



**CUSTOMER SATISFACTION & MARKETING PERFORMANCE
OF MELKA AWASH FARMERS' COOPERATIVES UNION IN THE
OROMIA REGION OF ETHIOPIA**

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Customer Satisfaction and Marketing Performance of Melka Awash Farmers’

Cooperatives Union in Oromia Region of Ethiopia

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Statement of Certification

This is to certify that Ashenafi Feyissa has carried out his thesis on the topic entitled “Customers satisfaction and Marketing Performance of Melka Awash Farmers’ Cooperatives Union in the Oromia Region of Ethiopia” is his work and is suitable for submission of the requirement of the Master of Art Degree in Marketing Management.

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Statement of Declaration

I declare that the thesis for the MA degree in marketing management at university of Addis Ababa , hereby submitted by me, is my original work & have not previously been submitted for a degree at this or any other university, and all reference materials contained therein have been duly acknowledge. I have carried out this study independently with the guidance and support of the research advisor Rakshit Negi, D. Phil..

Ashenafi Feyissa

Date:_____

Aknowlegdement

First & for the most I thanks to God for allowing me to start & complete this study. Next my deepest appreciation & thanks goes to Rakshit Negi, D.Phil. for his continous guidance and helpful assistance & critizms starting from the very beginning of the research to the final preparation of the thesis.He provided me valuable comments and help in correcting & revising this thesis. Again my special thanks goes to him for his dedicative teaching manner. I also owe my deepest gratitude to Oromia Cooperative Promotion Agency for making me free from work load & paying my salary for allowing me to start & complete this study.My thank is also go to Mr. Adnewu Hirpho for allowing me to conduct study on MAFCU, Asfawu & Aman Asabelo for providing me necessary data and free printing help in this study. I felt appreciation for my wife Meselu Sileshi for her bearing all the responsibilities for taking care of the family.

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List of Acronyms

ABC	Activity Based Costing
ADLI	Agricultural Led Industrialization
BSC	Balanced Score Card
CPV	Customer Perceived Value
DEA	Economic Value Added
FCA	Factor Component Analysis
GoE's	Government of Ethiopia
LCA	Life Cycle Analysis
MAFCU	Melka Awash Farmers' Cooperatives Union
SCOR	Supply Chain Council's

Abstract

The Organizations have to know the factors which affect their performance and manage these factors which effectively help them to survive & face an ever increasing competitive pressure. The purpose of this study is empirically to explore the way customer satisfaction affect marketing performance. For this purpose data were collected from 188 respondents in three primary cooperatives (i.e. namely: Awash Melka, Awash Godetti & Tarre Sillassie) in three districts. In order to test the hypothesis of this study, correlation & regression analyses were performed. Results of correlation analyses revealed that both product/service attribute & buying experience are positively and significantly related to customer satisfaction & to each other. The finding from simple regression reveals that customer satisfaction has stastically significant positive effect on marketing performance.

Keywords: *Product/Service attribute, Buying Experience, Customer Satisfction & Marketing Performance.*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Ethiopia is a country where a large majority of population lives in rural areas, and it is categorized as one of the developing country in the world. So, as a Country we have to defeat poverty and stand out with economic success. Accordingly, the Government of Ethiopia's (GoE's) economic growth strategy, Agricultural Led Industrialization (ADLI) has placed high priority on accelerating agricultural growth through the commercialization of small holder production since 1991 (FDRE, 2005, 2002). Related to this idea, the issue of farmers marketing of surplus grain output is particularly important to Ethiopia.

Farmer Cooperatives represent one of the GoE's key mechanism through which it intends to promote the modernization & commercialization of smallholder agriculture. They also represent a preferred mechanism through which many donors & non –governmental organization (NGOs) are organizing their rural development & poverty reduction interventions. Thus, since 1994, the GoE has assigned rural marketing cooperatives with significant responsibility for promoting and modernizing smallholder commercialization (cf. proclamation 85/1994 and 147/1998; FDRE, 1994, 1998).

On the other hand, the farmers also exchange with actors who have more resources, information, and options and more economically powerful organizations, including markets. Moreover, there is a high level of uncertainty surrounding the activities of peasants in developing

countries (Embden, et al., 1997). This uncertainty is the reflection of climatic factors, which are more extreme in the tropics, unstable markets, the paucity of information; low social and economic status, etc. and these are the main problems of agricultural marketing (Demeke,2007).

So, Small holder farmers who comprise the majority of the rural poor, need effective production support and marketing services to facilitate production and sales of their produce. The scattered and small quantity production of the small holder needs to be collected and assembled, graded, and transported from one market place to another. Many small holders are rarely able to exploit the potential gains from the commercialization. There is a need for mechanisms to solve the marketing constraints in which the issues are related to low marketing performance (Demeke,2007).

Marketing performance is defined as the way in which markets and marketing contribute to various aspects of economic performance .Performance criteria could be divided into two categories, namely those related to economic efficiency and other performance objectives. The former group includes technical efficiency, operational efficiency and exchange efficiency, while the latter group includes innovation, inter-sectoral resource transfer, equity, employment, and co-ordination efficiency Demeke (2007).Performance expectations are based on a company's strategic goals, the standards that are met or exceeded by leading marketers. Standards may be established on the basis of the company's vision for the future, historical company data and forecasts for future performance, or by benchmarking against key success factors in the industry. A firm establishes performance criteria consistent with its mission and objectives (Demeke,2007) .

The extent of marketing performance can be controlled by measuring factors such as profitability, sales, market share, shareholder value, customer satisfaction, product quality, brand associations, relative cost, new products, employee capability & performance, and product portfolio analysis. Although variables are analyzed, managers usually consider a number of standards simultaneously that combine to provide an overall measure of performance. Even though the most common variables that are used to represent an organization's performance are quantitative (e.g., net profit, return on equity), many qualitative measures (e.g., customer satisfaction, attitude change toward the company or its products) are also considered in an overall assessment of performance (Demeke,2007).

A firm might consider the efficiency of its operation based on cost containment and contribution margins and the productivity of its personnel who make goods in the factory, sales people who call on the company's customers, or the rate of new product introduction in to the market. Qualitative factors that are more elusive, and hence more subjective, help management gain a better understanding of overall performance. Customer satisfaction, product quality (as it is perceived by the customer), and return on investment in advertising can be combined with quantitative factors in measuring performance (Anderson and Vincze, 2000).

According to Neely et al., (1995) performance measurement is defined as the process of quantifying efficiency and effectiveness of an action. Additionally, customer satisfaction has been recommended to be used as a dominant construct in measuring marketing performance (Mutonyi & Gyau,2013),whereby factors like product /service attributes and buying experiences determine customer satisfaction (Dalilva et al., 2010).

Customer satisfaction depends on the product's perceived performance relative to a buyer's expectations(Kotler and Armstrong,2012).

On the other hand,according to Anderson and Vincze (2000), customer expectations about the types and quality of services that should be offered and their criteria for performance of these services have a major impact on the level of satisfaction or dissatisfaction felt with the total purchase and sale experience.

But,to contribute to the potential reality,this study attempts to understand the way customers satisfaction affect marketing performance in respective to MAFCU which help to suggest remedial measures for the management of the organization & concerned bodies (academicians, supporting staff and so on).

1.2. Statement of the Problem

Performance is defined as the way in which markets and marketing contribute to various aspects of economic performance (Demeke,2007). Measuring marketing performance is important. It helps management to determine whether the firm is achieving its objective or not. Performance measure is a metric used to quantify the efficiency or the effectiveness of an action and therefore needs to be reviewed by management in order to determine whether the firm is accomplishing its goal or not (Demeke,2007). It helps organizations to accomplish exchange determined goals more efficiently(Cetin,2010,p.113-114). The marketing notion entails firms to receive a pro-active approach to engage in business and be sensitive to customer demands and market changes (Kohliand Jaworski, 1990;Cetin,2010).

In line with marketing performance,its measurement has gained attention in the agri-food chains including cooperatives (Aramyan et al., 2006; Aramyan et al. ,2009; Chaowarut ,2009; Shen et al.,2013) and various performance measurements measures have been used (Mutonyi & Gyau,2013).The structure and conduct of the market affect the marketing performance (Rogers & Petraglia,1994).Managerial factors influence profitability (Duren et al. 2003).Firm factors influence performance such as firm resources (Schumacher & Boland ,2005; Pendell & Boland, 2005).Business strategy type and organization fit affects marketing performance (Vorhies and Morgan, 2003).Market orientation and innovativeness are important determinants of relationship performance (Johnston et al., 2009).Trust and reputation are key determinants of chain performance (Lumbregen et al., 2009).

The measures used in Marketing Performance studies are either financial (e.g., profitability,return on investment or asset,share holder value,sales

etc) or non-financial(customer satisfaction,product quality ,brand association,employee capability and performance etc) in nature (Feder,1965; Bonoma & Clark,1988 ; Clark,2000; Rust et al. 2004; Ambler et al., 2004; Farris et al. 2006).

Additionally,customer satisfaction has been recommended to be used as a dominant construct in measuring marketing performance (Mutonyi & Gyau,2013),whereby factors like product /service attributes and buying experiences determine customer satisfaction (Dalilva et al., 2010). By considering that the members are customers of their own cooperatives, measurement of their satisfaction and associated marketing performance of the cooperative (MAFCU) deemed to be valuable (Kaplan & Norton,1996).

And,there appeared to be limited empirical researches that measure marketing performance of cooperatives in general (Rogers & Petragli,,1994; Vorlaufer et al.,2012; Mutonyi & Gyau, 2013), and none of them focus on satisfaction guided measurement of marketing performance.Pilot test survey result study on 19 individuals result reveals that both product /service attribute and buyng experience are positively related to customer satisfaction from individual share holders of primary cooperatives perspective whereas customer satisfaction has positive effect on marketing performance of the union from shareholders of primary cooperative perspective .

Therefore,this study attempts to empirically explore the way customer satisfaction affect marketing performance of MAFCU in Agricultural marketing of cooperatives from their individual shareholder perspective. There was also a knowlegde gap from their perspective.

1.3. Basic Research Questions

This study attempts to answer the following three basic research questions from the point view of MAFCU individual shareholders.

