfaction. The results of the correlation between these variables are ($r = 0.577$, $p < 0.01$), If price fairness of MSEs operators increased by one unit customer satisfaction also increased by 57.7%, which indicate there is positive and significant relationship between price fairness and customer satisfaction.

Finally Pearson's correlation results between customer service and customer satisfaction are ($r = 0.584$, $p < 0.01$), this means if customer service increased by one unit customer satisfaction increase by 58.4% which indicate there is positive and significant relationship between customer service and customer satisfaction. Therefore based on the above result the researcher can conclude that all independent variables have a significant correlation with the dependent variable.

4.5. REGRESSION ANALYSIS

Regression is a technique used to predict the value of a dependent variable using one or more independent variables (Albaum, 1997). Regression analysis is a statistical tool for the investigation of relationships between variables. Usually, the investigator seeks to ascertain the causal effect of one variable upon another. To explore such issues, the investigator assembles data on the underlying variables of interest and employs regression to estimate the quantitative effect of the causal variables upon the variable that he/she influences. The investigator also typically assesses the “statistical significance” of the estimated relationships, that is, the degree of confidence that the true relationship is close to the estimated relationship (Malhotra, 2007).

4.5.1. ASSUMPTION TESTING FOR REGRESSION ANALYSIS

Meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represented the sample and that researcher has obtained the best results (Hair et al., 1998).

4.5.1.1. Multi collinearity Test

Collinearity (or Multi-collinearity) - Is the undesirable situation when one independent variable is a linear function of other independent variables. Eigen values of the scaled and uncentered cross-products matrix, condition indices, and variance-decomposition proportions are displayed along with variance inflation factors (VIF) and tolerances for individual variables (Gelman, 2007). Small degree of multi collinearity is Tolerance value and VIF value are above 0.10 and below 10 respectively.

Before regression analysis was done variation inflation factor (VIF) was checked to ensure that no interdependence exists. Since the VIF, as indicated in the table below is less than 10 which ranged from 1.343 to 1.611 and tolerance is above 0.10, then the researcher can say that there is no interdependence among independent variables (Tabachnick, 2007). Therefore regression analysis is appropriate for this particular study

Table 4.12: Colinearity Statistics

Collinearity Statistics		
Model	Collinearity Statistics	
	Tolerance	VIF
Marketing Skills of Business Operators	.709	1.411
Product or Service Knowledge	.621	1.611
Prior Business Experience	.745	1.343
Price Fairness	.625	1.601
Customer Service	.713	1.402

Source: Survey Result, 2018

4.5.1.2. Normality of the Error Term Distribution

The normality probability plots were plotted to assess normality and the values of Skewness and Kurtosis should be zero in a normal distribution; Positive values of Skewness indicate a pile-up of scores on the left of the distribution, whereas negative values indicate a pile-up on the right. The further the value is from zero, the more likely it is that the data are not normally distributed (Field, 2005).

Table 4.13: SKEWNESS and KURTOSIS

	Marketing Skill of Business operators	Product or Service knowledge	Prior Business Experience	Price Fairness	Customer Service	Customer Satisfaction
N	345	345	345	345	345	345
Skewness	-.699	-.959	-.088	-1.265	-1.268	-.823
Std. Error of Skewness	.131	.131	.131	.131	.131	.131
Kurtosis	.370	.090	-.995	1.423	1.603	.158
Std. Error of Kurtosis	.262	.262	.262	.262	.262	.262

Source: Survey Result, 2018

The researcher has checked the values of kurtosis and Skewness and as the table 4.13 shows and the assumption of normality was found acceptable. There is another useful graph that the researcher can inspect to see if a distribution is normally distributed is called a P-P plot (probability–probability plot) and scatter plot. This graph plots the cumulative probability of a variable against the cumulative probability of a particular distribution (Field, 2005). As the figure below shows that the data are normally distributed.

Fig. 4.1 Normal P-P plot

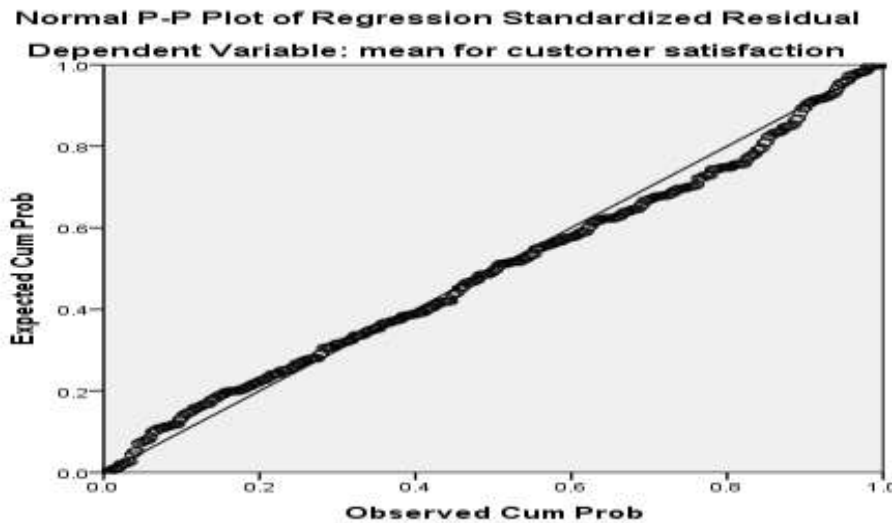
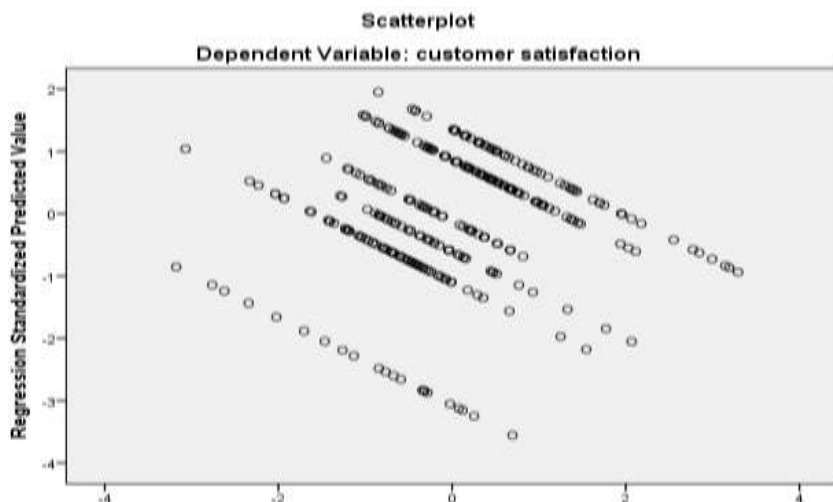


Fig. 4.2 Scatter plot



4.5.1.3. Independent Errors

For any two observations the residual terms should be uncorrelated (or independent). This eventuality is sometimes described as a lack of autocorrelation. This assumption can be tested

with the Durbin–Watson test, which tests for serial correlations between errors. Specifically, it tests whether adjacent residuals are correlated. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2005). This study Durbin-Watson 1.691 therefore the residuals are correlated.

4.5.1.4. Multiple Linear regression analysis

Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable (Field, 2005). Multiple linear regression was conducted in order to determine the explanatory power of the independent variables (marketing skills of business owners, prior business experience, product or service knowledge, price fairness and customer service) to identify the relationship and to determine the most dominant variables that influenced the customer satisfaction. The significance level of 0.05 with 95% confidence interval was used. The reason for using multiple regression analysis was to assess the selected market success factors variables on customer’s satisfaction. Before continuing to model summary of all variables the researcher wants to show the detail regression results for each variable against customer satisfaction based on the result of the statistical tool SPSS.

Table 4.14 Model Summary for each independent variables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
Marketing Skill	.576 ^a	.332	.330	.40471	.332	170.111	1	343	.000
Product or Service Knowledge	.636 ^a	.405	.403	.38189	.405	233.258	1	343	.000
Prior Business Experience	.580 ^a	.337	.335	.40319	.337	173.972	1	343	.000
Price Fairness	.577 ^a	.333	.331	.40433	.333	171.071	1	343	.000
Customer Service	.584 ^a	.341	.339	.40185	.341	177.440	1	343	.000

- a. Predictors: (Constant), product or service knowledge
- b. Predictors: (Constant), prior business experience
- c. Predictors: (Constant), price fairness
- d. Predictors: (Constant), customer service
- e. Predictors: (Constant), marketing skill

Source: Survey Result, 2018

As we understand from the above table all independent variable marketing skill, product or service knowledge, prior business experience, price fairness and customer service has adjusted R^2 .330, .403, .335, .331 and .339 respectively. This number shows that marketing skills constitute the customer satisfaction of coefficient of determination R^2 is 0.330, which implies that there is quite significant explanatory power and also 33.30% variation on dependent variable is caused by this independent variable and the remaining 66.7% is because of other unknown variables. Product or service knowledge constitute the customer satisfaction of coefficient of determination R^2 is 0.403, which implies that there is quite significant explanatory power and also 40.30% variation on dependent variable is caused by product or service knowledge and the remaining 59.7% is because of other unknown variables. Prior business experience constitute the customer satisfaction of coefficient of determination R^2 is 0.335, which implies that there is quite significant explanatory power and also 33.50% variation on dependent variable is caused by prior business experience and the remaining 66.5% is because of other unknown variables.

Price fairness constitute the customer satisfaction of coefficient of determination R^2 is 0.331, which implies that there is quite significant explanatory power and also 33.1% variation on dependent variable is caused by price fairness and the remaining 66.9% is because of other unknown variables. The last variable customer service constitute the customer satisfaction of coefficient of determination R^2 is 0.339, which implies that there is quite significant explanatory power and also 33.9% variation on dependent variable is caused by price fairness and the remaining 66.1% is because of other unknown variables.

Table 4.15: Model Summary for Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.822 ^a	.676	.671	.28336	.676	141.532	5	339	.000	1.691

a. Predictors: (Constant), mean for customer service, mean for prior business experience, marketing skill of business owners mean, mean for price fairness, product or service knowledge of MSEs operators mean

b. Dependent Variable: mean for customer satisfaction

The model summary table 4.15 states that the five independent variables that constitute the customer satisfaction of coefficient of determination R^2 is 0.671, which implies that there is quite significant explanatory power and also 67.10% variation on dependent variable is caused by these independent variables and the remaining 32.9% is because of other unknown variables.

The above regression model presents how much of the variance in the measure of customer satisfaction is explained by the underlying selected market success variables. Furthermore to explain R, R^2 , adjusted R^2 and Durbin–Watson in detail:-

R– Indicates the value of the multiple correlation coefficient between the predictors and the outcome, with a range from 0 to 1, a larger value indicating a larger correlation and 1 representing an equation that perfectly predict the observed value (Pedhazur, 1982). From the model summary ($R=0.822$) indicates that the linear combination of the five independent variables strongly predict the dependent variable (customer satisfaction).

R Square (R^2) – indicates the proportion of variance that can be explained in the dependent variable by the linear combination of the independent variables. In another word R^2 is a measure of how much of the variability in the outcome is accounted for by the predictors. The values of R^2 also range from 0 to 1 (Pedhazur, 1982). R^2 implies that there is quite significant explanatory power between variables and also 67.10% variation on dependent variable is caused by these independent variables and the remaining 32.9% is because of other unknown variables.

Adjusted R Square (R^2) – The adjusted R^2 gives some idea of how well the model generalizes and its value to be the same, or very close to the value of R^2 . That means it adjusts the value of R^2 to more accurately represent the population under study (Pedhazur, 1982). The difference for the final model is small (in fact the difference between R^2 and Adjusted R^2 is $(0.676 - 0.671 =$

0.005) which is about 0.5%. This shrinkage means that if the model were derived from the population rather than a sample it would account for approximately 0.5% less variance in the outcome.

Durbin-Watson - the Durbin–Watson statistic expresses that whether the assumption of independent errors is acceptable or not. As the conservative rule suggested that, values less than 1 or greater than 3 should definitely raise alarm bells (Field, 2005). So that the desirable result is when the value is closer to 2, and for this data the value is 1.691, which is so close to 2 that the assumption has almost certainly been met.

Table 4.16: ANOVA of customers' satisfaction

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	56.821	5	11.364	141.532	.000 ^b
Residual	27.220	339	.080		
Total	84.041	344			

Source: survey Result 2018

a. Dependent Variable: mean for customer satisfaction

b. Predictors: (Constant), mean for customer service, mean for prior business experience, marketing skill of business owners mean, mean for price fairness, product or service knowledge of MSEs operators mean

The ANOVA table shows the overall significance/ acceptability of the model from a statistical perspective (Pedhazur, 1982). The p-value is < 0.01 which indicates that the variation is explained by the model is not due to chance. As table 4.16 advocate the researcher can connote that R, R², and Adjusted R² conducted for the multiple regression independent variables is statistically significant. The most important part of the table is the F-ratio, which is a test of the null hypothesis that the regression coefficients are all equal to zero. Put in another way, this F statistic tests whether the R² proportion of variance in the independent variable accounted for by the predictors is zero and the table shows the associated significance value of that F-ratio (Field, 2009). For this data, F is 141.53, which is significant at p < 0.01 (because the value in the column labeled sig. is less than 0.01). This result tells us that there is less than a 0.1% chance that an F-ratio this large would happen, if the null hypothesis proposed about F-ratio were true. Therefore,

we can conclude that our regression model results in significantly better prediction of customer satisfaction and the regression model also significantly well.

4.5.1.5. The Regression Coefficient

This study intends to identify the most contributing independent variable in the prediction of the dependent variable. Thus, the strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via standardized Beta coefficient. The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The larger value of Beta coefficient an independent variable has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable.