- What is relationship between product/service attributes and customer satisfaction in MAFCU from individual shareholder of primary cooperative perspective?
- What is the relationship between buying experience of customer and customer satisfaction in MAFCU from individual shareholders perspective?
- To what extent overall customer satisfaction affect marketing performance in MAFCU from individual shareholders perspective?

1.4. Objectives of the Study

1.4.1. General Objective of the Study

The general objective of this study is to empirically explore the way customer satisfaction affect marketing performance of MAFCU from the individual shareholders' of primary cooperative perspective.

1.4.2. Specific Objectives of the Study

- To examine the relationship between product /service attributes and customer satisfaction in MAFCU from individual shareholders of member primary cooperatives
- To examine the relationship between buying experience of customer and customer satisfaction in MAFCU from individual shareholders of member primary cooperatives

- To examine the effect of customer satisfaction on marketing performance in MAFCU from individual shareholders of member primary cooperatives

1.5. Significance of the Study

Pieces of empirical information generated by this study has paramount importance. It was useful for the management bodies of Melka Awash Farmers' cooperatives Union under consideration as well as other cooperatives operating under similar conditions in improving their marketing performance through appropriate and relevant measures. The information was also provide a good lesson for new cooperatives to be established and avoids problems at the very beginning.

Furthermore, the same information can used by the District, Zonal, Regional and Federal Cooperative Promotion Agencies and other institutions interested in the establishment, development and well performing agricultural marketing cooperatives in Ethiopia by making them efficient and effective in serving the interests of members and enable them contribute towards national development goals of the country.

1.6. Scope of the study

The study is limited to examine the way customer satisfaction affect marketing performance of MAFCU in the Oromia Region of Ethiopia from individual shareholders of primary cooperatives perspective. The result of the study is limited to the specified study area.

1.7. Limitation of the study

External factors such as government, economic, technological, Competitors, customers etc were not considered in this

study. Some variables were not considered in this study such as relative cost ,Profitability, new product, employee capability and performance ,and product portfolio etc from both financial and non financial performance measures of Marketing Performance.

1.8. Variables & Operational Definitions

Both independent & dependent variables considered with their operational definitions. These variables with their items were adapted from the existing literature. For more information refer Table 1 below .

Table 1.1: Variables & operational definitions

S. No	Variables	Operational definition	Items (;Piriyakul & Kerdpitak,2011;Kangago et al.,2013)	Source
1	Product/Service attribute	Product /service attribute is defined to be the customer's subjective satisfaction judgment resulting from observations of attribute performance regarding a product or service purchased from an industrial supplier (Oliver & De Sarbo 1993, p. 421) & it encompass the functionality of the product/service,its price,and its quality (Kaplan & Norton,1996,p.88-92).	<ul style="list-style-type: none"> ✓ Safe ✓ Minimum revision of submitted procedure ✓ Clean facility ✓ Standard of input provided 	Kaplan & Norton,1996
2	Buying Experience	Customers require experience with a product(i.e. including person) to determine how satisfied they are with its (Anderson, Fornell & Lehmann 1994, p.54)	<ul style="list-style-type: none"> ✓ Work hours ✓ Recognition of loyalty ✓ Friendly,helpful employees ✓ Honesty & openness 	Kaplan & Norton,1996; Kangago et al.,2013
3	Customer Satisfaction	Satisfaction is a judgment that a product or service feature, or the product of service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment (Oliver, 1997)	<ul style="list-style-type: none"> ➤ Team Spirit ➤ Responsiveness 	
4	Marketing Performance	Performance is defined as the way in which markets and marketing contribute to various aspects of economic performance (Demeke,2007) .Also marketing performance is indices used to indicate wether firm pass through short-run survival to long-run growth (Piriyakul & Kerdpitak,2011).	<ul style="list-style-type: none"> ➤ Sales turn over ➤ Average increased sales volume in the last three years ➤ Average 	Piriyakul & Kerdpitak,2013

			increased sales value in the past three years	
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Source: Developed by researcher from literature (2016)

1.9. Organization of the Study

This study was organized in five chapters. The content of chapter one started from 1 to 1.9 ,and chapter two was contained a review of both theoretical and empirical on the constructs of the study. The research methodology with its components was presented in chapter three. In chapter four the researcher presented results and discussions with the help of stastical tools.Finally,in chapter five he presented conclusions,recommendation and future research area to be studied.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter presents theoretical framework and empirical review with their respective elements, knowlegde gaps available in the literature review and conceptual framework as follows.

2.1. Theoretical Framework

In this sub part ,the researcher presents marketing performance,customer satisfaction , Product/service attribute and buying experience.

2.1.3. Marketing Performance

Performance is defined as the way in which markets and marketing contribute to various aspects of economic performance. Performance criteria could be divided into two categories, namely those related to economic efficiency and other performance objectives. The former group includes technical efficiency, operational efficiency and exchange efficiency, while the latter group includes innovation, inter-sectoral resource transfer, equity, employment, and co-ordination efficiency (Scarborough and Kydd, 1992).

Performance expectations are based on a company's strategic goals, the standards that are met or exceeded by leading marketers. Standards may be established on the basis of the company's vision for the future, historical company data and forecasts for future performance, or by benchmarking against key success factors in the industry. A firm establishes performance criteria consistent with its mission and objectives. Typically marketing managers are concerned with overall

performance in four key areas as they apply to design and implementation of the marketing mix: profitability, productivity, liquidity, and leverage (Anderson and Vincze, 2000).

2.1.4. Performance measures of marketing

Performance generally is controlled by measuring factors such as profitability, sales, market share, shareholder value, employee productivity, and customer satisfaction. Although variables are analyzed, managers usually consider a number of standards simultaneously that combine to provide an overall measure of performance (Demeke,2007).

Even though the most common variables that are used to represent an organization's performance are quantitative (e.g., net profit, return on equity), many qualitative measures (e.g., customer satisfaction, attitude change toward the company or its products) are also considered in an overall assessment of performance. For example, a firm might consider the efficiency of its operation based on cost containment and contribution margins and the productivity of its personnel who make goods in the factory, sales people who call on the company's customers, or the rate of new product introduction in to the market (Anderson and Vincze, 2000).

Qualitative factors that are more elusive, and hence more subjective, help management gain a better understanding of overall performance. For example, customer satisfaction, product quality (as it is perceived by the customer), and return on investment in advertising can be combined with quantitative factors in measuring performance (Anderson and Vincze, 2000).

2.1.5. Customer Satisfaction

Customer satisfaction is an important variable used to assess the success of a company when the consumers are enjoying the products

and services of the company. Customer satisfaction depends on the product's perceived performance relative to a buyer's expectations (Kotler and Armstrong, 2012).

On the other hand, according to Anderson and Vincze (2000), customer expectations about the types and quality of services that should be offered and their criteria for performance of these services have a major impact on the level of satisfaction or dissatisfaction felt with the total purchase and sale experience. According to Kotler and Armstrong (2006), loyalty is won through delivery of consistent superior customer service, it means providing them with services that are so good such that there is little chance of not meeting up to their expectations and requirements. Retaining loyal customers for supplier is essential and a core factor in keeping the industry in shape and competitive enough to measure itself up to the changing trends of the industry (Schulz, 2012). Achieving the desired results of customer.

This can be represented as:

Customer Satisfaction = Service expectations – perceived service performance. So, cooperatives performance should be continuously checked against the level of members' satisfaction. Based on cooperatives principles and national cooperative proclamation; members manage and control the day-to-day activities of their cooperatives (ICA, 1995; cf. Proclamation 85/1994 & 147/1998; 1994, 1998). The day-to-day marketing and other operational activities are decided and effected by the electoral managing committee or board. As per the strength and/or the level of cooperative, the committee or board will delegate a manager, who will be employed by the cooperatives to accomplish and manage the cooperative's undertakings (Marvin, 1998).

Cooperatives are owned and financed by their members, who also are its customers. The purpose of cooperative is to provide services to members

at the lowest possible cost and not to generate profit for the cooperatives as business entity. Profits are distributed to cooperative members based on how much the members used /participated in the cooperative, not on how much the members have invested in it (Marvin, 1998).Size is a key factor in gaining higher bargaining power in the market (Marvin,1998). If done properly; a cooperative organization can create a competitive edge for farmers (Marvin,1998).

In addition to these ,according to Burt (1997), the basic principles underlying modern cooperatives include user-control concept and user-benefits concept. In the user-control concept the controllers and users of a cooperative are one and the same. Members have a management role. Members' votes usually guide the cooperative's board economic decision making. In the user-benefits concept, the cooperatives sole purpose is to provide and distribute benefits to users based on the amount of their use.

A cooperative aims at optimization of resource use and maximization of net returns to its members (Burt, 1997). In a cooperative enterprise, there is direct relation between users and the enterprise, and the specific objective of the enterprise is the satisfaction of common users, user-sellers, user purchasers and user-workers. The aim of cooperative is not to maximize the return on share capital, but to render service to owner-users at a minimum cost.

It is, thus, a service enterprise as distinct from profit enterprise. A cooperative, like any other enterprise, must seek out opportunity for expansion and diversification, so that it can confer better benefits to members, i.e., it must strengthen its viability (Krisiinaswami and Kulandaiswamy, 2000).

The efficiency of a cooperative enterprise is measured primarily, not in terms of return on investment, but in terms of quality, adequacy, and cost of service rendered to member users. For achieving the economic efficiency, a cooperative organization must plan, organize, motivate and control its operation (Knapp, 2000).

As any other enterprises do, cooperatives need to also periodically control and evaluate their marketing activities. There are basically four types of marketing controls in many companies including cooperatives, namely: annual plan control, profitability control, efficiency control, and strategic control (Kotler, 2003).

On the other hand, Customer perceived value (CPV) is the difference between the prospective customer's evaluation of all the benefits and all the costs of an offering and the perceived alternatives. Total customer value is the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a given market offering because of the products, services, personnel, and image involved. Total customer cost is the perceived bundle of costs that customers expect to incur in evaluating, obtaining, using, and disposing of the given market offering, including monetary, time, energy, and psychic costs (Kotler and Keller, 2009).

2.1.5.1. 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 customer's 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.

2.1.5.2. Customer Satisfaction Dimensions

Customer satisfaction is the extent to which a product's perceived performance matches a buyer's expectations (Kotler & Armstrong,2012,p.13).According to Kaplan & Norton (1996,p.78) also customer satisfaction measures provide feedback on how well the company is doing.

These authors also say, assessing the satisfaction level of customers is based specific performance criteria within the value propositions.The

three classes of attributes of the customers value propositions are 1. Product and service attributes: functionality, quality, and price 2. Customer relationship: quality of purchasing experience and personal Relationships 3. Image and reputation (Kaplan & Norton,1996).

- **Product and service attributes** : It encompass the functionality of the product/service,its price,and its quality (Kaplan & Norton,1996,p.88-92). This customer satisfaction dimension can be measured by safe,engineering service,minimum revision of submitted procedure,clean facility,standard of input provided,quality of performance,quality of personnel,production quality,innovativeness to reduce cost, money value and etc (Kaplan & Norton,1996).
- **The customer relationship dimension:**It includes the delivery of the product/service to the customer,including the response and delivery time dimension,and how the customer feels about purchasing from the company. For instance,Metro Bank defined three key elements (Knowledgeable people, convenient access & responsive) of an excellent relationship with its customers.It is measured by speedy service,friendly helpful employees (Kaplan & Norton, 1996,p.88-92).
- **The image and reputation dimension** :It reflects the intangible factors that attract a customer to a company (Kaplan & Norton,1996,p.88-92).

2. 1.5.3. Customer Satisfaction Dimension for the Company Involved in Indirect Selling

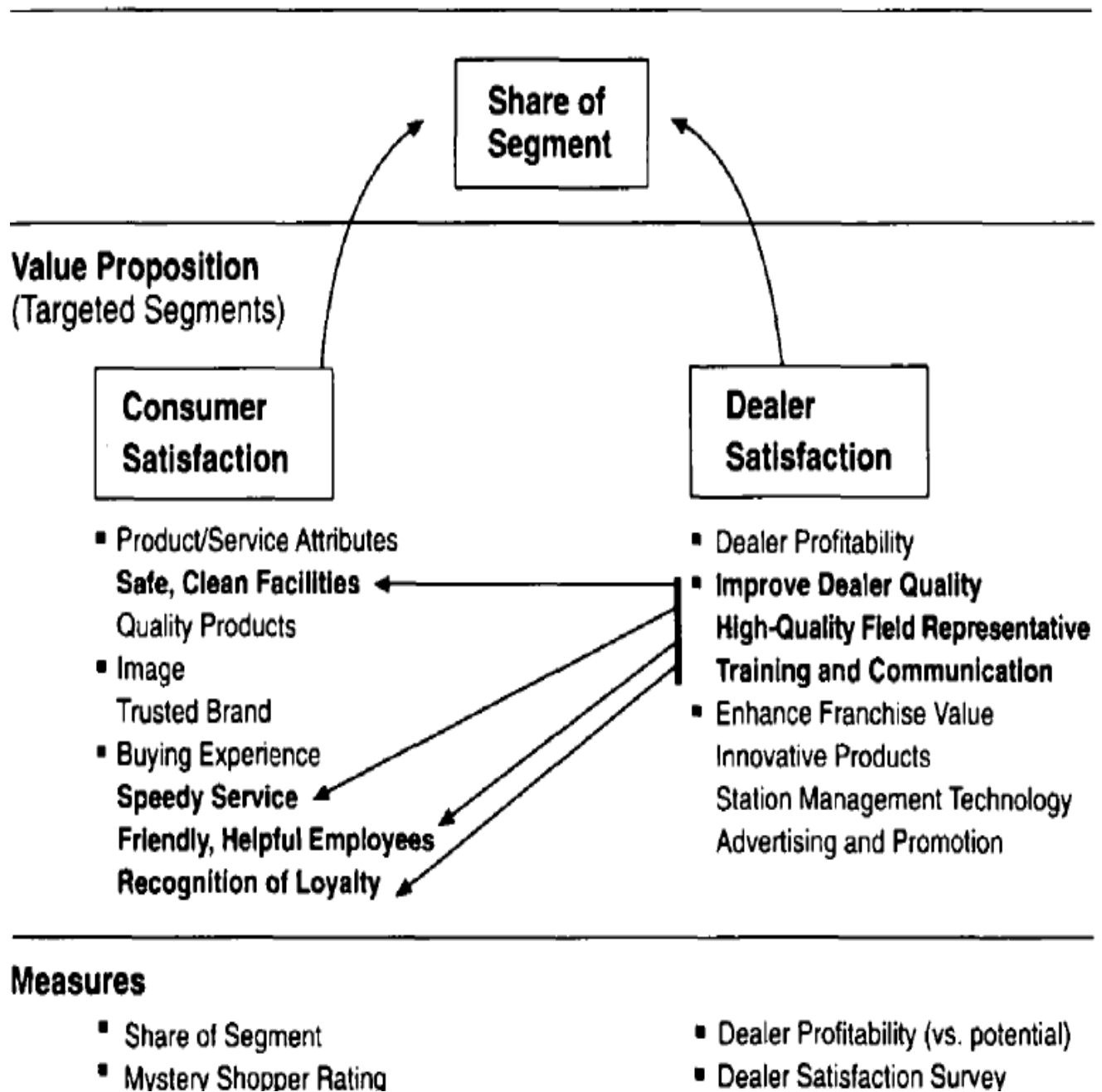
Kaplan and Norton (1996,p.90-91) contribute idea for organizations that involved in indirect selling. MAFCU is involved in indirect selling.According to these authors, for the comapany involved in indirect selling ,it is useful to split the customer perspective into two segments.They support their idea with an example of Pioneer - Petroleum

below: the immediate customers and the ultimate consumer. Figure 1 below indicates that company involved in indirect selling and its customer value proposition based on share of segment.

MAFCU is also involved in indirect selling. It has 53 members primary cooperatives. It is selling different agricultural inputs such as fertilizers, pesticides etc to individual farmers through its member primary cooperatives. Its supplying & selling is not limited to agricultural input but also sugar, food oil and other commodities used for farmers consumptions based on their demand (MAFCU, 2016).

As it is mentioned in above, assessing the satisfaction level of customers is based specific performance criteria within the value propositions. Product or service attribute, image and relationship are the value propositions (Kaplan & Norton, 1996). Product/service attribute dimension of customer satisfaction level is assessed by safe and clean facility from individual shareholders view while buying experience dimension of customer satisfaction level is assessed based on speedy service, friendly, helpful employees and recognition of loyalty (figure 2.1 below)

Figure 2.1:- Customer Value Propositions for company involved in indirect selling.



Source:- Kaplan and Norton (1996,p.84).

2.2. Empirical Review

2.2.1. Marketing Performance

Marketing performance is indices used to indicate whether firm pass through short run survival to long run growth (Piriyakul & Kerdptitak,2011). Measuring marketing performance helps management to determine whether the firm is achieving its objective or not. It helps organizations to accomplish exchange determined goals more efficiently(Cetin,2010,p.113-114).The marketing notion entails firms to receive a pro-active approach to engage in business and be sensitive to customer demands and market changes (Kohliand Jaworski, 1990;Cetin,2010).

Performance measurement has gained attention in the agri-food chains including cooperatives (Aramyan et al., 2006; Aramyan et al. ,2009; Chaowarut ,2009; Shen et al.,2013) and according to Mutonyi & Gyau (2013) different methods have been proposed in marketing and supply chain management literature to measure supply chain performance such as Activity-Based Costing (ABC), Balanced Scorecard (BSC), Economic Value Added (EVA), Multi-criteria Analysis (MCA), Life-cycle Analysis (LCA), Data envelopment analysis (DEA) and Supply Chain Council's (SCOR model).

In cooperatives marketing performance of a firm is determined by a number of factors in different levels of cooperatives. More mature groups with strong internal institutions, functioning group activities, a good asset base of natural capital and gender composition are affect group marketing performance(Barham & Chitemi,2009).

Despite the existence of different measurement metrics, there is lack of consensus on what determines the performance of supply chains which complicates the selection of one measurement system in agri food chains

like cooperatives (Mutonyi & Gyau, 2013). Customer satisfaction has been recommended to be used as a dominant construct in measuring marketing performance (Mutonyi & Gyau, 2013).

2.2.2. Customer Satisfaction and Marketing Performance

Customer satisfaction has been very well-known in marketing whereas it is as the basic focus in achieving business objective, vision and also mission (Anderson et al., 1994 and Yi, 1990). Satisfaction refers to also the buyer's state of being adequately rewarded in buying situation for the sacrifice he or she made (Al-alak, 2010). Adequacy of satisfaction is a result of matching actual past purchase & consumption experience with the expected reward from the brand in terms of anticipated potential to satisfy the customer's motives (Loudon et al., 1993). In Agricultural cooperatives union, consumers are individual members of the member primary cooperatives.

Consumer satisfaction is customer evaluation or felt towards a product after usage that does the product itself differs from some of the features or factors through the expectation and also the presentation of the product itself (Yi, 1990; Day, 1984; Kotler, 1991; Parasuraman et al., 1985, 1988; and Tse and Wilton, 1988). It is also, a fresh thoughts that is used to be the representative to the wholly after purchasing effects on the products after a duration (Anderson et al., 1994; Fornell, 1992; Johnson and Fornell, 1991).

Several studies in the marketing literature have considered the relationship between customer satisfaction and performance at the firm level. The customer satisfaction literature shows that expectation is the most direct determinant of satisfaction, followed by perceived performance (Kim & Lough, 2007). Some results show that customer

satisfaction provides economic benefits to the firm. For example, customer satisfaction has been linked to increased revenues (Fornell, 1992; Gómez, McLaughlin & Wittink, 2004; Rust, Zahorik, & Keiningham, 1995), more inelastic demand (Anderson, 1996), and reduced costs for attracting new customers and other costs associated with poor quality, defects and complaints (Anderson, Fornell, & Rust, 1997). Reflecting these benefits, customer satisfaction has been found to positively affect a firm's profitability (Anderson, Fornell, & Lehmann, 1994; Aaker & Jacobson, 1994; Capon, Farley, & Hoeni, 1990), and its market value (Aaker & Jacobson, 1994; Ittner & Larcker, 1998).