Table 4.17: Summary of Coefficient on customer’s satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.457	.147		1.714	.049	-.286	.291
	marketing skill of business owners	.209	.034	.223	6.071	.000	.141	.277
	product or service knowledge of MSEs operators	.189	.030	.251	6.405	.000	.131	.247
	prior business experience	.265	.035	.268	7.478	.000	.195	.334
	price fairness	.157	.039	.160	4.081	.000	.082	.233
	customer service	.197	.030	.240	6.570	.000	.138	.256

a. Dependent Variable: mean for customer satisfaction

Source: survey result, 2018

Column B is the value for the intercept (a) in the regression equation on the first row, labeled (constant). The numbers below the column “beta” are the values for the regression coefficients for marketing skills, prior business experience, product or service knowledge, price fairness and

customer service. In the multiple regression, this standardized regression coefficient Beta (β) is useful, because it allow to compare the relative strength of each independent variable's relationship with the dependent variable (Pedhazur, 1982). The above coefficient table shows the constant beta value (β) and p-value of the variables to examine the significance of the hypothesis. The significance level of each variable (P-value) is: .01, .01 .01, .01 and their standardized coefficients are .223, .251, .268, .160 & .240 respectively. The p-value of all the independent variables is below 0.05 which implies all have a significant relationship with the dependent variable (customer's satisfaction). Based on these results, the regression equation that predicts customers satisfaction based on the linear combination of the above independent variable is as follows:

The regression equation of customer satisfaction

$$Y = .457 + 0.223 X1 + 0.251 X2 + 0.268 X3 + 0.160 X4 + 0.240 X5 + e$$

Where: X1 = Marketing Skills of business operators

X2 = product/service knowledge

X3 = prior business experience

X4 = price fairness

X5 = customer service

e= sampling error

4.6. Hypothesis Testing

Hypothesis testing for this study is based on standardized coefficients beta and P-value to test whether the hypothesis are accepted or not

H1: Prior business and industry experience have a positive and significant effect on customer satisfaction is supported by (p-value < 0.01; $\beta=0.268$)

First, the intercept is 0.457, when all independent variables have a value of zero, when we replace through the equation, holding product/service knowledge, price fairness, customer service and marketing skills constant. Prior business and industry experience of operators

increase customer's chance of satisfaction by 0.268 for each additional level increment. The p-value for this coefficient is statistically significant ($p < 0.01$). The p-value for this coefficient is statistically significant ($p < 0.01$).

H2: Business owners with higher Marketing skills will have a positive and significant impact on customer satisfaction is supported by (p-value < 0.001; $\beta=0.223$)

The intercept is 0.457, when all independent variables have a value of zero, when we replace through the equation, holding product/service knowledge, price fairness, customer service and prior business and industry experience constant. Marketing skills of operators increase customer's chance of satisfaction by 0.223 for each additional skills level increment. The p-value for this coefficient is statistically significant ($p < 0.01$). This means marketing skills of MSEs operators is a significant predictor of customer satisfaction. Thus, the null hypothesis is rejected and the alternative one is accepted.

H3: product and service knowledge of MSEs operators have a direct and positive effect on customer satisfaction is supported by (P-value < 0.01; $\beta=0.251$)

The intercept is 0.457, when all independent variables have a value of zero, when we replace through the equation, holding marketing skills of operators, price fairness, customer service and prior business and industry experience constant. Product and service knowledge of MSEs operators increase customers chance of satisfaction by 0.251 for each additional level increment. The p-value for this coefficient is statistically significant ($p < 0.01$). This means product and service knowledge of MSEs operators is a significant predictor of customer satisfaction. Thus, the null hypothesis is rejected and the alternative one is accepted.

H4: price fairness has a direct and significant effect on customer satisfaction also supported by (p-value < 0.01; $\beta=0.160$)

The regression coefficient finding indicates that price fairness has a weak but significant effect on Customers satisfaction ($P < 0.01$; $\beta = 0.160$). This means when all independent variables have a value of zero and price fairness increment at each unit increase customer's chance of satisfaction by 0.160. Therefore H4, which states there is a positive relationship between price fairness and

customer's satisfaction is also supported and the null hypothesis is rejected and the alternative one is accepted.

H5: A better customer service has a positive and significant effect on customer satisfaction is also supported at (p -value <0.01; β =0.240)

Finally: the regression coefficient finding indicates that customer service has a significant effect on customers satisfaction ($P < 0.01$; $\beta = 0.240$). This means when all independent variables have a value of zero and customer service increment at each unit increase customer's chance of satisfaction by 0.240. Therefore the last hypothesis, H5, which states there is a positive relationship between customer service and customer satisfaction is also supported and the null hypothesis is rejected.

4.7. Discussion of the Result

This study was aimed to examine the effect of selected market success factors on customer satisfaction.

This research finding shows that there is a positive relation between prior business and industry experience on customer satisfaction of MSEs operated in Woliso town. The connotation is MSEs operator in Woliso town has prior business experience in a related business sector. Prior business or industry experience has strongest relation with customer satisfaction this shows the customer believes in prior business experience of MSEs operators and even most of operators has this knowledge.

Previous studies regarding to prior business experience also support the significance of it on customer's satisfaction. Praag, Bosma and Wit (2003) reported that experience in the same industry as a business venture gives better chances and help the business to survive by retaining the existing customers and by attracting new ones. In addition, Politis and Gabrielson (2002), in their study supports the argument that prior business experience from starting up new ventures showed a significant and positive association with increased opportunity and recognition.

According to the test result of this study, the hypothesis marketing skills of business operators has a positive & significance effect on customer satisfaction supported by the data collected. That means MSEs operators are good in creating new business ideas and they timely advertise about their product and services in a timely manner. Researchers studied the effect of marketing