Customer satisfaction has effect on performance including marketing performance with its indicators such as sales turn over ,market share and service quality (Kangogo et al., 2013; Walie et al., 2002) .Again the previous finding suggest that there are significant, and moderate –to–strong associations between satisfaction levels and a firms financial performance & marketing performance.

2.2.3. Determinants of Customer Satisfaction

Factors like product /service attributes and buying experiences determine customer satisfaction (Dalilva et al., 2010; Mutony & Gyau,2013). By considering that the members are customers of their own cooperatives, measurement of their satisfaction and associated marketing performance of the cooperative (MAFCU) deemed to be valuable (Kaplan & Norton,1996).Customer value prepositions include product/service attribute,customer relationship and image (Kaplan & Norton,1996). In line with this , a number of studies have provided empirical evidences that customer value has a positive effect on satisfaction (Andreassen & Lindestad, 1998; Cronin et al., 2000; Eggert & Ulaga, 2002; Fornell et al., 1996; Hellier et al., 2003; McDougall &

Levesque, 2000;Patterson and Spreng, 1997; Storbacka et al.,1994; Ulaga & Eggert, 2006; Wang et al., 2004).

Wang et al.'s (2004) finding from security firms in Chinese also showed that customer value has a positive effect on customer satisfaction.Customer value is an antecedent to customer satisfaction (Ulaga and Eggert, 2006), and has been recognized as being positively associated with customer satisfaction (Athanassopoulos, 2000). Patterson and Spreng's (1997) empirical study, in the business-to-business services context in Australian, supported that customer value has a directly strong and significant effect on customer satisfaction.

Another support proposed by McDougall and Levesque (2000) also indicated that customer value was a significant determinant of customer satisfaction and should be recognized as a contributing factor to satisfaction.

2.2.3.1. Product/Service Attribute

Product /service attribute is defined to be the customer's subjective satisfaction judgment resulting from observations of attribute performance regarding a product or service purchased from an industrial supplier (Oliver & De Sarbo 1993, p. 421). Knowledge about the product/service attribute was positively related to customer satisfaction (Bennett et al., 2005). Product/service attribute is one of the customer value prepositions(Kaplan & Norton) and it has incedents such as safe product,minimum revision of submitted procedure, clean facility, standard of inputs provided(Kaplan & Norton,1996).

2.2.3.2. *Buying Experience*

Customers require experience with a product to determine how satisfied they are with it (Anderson, Fornell & Lehmann 1994, p.54). Buyers form their expectations from past buying experience; friends' and associates' advice; and marketers' and competitors' information and promises. If marketers raise expectations too high, the buyer is likely to be disappointed. However, if the company sets expectations too low, it won't attract enough buyers (although it will satisfy those who do buy) (Boulding et al., 1999). Buying experience is measured by recognition of loyalty, friendly and helpful employees, etc from ultimate customer perspective (Kaplan & Norton, 1996, p.91).

Aggregated to the firm level, customer's current experience with supplier offerings (e.g. delivering quality service) have a positive influence on the customer overall satisfaction (Anderson, 1994, p.50). When the customer receive benefit greater than the cost (i.e., receiving added value) after the purchase, they become more satisfied, which in turn affects subsequent customer value expectations and overall customer satisfaction (Hellier et al., 2003; Woodruff, 1997).

2.3. Gaps Available in the literature

Effective assessment of customer satisfaction is important to close to the customer, to measure continuous improvement, to achieve customer – driven improvement, to measure competitive strengths and weaknesses, and to link satisfaction measurement data to internal system (Naumann, 1995; Aklilu, 2014). Customer satisfaction has been recommended to be used as a dominant construct in measuring marketing performance (Mutonyi & Gyau, 2013). As it was discussed

above ,there are many researchers who have defined customer satisfaction in different ways.

The concept of customer satisfaction has attracted much attention in recent years. Organizations that try to analyze this concept should begin with an understanding of various customer satisfaction models. Such models clarify various theories about customer satisfaction, making research and analysis in this topic more focused and less wasteful of research resources (Hom, 2000).

According to Hom (2000) there are two levels of models namely, macro-models of customer satisfaction which theorize the place of customer satisfaction among a set of related constructs in marketing research ,and micro-models of customer satisfaction that theorize the elements of customer satisfaction.

Researcher must give operational meaning to the concept of customer satisfaction in order to measure it. More importantly, in order for any measurements to have validity, the analyst needs to assume some model of the subject matter. The analyst must use very explicit conceptualizations of the subject matter (in other words, models) if she/he expects to do research and analysis that has relevance for organizational decisions (Hom, 2000, p.100-110).

According to Hom (2000) models that integrate the concept of customer satisfaction in a network of related concepts, such as value, quality, complaining behavior, loyalty, firm performance labeled as Macro- Model. He pointed out that as macro-models have special importance for the policy-level implications of an organization's research in customer satisfaction. Macro models give the researcher the strategic context of the design and of the results for a study of customer satisfaction.

Micro-model covers the elements that make up the concept of customer satisfaction, such as disconfirmation of expectations, equity, attribution, affect, and regret, because these elements explain the composition of the customer satisfaction concept (or “construct”). Micro-models enable an analyst to properly provide operational measurements of customer satisfaction, thus helping her/him to achieve construct validity in the eventual satisfaction survey (Hom, 2000).

According to Hom (2000) several authors (Woodruff & Gardial, 1996; Oliver, 1999; Bitner & Hubbert, 1994; Bateson, 1991; Erevelles & Leavitt, 1992) have attempted to construct different, though related, conceptual models of customer satisfaction. Among these models Traditional Macro-Model of Customer Satisfaction (Woodruff & Gardial, 1996), Model of Linkage of Customer Value Chain to Customer Satisfaction (Woodruff & Gardial, 1996), Model of Link Between Satisfaction and Value (Oliver, 1999), Model of Two Levels of Satisfaction and Perceived Service Quality (Bitner & Hubbert, 1994), Model of Sources of Customer Satisfaction (Bateson, 1991) are macro-models of customer satisfaction. In addition to these, Current Types of Micro-Models for Satisfaction (Erevelles and Leavitt, 1992) and Basic Sources of Comparison (Oliver, 1997) are come under micro-models of customer satisfaction.

Hom (2000) overviewed satisfaction as the consumer’s fulfillment response and put remarkable definition of satisfaction as it is a judgment that a product or service feature, or the product of service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment (Oliver, 1997). Hom (2000) overviewed and used this remarkable definition of satisfaction from the study of Oliver (1997) and identified three model gaps.

1. The focus of satisfaction is on a consumer rather than a customer:

Traditionally speaking, the consumer uses a product or service, whereas a customer pays for the product/service but may not be the consumer (that is, the direct user). Granted, this is a fine distinction that gets lost in daily public speaking, but it makes a difference in a researcher's modeling of satisfaction. Satisfaction with a product/service is a construct that requires experience and use of a product or service (Oliver, 1997).

Individuals who pay for a product/service but who do not use this product/service should not be expected to have the type of (dis)satisfaction that a product/service user (the consumer) will have. So we need to realize that the concept of customer satisfaction is about consumer satisfaction (that is, user satisfaction), rather than about buyer satisfaction which may include non-users (Hom, 2000).

According to the above view in Cooperatives Union this is not the distinctions for modeling satisfaction because customers, members, owners, consumers, share holders, controllers, and end users are the same individuals in member primary cooperatives (Marvin, 1998; Demeke, 2007; Burt, 1997). But, the relationship of classic attributes (product/service attribute and buying experience of customers) and customer satisfaction are the knowledge gaps in Agricultural cooperative union from the view point of member individuals of primary cooperatives and their individual shareholders. Because there is no empirical evidence that indicate the contribution of product/service attributes and buying experience for customer satisfaction in Agricultural Cooperatives Union of Ethiopia.

2. Satisfaction is a feeling: It is a short-term attitude that can readily change given a constellation of circumstances. It resides in the user's mind and is different from observable behaviors such as product

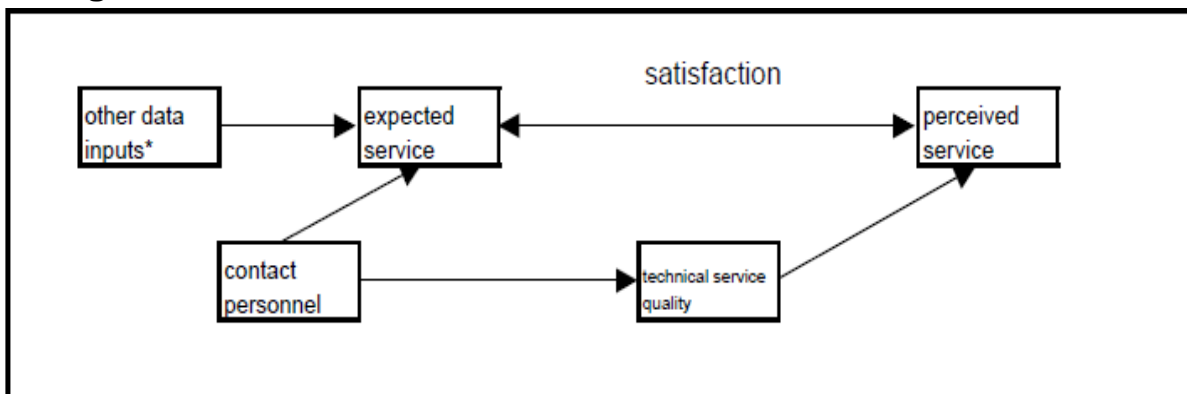
choice, complaining, and repurchases (Hom, 2000). So; this is the second gap in Cooperatives Union.

- 3. Satisfaction commonly has thresholds at both a lower level (insufficiency or under fulfillment) and an upper level (excess or over-fulfillment):** This means that a consumer's satisfaction may drop if she/he "gets too much of a good thing. Many people focus upon the lower threshold and neglect the potential for an upper threshold (Hom, 2000). This is the third gap.

Again, among the above listed models nothing targeted on company involved in indirect selling. As it is indicated in figure 2.1 above, for the company involved in indirect selling (example, MAFCU) and its customer satisfaction assessment is possible based on share of product attribute & buying experience among primary cooperatives & end users. Product/service attributes and buying experience were determinants of customer satisfaction (Dalilva et al., 2010; Kaplan & Norton, 1996). MAFCU is involved in indirect selling. MAFCU is selling different agricultural inputs such as fertilizers, pesticides, sugar etc to individual farmers through its member primary cooperatives (MAFCU, 2016). So, primary cooperatives act as dealers whereas individual members act as end users or consumers.

The model is explicit about the cyclical, feedback loop that affects satisfaction. A consumer's prior experience joins "other data inputs" to shape current satisfaction with a service (Bateson, 1991). For more information refer figure 2.2 below which included word of mouth, past experiences and advertising.

Figure 2.2: Model of sources of customer satisfaction



Source: Model of sources of customer satisfaction (Bateson, 1991; Hom, 2000, p. 104)

As a conclusion, the relationship of customer satisfaction and marketing performance as well as the way customer satisfaction affect marketing performance is not well examined in Agricultural Cooperatives Union. And, there appeared to be limited empirical researches that measure marketing performance of cooperatives in general (Rogers & Petragli, 1994; Vorlaufer et al., 2012; Mutonyi & Gyau, 2013), and none of them focus on satisfaction guided measurement of marketing performance. So, it is a knowledge gap from the view point of individual shareholder of primary cooperatives.

2.4. Conceptual Framework

2.4.1. Product/service attributes

Product /service attribute is defined to be the customer's subjective satisfaction judgment resulting from observations of attribute performance regarding a product or service purchased from an industrial supplier (Oliver & De Sarbo 1993, p. 421). These attributes are measured by clean and safe product /service from ultimate customer (Kaplan & Norton, 1996, p.91).

Knowledge about the product attribute is positively related to customer satisfaction (Bennett et al., 2005, Dalilva et al., 2010). Product/service attribute is one of the customer value propositions (Kaplan & Norton) and its incidents such as service quality has positive relationship with customer satisfaction (Long et al., 2013, p.5; Jafarinia et al., 2013). Customer value is an antecedent to customer satisfaction (Ulaga and Eggert, 2006), and has been recognized as being positively associated with customer satisfaction (Athanassopoulos, 2000). The degree of satisfaction on product/service attribute is expected as positively related to customer satisfaction. So, based on the empirical evidence the first hypothesis to be:

Hypothesis One: The Product /service attribute is positively related to customer satisfaction

2.4.2. Buying Experience

In market research there is a tendency towards a cumulative view of satisfaction, measuring it as the general level of satisfaction based on all experiences with the firm (Garbarino & Johnson 1999; Sharma, Niedrich & Dobbins 1999). Buying experience is measured by speedy service, friendly and helpful employees, responsiveness, etc from ultimate customer perspective (Kaplan & Norton, 1996, p.91).

Aggregated to the firm level, customer's current experience with supplier offerings have a positive influence on the customer overall satisfaction (Anderson, 1994, Dalilva et al., 2010). The degree of satisfaction of individual shareholder expected to influence customer satisfaction (Dalilva et al., 2010). So, the second hypothesis to be:-

Hypothesis Two: Buying experience of a customer is positively related to customer satisfaction.

2.4.3. Customer Satisfaction

Satisfaction is a judgment that a product or service feature, or the product of service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment (Oliver, 1997).and customer satisfaction is a critical performance indicator (Adsit et al., 1996). Hom (2000) overviewed satisfaction as the consumer's fulfillment response.It has been also recommended to be used as a dominant construct in measuring marketing performance also (Mutonyi & Gyau, 2013).

Additionally, the previous suggest that there are significant, and moderate –to- strong associations between satisfaction levels and a firms financial performance & marketing performance (Paul & Earl,2011).Again the other finding reveals that satisfaction is associated with performance fulfilling expectations,while dissatisfaction occurs when performance falls below expectaions (Swan & Combs ,1976).Also,customer satisfaction has effect on performance which include marketing performance with its indicators such as sales turn over ,market share and service quality (Kangogo et al,. 2013; Wiele et al., 2002).Related to this Richard et al. (2009) stated that business performance includes three specific sectors: product market performance with its indicators such as sales and market share; financial performance such as profitability, return on investments and return on assets; and shareholder return such as economic value added and total shareholder returns.Salespeople's interaction with their customers plays a key role in organizational success or failure (Schultz and Good, 2000). So, the researcher prepose the third hypothesis to be:

Hypothesis Three: Customer satisfaction has a positive effect on marketing performance.

2.4.4. Marketing Performance

Marketing performance is indices used to indicate whether firm pass through short run survival to long run growth (Piriyakul & Kerdpitak,2011). There are many indicators of marketing performance. Some of these indicators are return on investment, cash flow, customer equity, Net present customer lifetime, return on customer, return on investment, return on expenditure (Ambler and Robert,2005).

In most commercial organizations, there was a focus on what yields returns in the long run, in at least three years (Koksal and Osgul, 2007; Tracy and Vonderembse, 2005; Piriyakul & Kerdipitak,2011). They identify their idea depending on three indicators namely : increased market share, increased sales volume, and increased returns on sales. Market share reflects the proportion of business in a given market (in terms of number of customers, money spent, or unit volume sold) that a business unit sells (Kaplan & Norton,1996,p.76). The Sales volume is total units or birr of product sold for a period of time. On the sales forecasting side of the equation account must be taken of both the Volumes & values of sales: by product, customer or distributor, market sector.

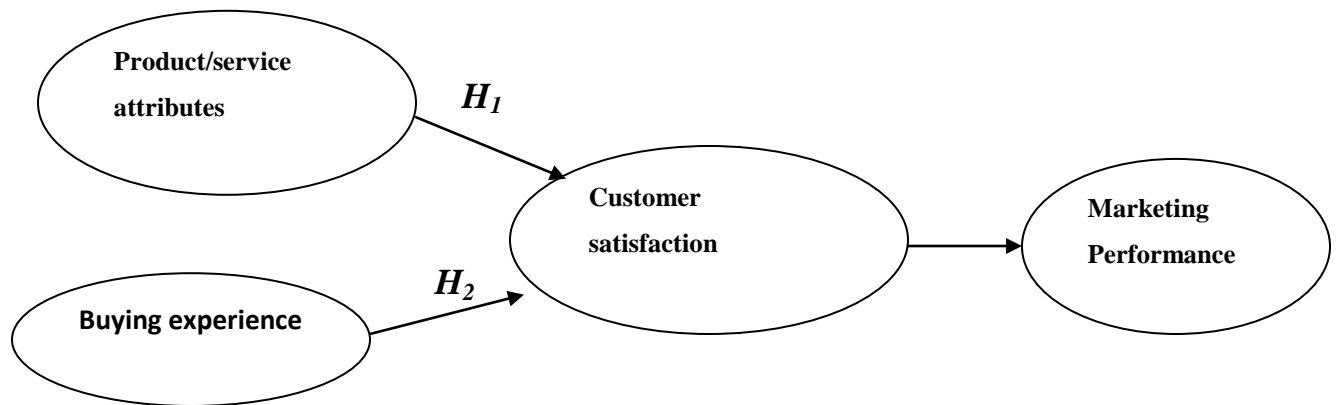


Figure 3: Conceptual Framework (Source: Developed by researcher, 2016)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

This chapter presents research approach, method, design, population and sampling, data collection instrument, reliability and validity, data analysis technique and ethical considerations starting from 3.1-3.8 as follows.

3.2. Research Approach

There are two research approaches namely: inductive and deductive research approaches. Inductive approach relies on the empirical verification of a general conclusion derivable from a finite number of observations (Adam et, al., 2007). In this approach observing the world and coming to generalisation about it. i.e it operates from the specific to the general (Adam et, al., 2007).

Deductive approach uses its basis on the establishment of universal laws. These laws are essentially only hypotheses which continue to require testing against the predictions of laws themselves. That is ,the universal laws remain so until one or more of their predictions are found to be false. A general set of prepositions relating to a given phenomena is narrowed down to a specific set of testable hypotheses or to a single hypothesis (Adam et, al., 2007).

Therefore, in this study it is necessary to use both inductive and deductive approaches. Customer satisfaction was proposed as one of the construct to measure the marketing performance and it is also significant & strong association with marketing performance (Mutonyi and

Gyau,2013; Paul & Earl,2011),whereby factors like product /service attributes and buying experiences determine customer satisfaction (Dalilva et al., 2010). By taking that the members are customers of their own cooperatives, measurement of their satisfaction and associated marketing performance of the cooperative (MAFCU) deemed to be valuable (Kaplan & Norton,1996).In deductive approach ,the three hypotheses were tested.

3.3. Research Method

There are three types of research methods namely: quantitative ,qualitative and mixed methods.Quantitative method involves the process of collecting,analyzing,interpreting,and writing the results of the study.Qualitative procedure includes analysis of text or picture,representation of informations in figures and tables, personal interpretation of the findings etc.Mixed method procedures employ aspects of both quantitative methods and qualitative procedures (Creswell, 2008,p. 27).

Accordingly,in this study both quantitative method was used. Data were collected,analyzed,interpreted and the results of the study was written by using quantitative method.

3.4. Research Design

Research design is the blueprint for achieving research objectives and answering research questions (Adam et, al., 2007;Bhattachrje,2012).

Depending on the purpose of the study ,scientific research can be grouped into three types: exploratory,descriptive and explanatory. Exploratory research is often conducted in new areas of inquiry,where the goals of the research are: to scope out the magnitude or extent of a

particular phenomenon, problem or behavior to generate some initial ideas more extensive study regarding that phenomenon, and to test the feasibility of undertaking a more extensive study regarding that phenomenon. Descriptive research is directed at making careful observations and detailed documentation of a phenomenon of interest. Explanatory research seeks explanations of observed phenomena, problems and behaviors (Bhattachrje, 2012).

The various designs have been classified by examining them from three different perspectives: the number of contacts with the study population, the reference period of the study and the nature of investigation. Based on the number of contacts with the study population, designs can be classified into three groups namely cross-sectional, before-and-after, and longitudinal study designs (Bhattachrje, 2012).

Therefore, the researcher of this study was used exploratory cross sectional research design. The survey study was mainly cross sectional. And, the researcher was scope out the magnitude a particular phenomenon to generate some initial ideas for more extensive study in exploratory study design & he was contact with the study population at one point in time.