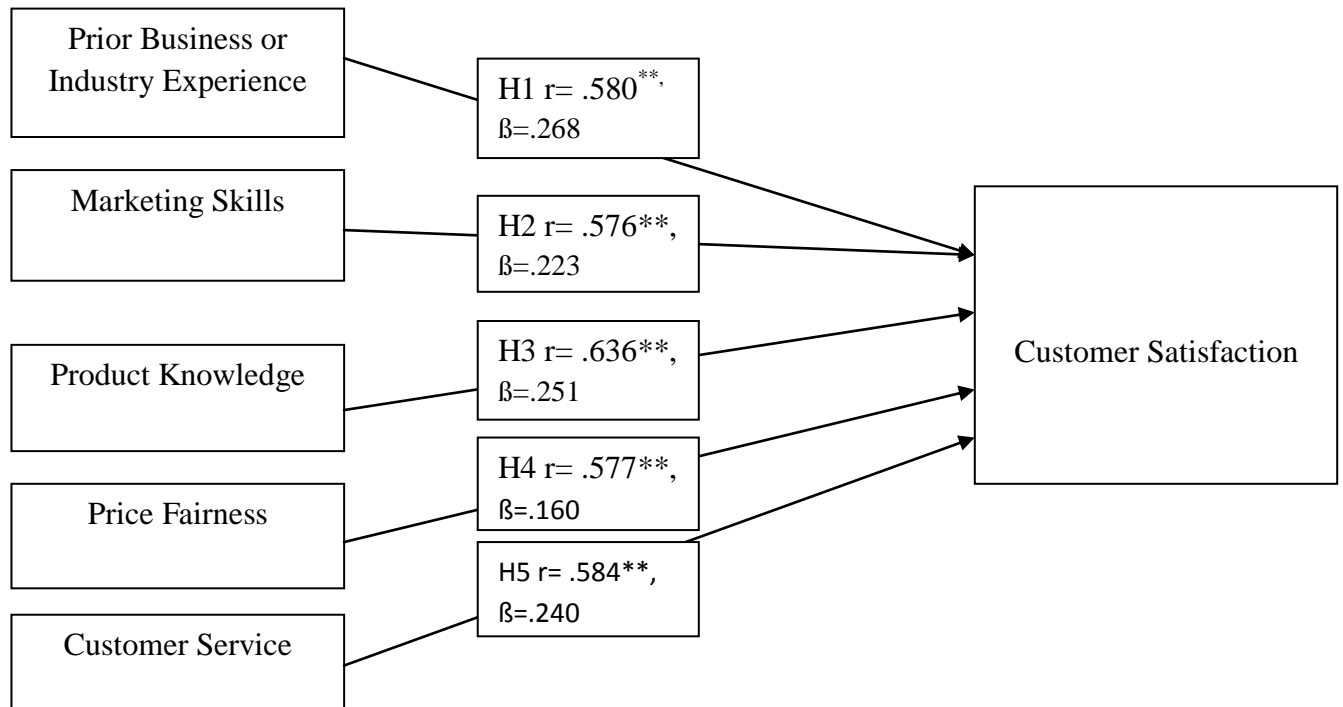
skills of business owners on customer satisfaction proved the theory to be true. Among the studies conducted on marketing skills. The study of Lussier (1995) emphasizes on the importance of marketing skill of the business owners as one factor to the success and better performance of small businesses.

To interpret the result of product and service knowledge of MSEs operators has a positive and significant effect on customer satisfaction. This shows most of MSEs Operator operated in Woliso town has good product knowledge about the product they sale before and after sale and also they upgrade their knowledge in a timely manner.

The research finding also shows that there is a positive relation between price fairness and customer satisfaction on MSEs operated in Woliso town. The connotation is MSEs operator in Woliso town charge a fair and affordable price and the benefit they get from MSEs is equivalent with the price charged. This finding is congruent to the idea raised by different scholars. Price fairness refers to consumers' assessments of whether a seller's price is reasonable, acceptable or justifiable (Kukar-Kinney, Xia and Monroe, 2007). Price fairness is a very important issue that leads toward satisfaction. Charging fair price helps to develop customer satisfaction and loyalty. In another study of Martin-Consuegra, Molina and Esteban (2007), it was concluded that customer satisfaction is directly influenced by price perceptions while indirectly through the perception of price fairness. The price fairness itself and the way it is fixed and offered have a great impact on satisfaction.

To interpret the result of customer service of MSEs operators has a positive and significant effect on customer satisfaction. this shows most of MSEs operator operated in Woliso town are good in listening customer complain and give the necessary solution to the customer request and most customer came again and again because of MSEs operators friendly attitude and courteous behavior. The study is supported by the study of Ahn, Han and Lee (2006) shows that when the customers, do not get their complaints considered properly, they start looking for other brands. Furthermore, the friendly attitude and courteous behavior of the service workers at service firms leaves a positive impression on the customer which lead towards customer satisfaction

Fig. 4.4: Summary of the correlation & regression analysis



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1. Introduction

In this chapter of the study, summary of findings, conclusion and recommendations are stated. The purpose of this study was aimed to examine the effect of selected market success factors on customer satisfaction. The selected factors that affect the customer satisfaction are marketing skills, product or service knowledge, prior business experience, price fairness and customer service.

5.2. Summary of Major Findings

The study has investigated about the effect of market success factors on customer satisfaction. Based on this, the overall findings of the research summarized and concluded as follows:-

- The average descriptive statistics for customer satisfaction (dependent variable) result has shown that, the mean score was above the midpoint (3.00) of the Likert scale, which means respondents customer satisfaction came from the MSEs operators Marketing skills, product or service knowledge, prior business or industry experience, price fairness and customer service variables were accumulated on the midpoint & inclined to agree.
- The result of independent variable of descriptive statistics has shown that, the mean score of selected market success factors i.e Marketing skills, product or service knowledge, prior business or industry experience, price fairness and customer service has been 3.49, 3.47, 3.67, 3.65 & 3.64 respectively. The result indicated that, the highest mean score from the independent variable is 3.67 for prior business or industry experience. Therefore the MSEs operators prior business experience better satisfy the customer
- The correlation matrix indicates that the selected market success factors: “Marketing skills, product or service knowledge, prior business or industry experience, price fairness and customer service” were positively and moderately as well as strongly correlated with customer satisfaction with 95% confidence interval & at 0.01 p-value 2tailed, by scoring a Pearson Correlation Coefficient “R-value” of 0.576**, 0.636**, 0.580**, 0.577** & 0.584**. The highest strong coefficient of correlation in this research between selected market success factors and customer satisfaction is 0.636. In this case relatively product

or service knowledge had a higher strong relationship with customer satisfaction ($r = 0.636$, $n = 345$, $p \leq 0.01$) than the other four independent variables.

- The last major finding of the regression analysis result is, all selected independent variables (Marketing skills, product or service knowledge, prior business or industry experience, price fairness and customer service) contribute to statistically significant level at ($p\text{-value} < 0.01$). The score of the coefficient correlation determination (R^2) is 0.671 which indicate, 67.1% of the variability of overall customer satisfaction was explained by the five independent variables. The other variables that were not considered in this study contribute about 32.9% of the variability of customer satisfaction. The Beta weight score indicated that the effect of prior business or industry experience is greater than that of other independent variables. Accordingly, the study model fit regression equation become $Y = .457 + 0.223 X1 + 0.251 X2 + 0.268 X3 + 0.160 X4 + 0.240 X5 + e$ And also since, $p\text{-value}$ of all selected independent variable is less than 0.05, therefore the researcher can reject the entire null hypothesis and accept all the selected independent variables

5.3. Conclusion

The main purpose of the study was to investigate the effect of selected market success factors on customer satisfaction in the case of micro and small business enterprises operated in Woliso town. In order to meet the general objective, convenience sampling method was used. Questionnaire on market success factors were developed and distributed to MSEs customers found in Woliso town.

- The entire research objective for this study was attained; the general objective of this study was to examine the effect of market success factors on customer satisfaction: on MSEs in Woliso town. All selected market success variables have significant effect on customer satisfaction
- prior business or industry experience with the highest mean score better satisfy the customer than the other four independent variables
- Correlation analysis was conducted to analyze the relationships between variables; the correlation matrix revealed that all coefficients of correlations independent variables were positively and moderately correlate with the dependent variable.

- According to the findings, Marketing skills, product or service knowledge, prior business or industry experience, price fairness and customer service has significant impact on customer satisfaction. Therefore, all selected market success factors have effect on the dependent variable.
- Based on The regression coefficient finding of this study: all alternative hypothesis generated for this study is accepted and all the null hypothesis rejected

5.4. Recommendation

There is a significant positive correlation between selected market success factors and customer satisfaction. The researcher forwards the following recommendations based on the research findings and the conclusion drawn in the previous sections. Most of the mean score of the dependent & independent variable has been accumulated on the midpoint & inclined to agree. Therefore for further improvement the following points should be considered;

- Prior business or industry experience: based on the study result prior business or industry experience has a significant and positive effect on customer satisfaction but the average mean square by the respondent is 3.7 this number is between neutral and agree. It is mostly inclined to agree but MSEs operators should possess prior business experience before establishing a new business because it shows the way how to satisfy customers or at least they have to hire employees with prior business or industry experience before establishing a new business. In addition MSEs operators should have to learn from someone who's been there through informational interview at least to understand the pitfalls of the industry before establishing their own business.
- Marketing skills of business owners: for every business operators marketing skills is essential to maintain as well to grow a business. Based on the result marketing skills and customer satisfaction has a positive relation. But average mean score of the respondent is 3.48, this also between neutral and agree. If the MSEs operator improve its marketing skills the probability of getting satisfied customers is increase. In order to upgrade the customer satisfaction level from the perspective of marketing skills MSEs operators should have to upgrade their skills through training (on job and off job), experience sharing with other similar MSEs operators, advertise about their product and service in a timely manner, request feedback from their customers about the product and service they

sale and based on the customer feedback try to enhance their knowledge. Therefore by upgrading their marketing skills they can change satisfied customer to highly satisfied customers

- Product and service knowledge: every business operators should have to know about the product or service they sale from different aspect. The MSEs operators should be able to explain about the product before and after sale even they have to give technical advice to their clients if necessary. Based on the response MSEs operators must improve their knowledge through education and by reading related documents with their work and by asking other expertise (experience sharing) by doing this they can satisfy their existing customers and even attracting new ones
- Price fairness: in most underdeveloped economy like Ethiopia many people are sensitive to price changes. But most of the respondent believes that the price charged by MSEs is fair and affordable. On average 3.65 respondents agree by the price charged by MSEs operators. But this is not completely satisfactory. Therefore MSEs operators should have to set affordable price by using economies of scale, uses raw material from the sources in order to be benefited from price changes through distribution channels and also to maintain the existing satisfied customer maintain the current price.
- Customer service; customer service has a significant positive effect on customer satisfaction and average mean value 3.64 this is inclined to agree this shows most customers satisfied by customer service of MSEs operators but to enhance the existing customer service MSEs operators should have to do the following tasks: strengthen customer service skills such as empathy, patience, consistency, adaptability, use clear communication, be knowledgeable, improve customer interactions, proactive active listening so they feel heard. By doing this can enhance their abilities.

5.5. Further Area of Study

According to model summary of this research it states that the five independent variables that constitute the customer satisfaction of coefficient of determination R^2 is 0.676, which implies that there is quite significant explanatory power and also 67.10% variation on dependent variable is caused by independent variables and the remaining 32.90% is because of other unknown variables. Therefore depending on this statement still there is a room for other studies to conduct.

Therefore other variables which could affect customer satisfaction of MSEs operators is a potential area for further study.

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Appendixes

Appendix A: Questionnaire

Questionnaire (English)

Addis Ababa University School of Commerce Department of Marketing Management

MA program

Dear Respondents: please spare a few minutes to complete this questionnaire. Your participation in the small business research survey will help us to understand the business positions in satisfying customer and give you a chance to get to know micro and small business perspectives in Woliso town. Please be assured that your responses will be treated confidentially

Notice

- ✓ No need of writing your name
- ✓ Please put an “X” mark in the boxes of your answer

Part I:

Demographic Information of the Customers

1. Gender

1. Male

2. Female

2. Age category _____

3. Education Level

1. High school certificate

2. College Diploma

3. Bachelor’s degree

4. Master’s degree

5. Doctorate degree

4. Marital status

- 1. Single
- 2. Married
- 3. Divorced
- 4. Widowed

Part II

In the following table you find some variables of the study in relation with customers. So please give your responses in the box by marking “X” in the spaces under in front of each number. The numbers are decoded in the following manner

- 1= Strongly Disagree
- 2= Disagree
- 3= Neutral
- 4= Agree
- 5= Strongly Agree

No.	Descriptions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I.	Marketing skills of Business Owners (MSBO)					
MSBO1	I believe that the owners of MSEs properly handling customers requests					
MSBO2	I believe the owner of the business is good in creating new business ideas to satisfy customer needs					
MSBO3	The business owners of MSEs advertise about the product and services in a timely manner					

MSBO4	I am satisfied by his/ her advertisement					
MSBO5	I spread a positive word of mouth about the MSEs business owners to other people I know					
II.	Product and Service Knowledge (PSK)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
PSK1	All operators of MSEs posses the necessary knowledge and skills to satisfy the needs of the customer					
PSK2	All employees strive to upgrade their knowledge in a timely manner					
PSK3	MSEs operators give the necessary explanation about the product before and after sale					
PSK4	Overall MSEs operators are knowledgeable about the product and service they sale					
III.	Prior Business and Industry Experience (PBIE)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
PBIE1	I believe prior business or management experience essential for establishing new business					
PBIE2	The operators of MSEs have prior business and industry experience before establishing this business					
PBIE3	I benefit a lot from MSEs operators prior business experience					

IV.	Price Fairness (PF)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
PF1	High price is a sign of high quality					
PF2	I am willing to pay high price for high quality product					
PF3	The price charged for the service I get from MSEs is fair and affordable					
PF4	I believe that the price of the product and its benefit is equivalent					
PF5	If the price of the product increases I will shift to other service provider in order to benefit from price changes					
V.	Customer Service (CS)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
CS1	the MSEs operator of the business is responsive for my request					
CS2	the MSEs operators are ready for listening my complaint if any at any time and give me quick response					
CS3	I believe MSEs operators have a good relationship with customers such as friendly attitude, courteous behaviors of workers and alike					
CS4	I come again and again because of MSEs operators friendly attitude and courteous behavior					

CS5	The overall service layout of the MSEs is suitable for my preferences					
VI	Customer Satisfaction (CSD)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
CSD1	I am overall satisfied by the marketing skills of MSEs operators					
CSD2	I am overall satisfied by the Customer Service of MSEs operators					
CSD3	I am overall satisfied by the Prior Business and Industry Experience MSEs operators					
CSD4	I am overall satisfied by the Price Fairness of MSEs operators					
CSD5	I am overall satisfied by the Price Fairness of MSEs operators					

THANK YOU FOR YOUR COOPERATION!!!!!!!!!!!!!!