3.4. Population and Sampling

Population is defined as total collection of elements (Kothari, 2004). So, according to preliminary information obtained from MAFCU, the member primary cooperatives distributing fertilizers and participating in grain marketing in the past three consecutive years (2013-2015) are 18 and the total number of individuals are 16,542. For more information refer the following table 3.1. The sampling process comprises three stages (Bhattacharjee, 2012;).

Table 3. 1: Primary cooperatives participating in grain marketing for the past three years

(2013-2015)

Name of district	List of cooperatives	Individuals
Sebeta Hawas	Tafki	892
	Awash Melka	2857
	Jawwe	1161
	Bonayya	1200
	Gejja Mariam	1741
	Debel Kejima	280
Kersa Malima	Tullu Lemman	1080
	Kersa Lemman	1052
	Awash Godeti	1004
	Choba Mesido	454
	Tinishu Guranda	1036
	Bacho Kore	767
Soddo Dachi	Meja Kimita	297
	Gatira Sotal	170
	Haro Cheka	865
	Tarre Sillassie	865
	Oddo Leka	410
	Guye	411
Total		16,542

Source: MAFCU (2016)

The first stage is defining the target population. Target Population is also defined as all people or items (unit of analysis) with the characteristics that one wishes to study and the unit of analysis may be a person group, organization, country, object, or any other entity that you wish to draw scientific inferences about (Bhattacharjee, 2012;). Accordingly, three primary cooperatives employed managers, distributing fertilizers and participating in grain marketing in the past three consecutive years by holding 4726 individuals (MAFCU, 2016). These cooperatives were selected based on purposive sampling technique and the sample size from each cooperatives were selected based on proportional sampling technique. For more information refer table 3.2 below.

The second Stage is to choose a sampling frame. This is an accessible section of the target population (usually a list with contact information) from where a sample can be drawn (Bhattacharjee, 2012;).

Table 3.2: Target population

No	Primary Cooperatives	Individuals in primary Cooperatives	Sample size $n = \frac{N(\text{Cooperative}) * n(\text{all selected cooperatives})}{N(\text{all selected Cooperatives})}$
1	Awash Melka	2857	114
2	Awash Godeti	1004	40
3	Tarre Sillassie	865	34
Total		4726	188

Source: (MAFCU:2016)

The third stage is choosing a sample from the sampling frame using a well defined sampling technique. Sample is part of population that is selected according to some rules and statistics (Kothari,

2004,p.34).Based on these rules and statistics, if population is finite the following formula can be applied (Kothari,2004,p.34).

$$n = \frac{z^2 pqN}{e^2 (N-1) + z^2 pq}$$

This sample size was selected based on systematic sampling technique.

Where,

n: is the sample size for a finite population

N: Target population which is 4726

p: population reliability (or frequency estimated for a sample of size n), where p is 0.5 which is taken for all developing countries population and p + q= 1 (Kothari,2004)

e: margin of error considered is 7% for this study.

Z α /2: normal reduced variable at 0.05 level of significance z is 1.96

According to the above formula, the sample size for all three selected cooperatives is:

$$n = \frac{(1.96)^2 * (0.5) * (0.5) * 4726}{(0.07)^2 * (4726-1) + (1.96)^2 * 0.5 * 0.5} = \mathbf{188}$$

So the researcher has 188 respondents as a sample. According to Kothari (2004,p.13-14) formula used for sample size at sector level . For more information see table 3.2 column four. So, the sample sizes from Awash Melka ,Awash Godeti and Tarre Sillassie are 114,40,34 respectively based on proportional allocative sampling techniques.

3.5. Data Collection Instrument

The researcher could be provided with an opportunity to introduce the research topic and motivate the respondents to offer their true responses (Sekaran,2003).Self administering questionnaires to large numbers of

individuals at the same time could be less expensive and save more time compared with interview. In consideration of these advantages, the researcher adopted the approach of self-administered questionnaire for this study.

Thus, to achieve objectives of this research by considering nature of the variables, the study was used questionnaires adapted from (Piriyakul & Kerdpitak,2011 ;Kaplan & Nortan ,1996; Kangogo et al.,2013).All the study constructs and items are adopted from three sources while items related to Marketing Performance were adopted from Piriyakul & Kerdptiak (2011),product /service attribute , buying experience ,customer satisfaction and related items were adapted from Kaplan & Nortan (1996) & Kangago et al. (2013).But items adopted from the book of Kaplan & Norton (1996) were theoretical(not standardized) and some items were added by the researcher.

In this way factors like product attribute & buying experience was tried to be measured by eight items,Marketing Performance was attempted to be measured by three items and customer satisfaction was measured by 2 items as attached quistionnaire in Appedix 1. The questionnaire was also translated into local language Afaan Oromo by authorized translator (see translated & attached questionnaire at back of this study document) .

Again in this study , the questionnaire was divided into two (part one and part two). Part one is designed to gain descriptive information assocaited with the respondents demographic characteristics.In part two , relatively most items were measured in LIKERT scale with 1 to 5 values; 1 very disagree or the like and 5 stands for very agree and the like dependent upon construct contexts. This rating scale was used to construct and

administer respondents readily understood how to use the scale (Malhotra et al.,2007).

In order to reduce measurement error by improving individual variables,Haire et al.,(1998) recommend using multivariate measuronments, which are known as summated scale, as identified as replacement variables. Hair et al.,(1998) described a summated scale as a method of combining several variables that measure through multivariate measuronment. The ultimate goal of adopting summated scales is to avoid the use of only a single variable to represent a concept and, instead , to use several variables as indicators, all representing differing facets of the concept to obtain a more well-rounded perspective (Hair et al.,1998). The use of multiple indicators enabels researchers to specify more accurately the desired responses (Hair et al., 1998).

Haire et al., (1998) show that a summated scale can be formed through the combination of several individual variables into a single composite measure. In simple terms , all the variables are combined, and the total or, more commonly average score of the variable is used as a replacement variable.Hair et al. (1998) indicate that a summated scale provides two specific benefits:(1) A means of over coming , to some extent, the measuronment error inherent in all measured variables, (2) It represents the multiple aspects of a concept in a single measure.

3.6. Reliability and Validity

Kazi (2010) suggest two major criteria which applied to evaluate the quality of the study.These are validity and reliability.

3.6.1. Reliability

Extents to which a variable or set of variables is consistent in what it is intended to measure (Haire et al.,1998). Several measures have been used to establish the reliability of the instrument,for example, split-halves,test-retest ,equivalent forms and internal consistency method. This study was use multiple items in all constructs. So,the factor loadings were support the internal consisteny because all the factor loadings were greater than 0.5 (Kim et al.2004). And also, the internal consistency method was appropraite for the current study. Hair et al.(1998) mentioned that the individual items or indicators of the scale were measure the same construct and thus be highly intercorrelated . Internal consistency reliability of all questions was assessed by the Cronbach's alpha coefficients of measuronment items for each construct. Zikmund (2003) and Nunny (1978), suggest that a Cronbach's alpha value of >0.7 indicates a considerably high reliability. The factor loadings and Cronbach's alpha values was displayed (see Table 4.6,Annex 1).

3.6.2. Validity

Kazi (2010) defined the validity as " the degree to which a measure accuratlely represents what it supposed to".Validity is concerned with how well the concept is defined by the measure(s).

Bhattacharjee(2012) mentioned different type of validity. Criterion validity or how well a given measure relates to one or more external criterion,based on empirical observations . Translation validity examines whether a measure is a good reflection of its underlying construct. Face validity refers to whether an indicator seems to be a reasonable measure of its underlying construct on its face.Content validity is an assessment

of how well a set of scale items matches with the relevant content domain of the construct that it is trying to measure. Convergent validity refers to the closeness with which a measure relates to (or converges on) the construct that it is purported to measure, and discriminant validity refers to the degree to which a measure does not measure (or discriminates from) other constructs that it is not supposed to measure (Bhattacharjee, 2012; Haire et al., 1998).

3.7. Data Analysis Techniques

In order to meet the research objectives of this study, all valid responses were assessed using a variety of statistical techniques. Data analysis consists of examining, categorizing, tabulating and combining the evidence to address the initial prepositions of the study (Malthora et al., 2007). Data was collected, edited, coded, tabulated, and presented for analysis.

Descriptive statistics were used to interpret data in general. According to Kothari C.R., (2007) descriptive research sets out to describe and interpret what is. It aims to depict the state of affairs as it exists and describe some aspects of a phenomenon, i.e., the status of a given phenomenon. The researcher was also used descriptive analysis for demographic characteristics.

Inferential statistics were used for testing hypothesis and investigating research objectives. In order to examine the objectives of this study as proposed testing of hypotheses were needed by using correlation and regression analysis.

To determine the existence and level of association, the researcher used bivariate correlation from which Pearson's correlation coefficient is

considered. Pearson correlation coefficient falls between -1.0 to +1.0 , indicates the strength and direction of association between the two variables. According to Field (2005) , Pearson correlation coefficient (r) was used to conduct the correlation analysis to find the level and direction of the relationships between the two or more variables (product/service attribute , buying experience customer satisfaction & marketing performance).

It was also used to rank the variables that have the strongest associations with customer satisfaction. The classification of the correlation coefficient (R) is namely: 0.1-0.29 is weak; 0.3-0.49 is moderate; and > 0.5 is strong (Cohen, 1992). The bivariate correlation of a two test confirm the presence of statistically significant difference at probability level of p value < 0.05 i.e. by assuming that 95% confidence interval on statistical analysis.

Albaum (1997) noted that regression is a technique used to predict the value of dependent variable using one or more independent variables (Albaum, 1997 & Malhotra, 2007) . Researcher typically evaluate the " statistical significance" of the estimated relationships, namely, the degree of confidence that the true relationship is close to the estimated relationship (Malhotra, 2007).

Meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represented the sample & that researcher has obtained the best results (Haire et al., 1998). Two assumptions for regression analysis used in this study namely: multi-collinearity and linearity (Haire et al., 1998).

Collinearity test was performed; collinearity statistics gives two values- Tolerance & VIF (variance inflation factor). As it is indicated Tolerance is just the inverse of VIF. In social sciences research, a VIF value as high as 10 is considered to be acceptable. In turn, Tolerance values less than 0.1

have very serious collinearity effects (Gaur & Gaur, 2009). Therefore variables like product/service attribute, buying experience, customer satisfaction & marketing performance were selected and included in the regression.

Multiple & simple regression were used in this study. The relationships among the variables were tested through multiple regression analysis.

$$CS = \beta_0 + \beta_1 PSA + \beta_2 BE + \Sigma \dots \dots \dots \text{Multiple Regression Model}$$

Where: CS = Customer Satisfaction

PSA = Product/Service Attribute

BE = Buying Experience

β_0 = Intercept

β_1 = Slope of the line (defined as the ratio Rise/Run)

Σ = Error Variable

Zikmund (2003) explains that simple regression is a mathematical approach to stating the statistical linear relationship between one independent & one dependent variable. According to Malhotra et al., (2007), the simple linear model is given below.

$$MP = \beta_0 + \beta_1 CS + \Sigma \dots \dots \dots \text{Equation of simple regression model}$$

Where : MP = Marketing Performance

CS = Customer Satisfaction

β_0 = Intercept

β_1 = Slope of the line (defined as the ratio Rise/Run)

Σ = Error Variable

3.7. Ethical Considerations

Respondents in a research were aware that their participation in the study is voluntary, that they have the freedom to withdraw from the study at any time without any unfavorable consequences, and they were not harmed as a result of their participation or non-participation. Researcher provided some information about his study to potential participants before data collection to help them decide whether or not they wish to participate in the study. Researcher also has ethical obligations to the scientific community on how data was analyzed and reported in his study(Bhattacharjee, 2012).

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1. Introduction

This chapter presents the results of the data analysis according to the research methodology discussed in chapter three. Hypothesis is also presented and tested.

4.2. Results

4.2.1. Sample & Response Rates

After distributing 188 questionnaire for respondents, a total of 188 answered were retrieved which is 100% of the total distributed questionnaires. After checking the retrieved questionnaires, the 188 questionnaire were valid for statistical analysis. 100% of the total questionnaires distributed entered the analysis.

4.2. 2. Respondents' Demographic Profile

The survey result indicates that the majority of the sample respondents (79.8%) gender were male and female respondents were 38 (see Table 4.1 below). This indicates that male were more participant in their cooperatives than female.

The survey result also shows that ages of the sample respondents. Concerning this the researcher categorized respondents under five categories namely: those were less than or equal to 18 years, 19-30 years, 31-50 years, 51-80 years, and above 80 years. The result also indicates that the majority of sample respondents' ages are between 31 and 50 years (58%). 43(22.9%) respondents are placed under 19-30 years

and 36(19.1%) of the respondents came under 51-80 years category (see Table, 4.1 below). There were no respondents less than or equal to 18 years as well as above 80 years categories.

In relation to educational status of the respondents,they were categorized as: illiterate respondents (0 grade),grade 1- 4, grade 5-8,grade 9-12,above grade 12.The overall analysis of the respondent indicates that 45 (23.9) respondents of sample size were illiterate ,29.8% were grade 1-4,31.4% were grade 5-8, 14.9 % were grade 9-12(see Table 4.1 below).

Table 4.1: Respondents' Demographic Profile

Variables	Character	Frequency	Percent
	Gender		
	Female	38	20.2
Age	< 18 years	0	0
	18 to 30 years	43	22.9
	30 to 50 years	109	58
	50 to 80 years	34	19.1
	>80 years	0	0
Educational Level	0	45	23.9
	1-4	56	29.8
	5-8	59	31.4
	9-12	28	14.9

Source : Researcher's Survey Findings (2016)

4.2.3. Normality Testing

The absolute value under each statistics of Skewness is less than 2 & the absolute value of Kurtosis is less than 6 respectively. For more information refer table 4.2 below. Distribution can be characterized in terms of central tendency, variability & shape. With respect of shape, every text defines & illustrate skewness (Decarlo,1997). The role of kurtosis in testing univariate & multivariate normality as a measure of departures from in the issues of robustness, outliers, bimodelity, in generalized tests & estimators (Decarlo,1997).

Table 4.2:Descriptive Statistics

	N	Mean	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Product/Service Attributes	188	4.20	-1.351	.177	1.856	.353
safe product/service	188	4.12	-1.269	.177	1.136	.353
minimum revision of submitted procedure	188	4.24	-1.402	.177	1.996	.353
clean facility	188	4.15	-1.556	.177	2.426	.353
standard of input provided	188	4.28	-1.639	.177	2.662	.353
Buying Experience	188	4.32	-1.789	.177	3.374	.353
work hours	188	4.30	-1.638	.177	2.488	.353
friendly, helpful employees	188	4.29	-1.630	.177	2.612	.353
Respondents recognition of loyalty	188	4.30	-1.674	.177	3.268	.353
Honesty and openness	188	4.40	-1.709	.177	2.997	.353
Customer Satisfaction	188	4.36	-1.690	.177	3.226	.353
Responsiveness	188	4.37	-1.820	.177	3.659	.353
Team spirit	188	4.36	-1.533	.177	2.449	.353
Marketing Performance	188	4.4202	-1.877	.177	3.595	.353
Sales turn over	188	4.39	-1.896	.177	3.679	.353
Average increased sales volume in the past 3 years	188	4.43	-1.979	.177	4.013	.353
Average increased sales value in the past 3 years	188	4.44	-1.915	.177	3.702	.353
Valid N (listwise)	188					

Source : Researcher's Survey Findings (2016)

4.2.5. Reliability Testing

A Cronbach's alpha estimates the proportion of variance in the test scores that can be attributed to true score variance (Brown,2002).The researcher used the Cronbach alpha to estimate internal consistency & reliability for the scales.Cronbach's alpha ,a measure for testing internal consistency or reliability of a set of two or more scale indicators ,was computed for each set of measurements.All of the Cronbach alpha values were greater than recommended level of 0.70 (Nunnally,1978).

Therefore,the measures have adequate internal consistency for each scale for use in further analysis.Overall data reliability, Cronbach alpha value of 0.931 shows that reliability of data collected from proportionally selected respondents in the sampled primary cooperatives (Kothari,2004).For more information refer the following table 4.2.

Table 4.2: Measure of Internal Consistency- Cronbach's Alpha

Dimensions	Number of Items	Cronbach's Alpha
Product/Service Attribute	4	0.861
Buying Experience	4	0.888
Customer Satisfaction	2	0.957
Marketing Performance	3	0.959
Overall Scale		0.931

Source : Researcher's Survey Findings (2016)

4.2.6. Overall Satisfaction & Marketing Performance

The survey result shows that 100% there were the existence of degree of satisfaction on product/Service attributes and buying experience as well as 99.5% there were the existence of level of marketing performance on Customer Satisfaction(see Table 4.3 below).

Table 4.3: Respondent response on the existance of the degree of overall satisfaction & Marketing Performance

No	Questions	Yes		No	
		Frequency	Percent	Frequency	Percent
1	Do you have level of satisfaction on product/service?	188	100	-	-
2	Do you have level of satisfaction on buying experience?	188	100	-	-
3	Do you have overall satisfaction level on MAFCU?	188	100	-	-
4	Is there the existence of marketing performance in the union?	187	99.5	1	0.5

Source : Researcher’s Survey Findings (2016)

4.2.7. Descriptive Analysis

4.2.7.1. Product/Service Attribute Dimension Analysis

The mean score have been computed for all product/service attribute dimension indicators that are safe product/service, minimum revision of submitted procedure, clean facility and standard of input provided. Respondents were asked to rate their response on a five –point likert scale ranging from 1 being very disagree to 5 strongly agree (Refer Table 4.4) .

The mean scores of respondents for all variables range from 4.12 to 4.28 indicating that respondents agree that product/Service attributes being offered by MAFCU is more than the average. Comparison of means of product/Service attributes dimension indicate that standard of input provided has got the highest mean score(4.28) with sd.=0.954, whereas safe product/service has got the least mean score value (4.12) with Sd.=1.055(see Table 4.4 below).

Table 4.4. Descriptive Statistics of Product/Service Attributes

Dimensions	N		Minimum	Maximum	Mean	Std. Deviation
	Valid	Missing				
safe product/service	188	0	1	5	4.12	1.055
minimum revision of submitted procedure	188	0	1	5	4.24	.908
Clean facility	188	0	1	5	4.15	1.015
standard of input provided	188	0	1	5	4.28	.954
Valid N (listwise)	188	0				

Source : Researcher’s Survey Findings (2016)

4.2.7.2. Buying Experience Dimension Analysis

The mean score have been computed for all buying experience dimension indicators that are recognition of loyalty,honesty & openness, friendly and helpful employees and work hours.Respondents were asked to rate their response on a five –point likert scale ranging from 1 being very disagree to 5 strongly agree .

The mean scores of respondents for all variables range from 4.29 to 4.40 indicating that respondents agree that buying experience being offered by MAFCU is more than the average.Comparison of means of buying experience dimension indicate that honesty & openness has got the highest mean score(4.40) with sd.=0.857, whereas friendly,helpful employees has got the least mean score value (4.29) with Sd.=0.971. For more information refer Table 4.5 below.

Table 4.5: Descriptive Statistics of Buying Experience

Dimensions	N		Minimum	Maximum	Mean	Std. Deviation
	Valid	Missing				
Recognition of loyalty	188	0	1	5	4.30	.905
Honesty and openness	188	0	1	5	4.40	.857
friendly, helpful employees	188	0	1	5	4.29	.971
work hours	188	0	1	5	4.30	.969
	188	0				

Source : Researcher’s Survey Findings (2016)

4.2.7.3. Descriptive Stastics of Customer Satisfaction

The mean score have been computed for customer satisfaction indicators that were responsiveness & team spirit. Respondents were asked to rate their response on a five –point likert scale ranging from 1 being very disagree to 5 strongly agree (see Table 4.6 below).

The mean scores of respondents for all variables range from 4.36 to 4.37 indicating that respondents agree that customer satisfaction being offered by MAFCU is more than the average. Comparison of means of customer satisfaction indicate that responsiveness has got the higher mean score(4.37) with sd.=0.889, whereas friendly,team spirit has got the less mean score value (4.36) with Sd.=0.856.