Appendix B: SPSS out Put

Respondent sex

	Frequency	Percent	Percent
Male	246	71.3	71.3
Female	99	28.7	28.7
Total	345	100.0	100.0

Age of the Respondent

Valid	Minimum	Mean	Maximum
345	17	30.01	50

Education Background of the Respondent

	Frequency	Percent	Valid Percent
High School Certificate	40	11.6	11.6
College Diploma	80	23.2	23.2
Bachelor's Degree	193	55.9	55.9
Master's Degree	32	9.3	9.3
Total	345	100.0	100.0

Marital status of the respondent

	Frequency	Percent	Valid Percent
Single	160	46.4	46.4
Married	180	52.2	52.2
Divorced	2	.6	.6
Widowed	3	.9	.9
Total	345	100.0	100.0

Descriptive statistics for selected market success factors and customer satisfaction

	N		Mean	Std. Deviation	Variance
	Valid	Missing			
	Marketing skill	345	0	3.4858	.52723
Product or service knowledge of MSEs operators	345	0	3.4667	.65729	.432
Prior business experience	345	0	3.6657	.50032	.250
Price fairness	345	0	3.6464	.50110	.251
Customer service	345	0	3.6394	.60219	.363
Customer satisfaction	345	0	3.6481	.49427	.244

RELIABILITY TEST RESULT FOR INDEPENDENT VARIABLES

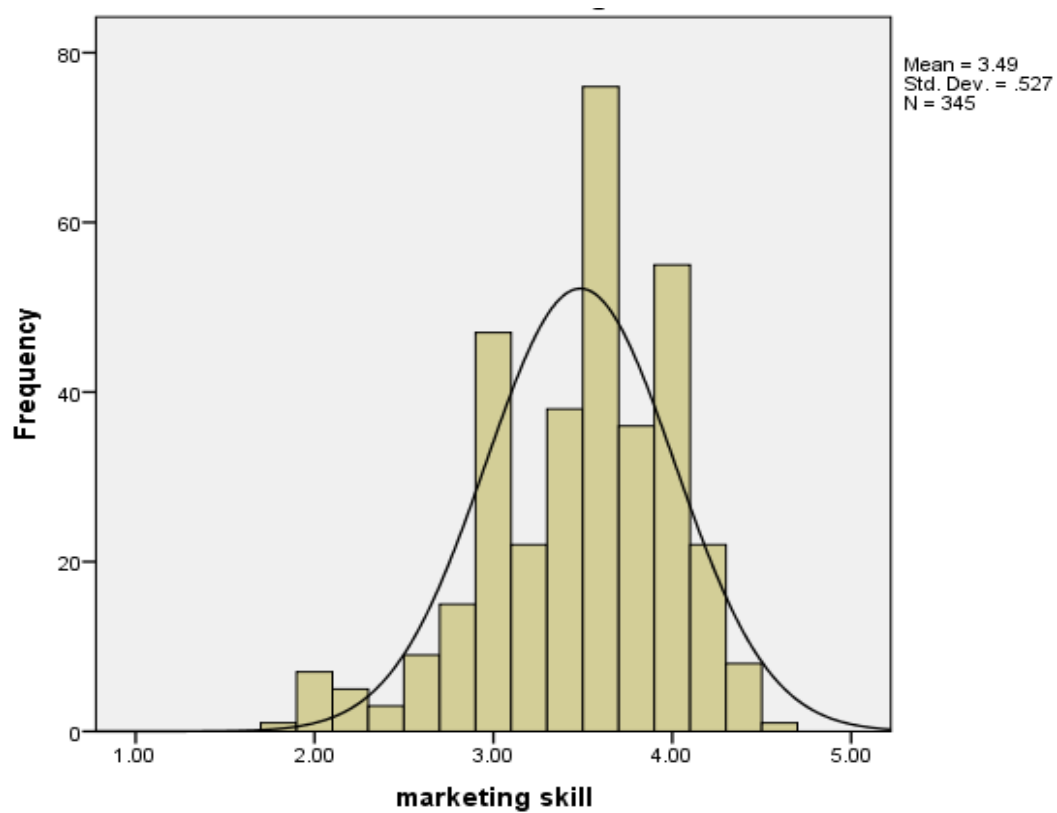
		Marketing skill	Product or service knowledge of MSEs operators	Prior business experience	Price fairness	Customer service	Customer satisfaction
Marketing skill	Pearson Correlation	1	.372**	.338**	.465**	.394**	.576**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	345	345	345	345	345	345
Product or service knowledge of MSEs operators	Pearson Correlation	.372**	1	.468**	.491**	.408**	.636**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	345	345	345	345	345	345
Prior business experience	Pearson Correlation	.338**	.468**	1	.299**	.298**	.580**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	345	345	345	345	345	345
Price fairness	Pearson Correlation	.465**	.491**	.299**	1	.458**	.577**

	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	345	345	345	345	345	345
Customer service	Pearson Correlation	.394**	.408**	.298**	.458**	1	.584**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	345	345	345	345	345	345
Customer satisfaction	Pearson Correlation	.576**	.636**	.580**	.577**	.584**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	345	345	345	345	345	345

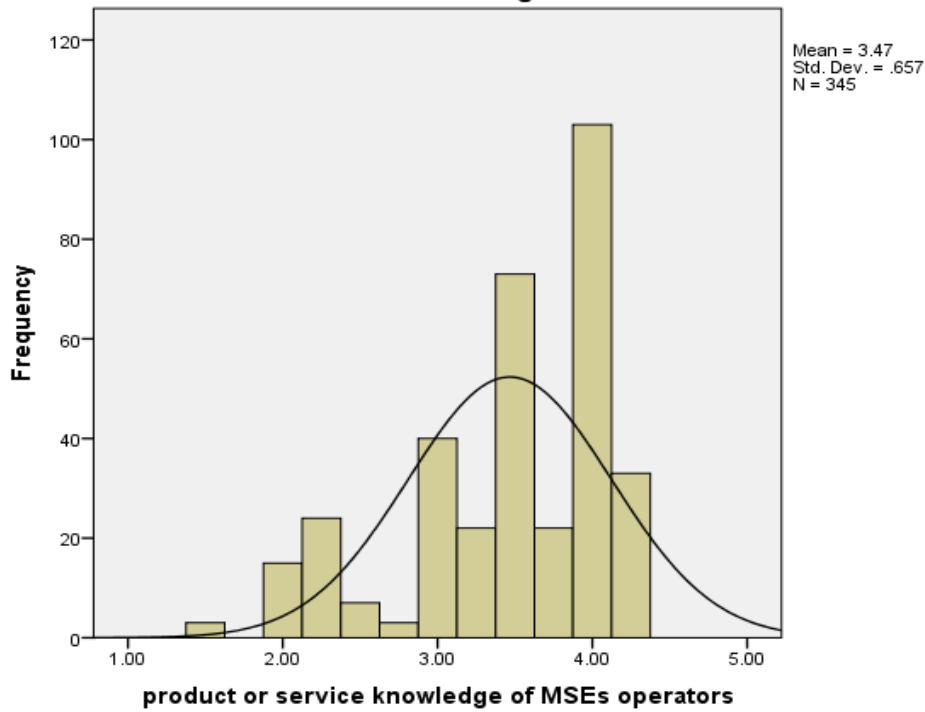
** . Correlation is significant at the 0.01 level (2-tailed).

NORMALITY TEST FOR INDEPENDENT VARIABLES

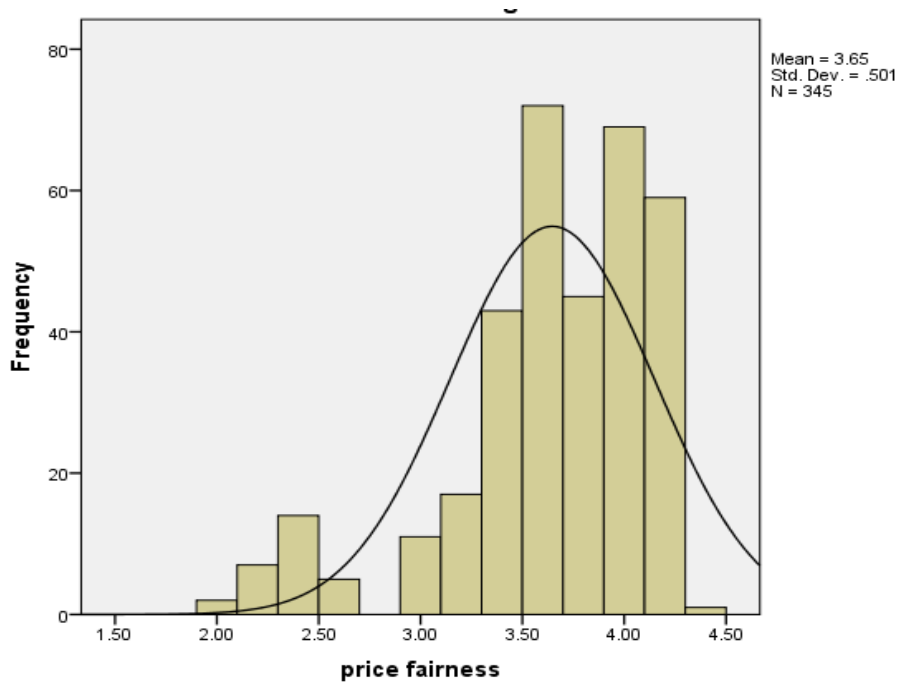
Marketing skills of business owners



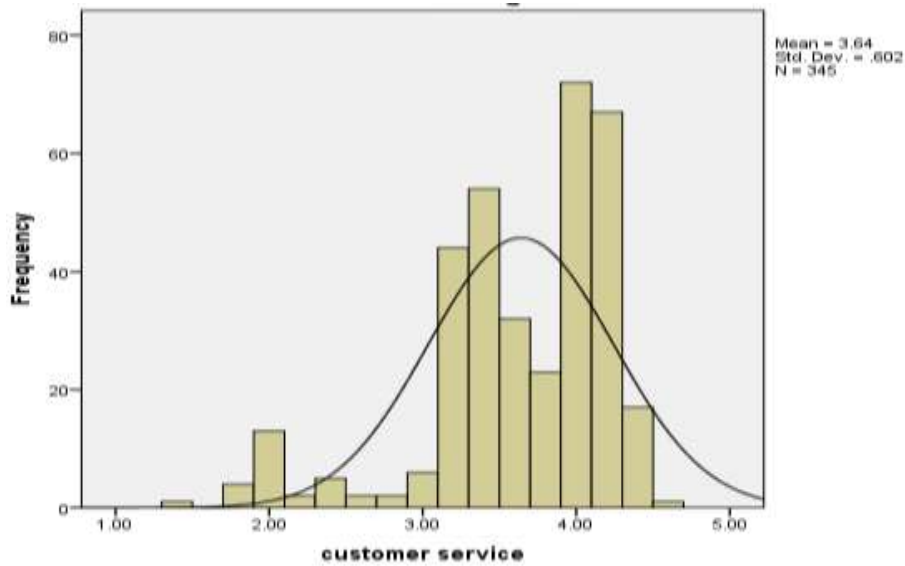
Product or service knowledge of MSEs operators



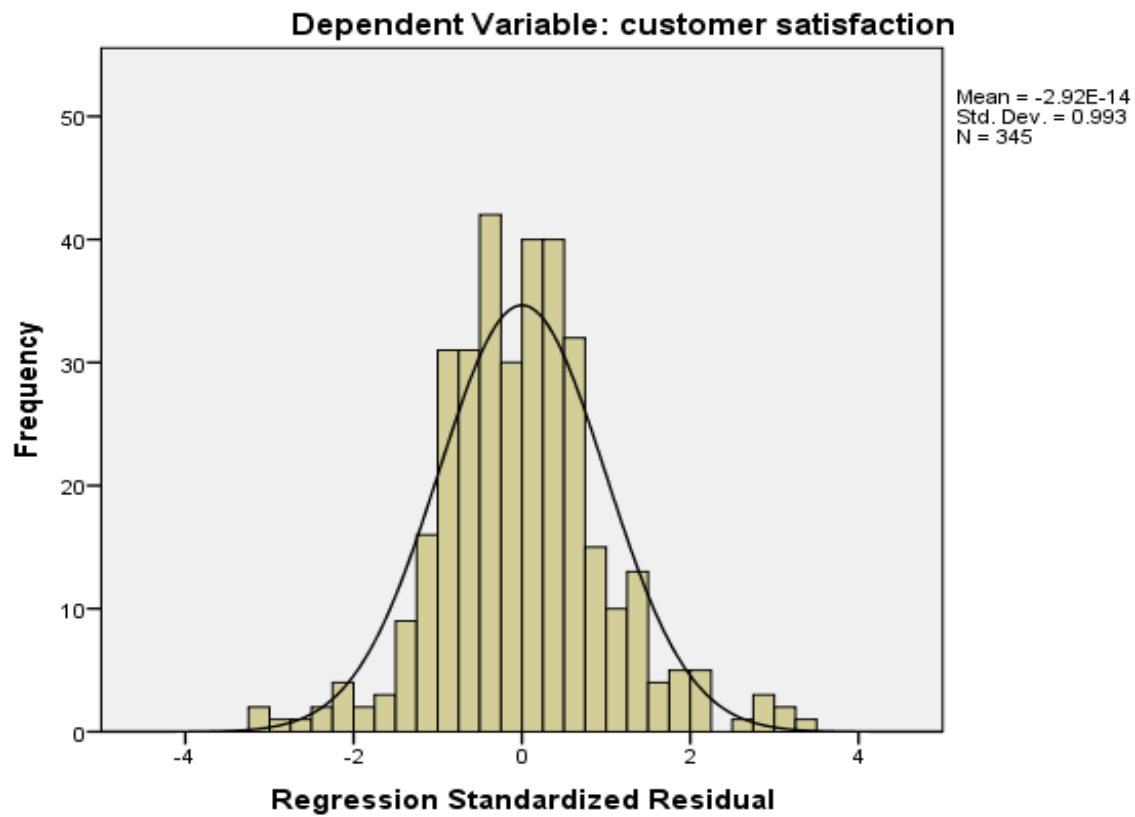
Price Fairness



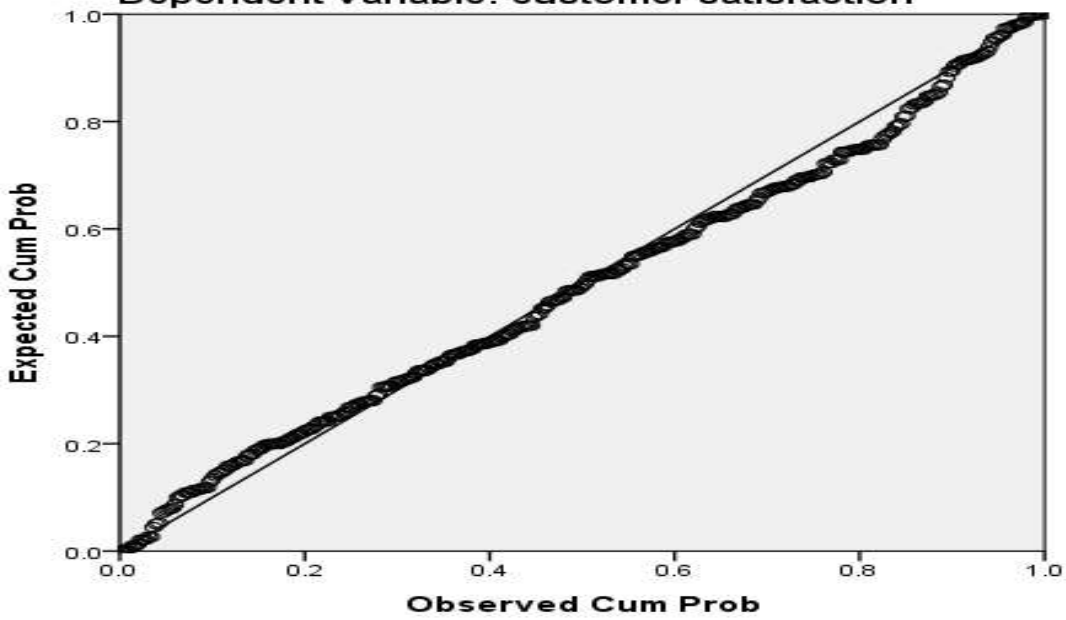
Customer Service



Normal P-P plot

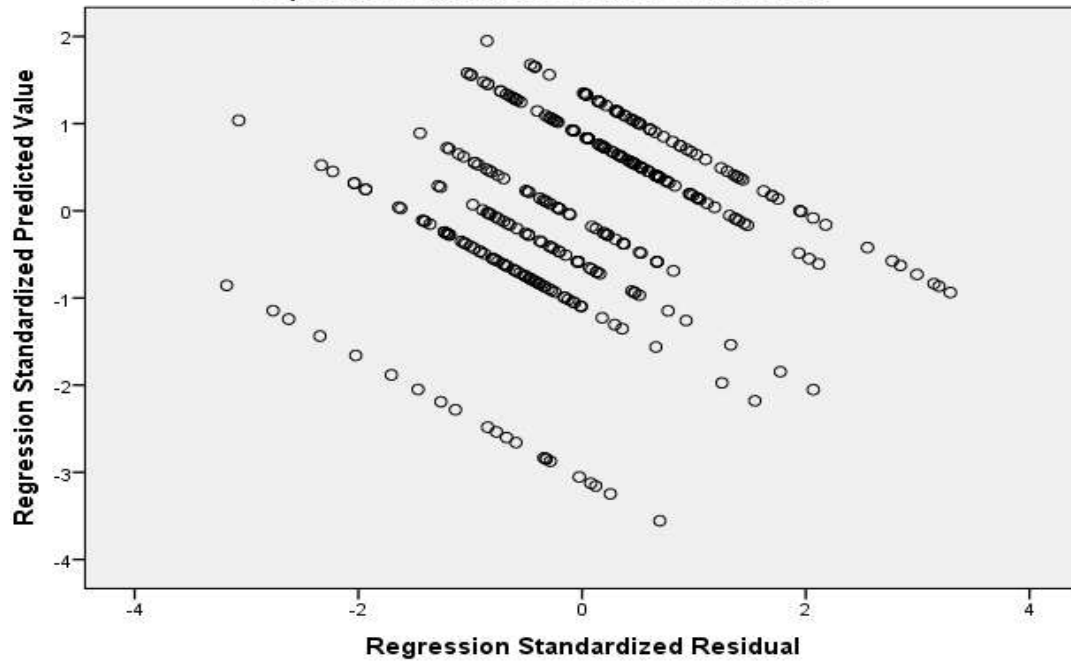


Normal P-P Plot of Regression Standardized Residual
Dependent Variable: customer satisfaction



Scatterplot

Dependent Variable: customer satisfaction



Collinearity Test

Collinearity Statistics		
Model	Collinearity Statistics	
	Tolerance	VIF
Marketing skills of business owners	.709	1.411
Product or service knowledge	.621	1.611
Prior business experience	.745	1.343
Price fairness	.625	1.601
Customer service	.713	1.402

SKEWNESS and KURTOSIS

		marketing skill	product or service knowledge of MSEs operators	prior business experience	price fairness	customer service	customer satisfaction
N	Valid	345	345	345	345	345	345
	Missing	0	0	0	0	0	0
	Skewness	-.699	-.959	-.088	-1.265	-1.268	-.823
	Std. Error of Skewness	.131	.131	.131	.131	.131	.131
	Kurtosis	.370	.090	-.995	1.423	1.603	.158
	Std. Error of Kurtosis	.262	.262	.262	.262	.262	.262

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.822 ^a	.676	.671	.28336	.676	141.532	5	339	.000	1.691

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	56.821	5	11.364	141.532	.000 ^b
Residual	27.220	339	.080		
Total	84.041	344			

Summary of Coefficient on customer's satisfaction

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.457	.147		1.714	.049	-.286	.291
	marketing skill of business owners	.209	.034	.223	6.071	.000	.141	.277
	product or service knowledge of MSEs operators	.189	.030	.251	6.405	.000	.131	.247
	prior business experience	.265	.035	.268	7.478	.000	.195	.334
	price fairness	.157	.039	.160	4.081	.000	.082	.233
	customer service	.197	.030	.240	6.570	.000	.138	.256

a. Dependent Variable: mean for customer satisfaction