Table 4.6 Descriptive Statistics of Customer Satisfaction

	N		Minimum	Maximum	Mean	Std. Deviation
	Valid	Missing				
Responsiveness	188	0	1	5	4.37	.889
Team spirit	188	0	1	5	4.36	.856

Source : Researcher's Survey Findings (2016)

4.2.7.4. Descriptive Stastics of Marketing Performance

The mean score have been computed for marketing performance indicators that are sales turn over, average increased sales volume in the past 3 years, average

increased sales value in the past three years. Respondents were asked to rate their response on a five –point likert scale ranging from 1 being very disagree to 5 strongly agree .

The mean scores of respondents for all variables range from 4.39 to 4.44 indicating that respondents agree that marketing performance being offered by

MAFCU is more than the average. Comparison of means of marketing performance indicate that average increased sales value has got the highest mean score(4.44) with sd.=0.884, whereas friendly, team spirit has got the least mean score value (4.39) with Sd.=0.910. For more information refer Table 4.13.

Table 4.7: Descriptive Statistics for Marketing Performance

Dimensions	N		Minimum	Maximum	Mean	Std. Deviation
	Valid	Missing				
Sales turn over	188	0	1	5	4.39	.910
Average increased sales volume in the past 3 years	188	0	1	5	4.43	.902
Average increased sales value in the past 3 years	188	0	1	5	4.44	.884
Total	188	0				

4.2.8. Inferential Analysis

To test the hypotheses, Correlation, multiple and simple linear regression analysis was used as follows.

4.2.8.1. Correlation Analysis

To determine the existence and level of association, the researcher used bivariate correlation from which Pearson's correlation coefficient is considered. Pearson correlation coefficient falls between -1.0 to +1.0, indicates the strength and direction of association between the two variables. According to Field (2005), Pearson correlation coefficient (r) was used to conduct the correlation analysis to find the level and direction of the relationships between the two or more variables (product/service attribute, buying experience, customer satisfaction & marketing performance). It was also used to rank the variables that have the strongest associations with customer satisfaction. The classification of the correlation coefficient (R) is namely: 0.1-0.29 is weak; 0.3-0.49 is moderate; and > 0.5 is strong. The bivariate correlation of a two test confirm the presence of statistically significant difference at probability

level of p value <0.05 i.e. by assuming that 95% confidence interval on statistical analysis.

In this study correlation analysis were applied for one to one relationships. The Pearson correlation analysis has shown that the product/service attribute is significantly & positively related to buying experience ($R=0.535; P<0.05$), customer satisfaction ($R=0.487; P<0.05$), marketing performance ($R=0.468^{**}; P<0.05$). Accordingly, buying experience is statistically & positively related to customer satisfaction ($R=0.493; P<0.493^{**}$) & Marketing performance ($R=0.519; P<0.05$). Customer satisfaction is also significantly & positively related to marketing performance ($R=0.515; P<0.05$). For additional information refer Table 4.8 below.

From this we can infer that an improvement in both product/service attribute and buying experience by the Cooperative Union will result in the increase of customer satisfaction and the inter-correlations between product/service attribute and buying experience show a positive and significant relationship (see Table 4.8). Also an improvement in customer satisfaction result an increase in marketing performance. Therefore, when the Union makes changes to product/service attribute the association is likely to positively motivate other buying experience positively too. The highest inter-correlation exists between product/service attribute & buying experience ($R=0.535$).

Table 4.8: Correlations

		Product/Service Attributes	Buying Experience	Customer Satisfaction	Marketing Performance
Product/Service Attributes	Pearson Correlation	1	.535**	.487**	.468**
	Sig. (2-tailed)		.000	.000	.000
	N	188	188	188	188
Buying Experience	Pearson Correlation	.535**	1	.493**	.519**
	Sig. (2-tailed)	.000		.000	.000
	N	188	188	188	188
Customer Satisfaction	Pearson Correlation	.487**	.493**	1	.515**
	Sig. (2-tailed)	.000	.000		.000
	N	188	188	188	188
Marketing Performance	Pearson Correlation	.468**	.519**	.515**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	188	188	188	188

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

Source : Researcher's Survey Findings (2016)

4.2.8.2. Regression Analysis

Albaum (1997) noted that regression is a technique used to predict the value of dependent variable using one or more independent variables (Albaum,1997 & Malhora,2007) . Researcher typically evaluate the " statistical significance" of the estimated relationships, namely, the degree of confidence that the true relationship is close to the estimated relationship (Malhotra,2007).

Meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represented the sample & that researcher has obtained the best results (Haire et al., 1998). Two assumptions for regression analysis used in this study namely:multi -collinearity and linearity (Haire et al., 1998).

Collinearity test was performed and its statistics gives two values- Tolerance & VIF (variance inflation factor).As it is indicated Tolerance is just the inverse of VIF. In social sciences research, a VIF value as high as 10 is considered to be acceptable. In turn, Tolerance values greater than 0.1 have very serious collinearity effects (Gaur & Gaur, 2009).Therefore variables like product/service attribute, buying experience,customer satisfaction & marketing performance were selected and included in the regression.

Researcher has developed two regression models.In model 1,customer satisfaction is dependent variable , where as product/service attribute & buying experience are independent variables. Regression model 1, examine the effects of product/service attribute and buying experience on marketing performance, was found statically significant (F=42.104;P<0.05).

The result of overall regression analysis on the independent variables (Product/Service Attribute or R=.487,P<0.05, Buying Experience or

R=.493,P<0.05) with the dependent variable (customer satisfaction) indicate the existence of positive & stastically significant relationship between them. Table 4.9 depicts that both the independent product/service attribute & buying experience together explain 30.5% (Adjusted R²= .305) of variation in the customer satisfaction.

This Regression model , examining the effects of Product/Service Attribute & Buying Experience was found stastically significant (F=42.104; P<0.05). Since the significance result on the ANOVA table is 0.000 which is P<0.05, the regression analysis proved the presence of a significant positive/direct association between both product/service attribute & buying experience with customer satisfaction. Therefore, the regression outcome agreed to accept the alternative hypothesis” Customer Satisfaction has a significant effect on customer satisfaction in MAFCU” and lead to the rejection of the null hypothesis.

In general concerning F is 42.104 on table 4.10 , which is significant at p<0.05, tells us there is less than 5% chance that an F ratio this large would happen by chance alone. Therefore, the researcher can conclude that his regression model results in significantly better prediction of customer satisfaction than if we used the mean value of customer satisfaction than if he used the mean value of customer satisfaction. In short, the regression model overall predicts customer satisfaction significantly well.

The results of this regression model both Product/Service Attribute (B=.312;P<0.05) and Buying Experience (B=.326;P<.05) have a positive & significant effect on Customer Satisfaction. Therefore, regression equation from Table 4.11 multiple regression models will be

$$CS=(\beta_0+\beta_1*PSA+ \beta_2*BE)+E$$

$$CS= (1.379 + .312PSA+.326BE)+e$$

Where:

- CS= Customer Satisfaction
- PSA= Product/Service Attribute
- BE=Buying Experience
- E= Error Term

In this study also, to test the effect of customer satisfaction on marketing performance, simple regression analysis was used. According to Hair et al., (1996), simple regression is a regression model with a single independent variable. Hair et al. (1998) demonstrate that the ultimate goal for adopting regression analysis is to predict a single dependent variable from the knowledge of one independent variable. This statistical technique is termed as a simple regression when the problem involves a single independent variable(Hair et al., 1998). In general , simple regression analysis allows researchers to determine how one variable changes in relation to the change in one another variable (Zikmund,2003).Zikmund (2003) explains that simple regression is a mathematical approach to stating the statistical linear relationship between one independent & one dependent variable.According to Malhotra et al ., (2007), the simple linear model is given below.

$$Y = \beta_0 + \beta_1 X + \Sigma \dots \dots \dots \text{Equation of simple regression model}$$

Where : *Y= Dependent Variable(Marketing Performance)*

X= Independent variable(Customer satisfaction)

β_0 = Intercept

β_1 =Slope of the line (defined as the ratio Rise/Run)

Σ =Error Variable

Table 4.12 to 4.15 presents the regression results of customer satisfaction & marketing performance of MAFCU.In terms of the relationship between customer satisfaction and marketing performance

on the basis of conceptual model, marketing performance can be seen as a single dependent variable whereas customer satisfaction is regarded as an independent variable in a simple regression model.

Table 4.12 attached at the back in the output includes information about the quantity of variance that is explained by predictor variable. The first statistic, R, is the correlation coefficient between the predictor variable (customer satisfaction) and the dependent variable (marketing performance). The R was (0.515) at level ($P < 0.05$); whereas the model's coefficient of determination, R^2 was (0.265). This is frequently used to describe the goodness-of-fit or the amount of variance explained by a given set of predictor variables and depicts that the independent variable explain 26.5% ($R^2 = 0.265$) of variation in marketing performance.

This shows that customer satisfaction has a high effect on marketing performance and the Union has to focus on customer satisfaction. On the other hand, R^2 means that 26.5 % of marketing performance changeability's or variance results from the changeability of customer satisfaction, while the remaining 73.5% are explained by other variables out of this model. This lower R^2 value indicated that besides the product/service attribute, there are other important variables which lead to marketing performance. Adjusted $R^2 = 0.261$ with estimated standard deviation 0.71547, the regression model is statistically significant since the probability level is 0.000 ($P < 0.05$).

The second output Table 4.13 is ANOVA Table that describes the overall variance accounted for in the model. The F statistics represents a test of the null hypothesis that the regression coefficients are all equal to zero. Put another way, this F statistic tests whether the R square proportion of variance in the dependent variable accounted for by the

(linear) regression relationship between the dependent variable and the predictor variable.

Also the ANOVA analysis shows that , there is a significant main effect of customer satisfaction on marketing performance $F= 67.140, p<0.01$ at the 0.05 alpha level (F calculated, $67.140 > F$ Table 4.19, Annex 2 below). The mean square , which indicates the amount of variance (sums of squares) divided by the degrees of freedom equals 34.369.

Since the significance result on the ANOVA table is 0.000 which is $P<0.05$, the regression analysis proved the presence of a significant positive/direct association between customer satisfaction & marketing performance. Therefore, the regression outcome agreed to accept the alternative hypothesis” Customer Satisfaction has a significant effect on customer satisfaction in MAFCU” and lead to the rejection of the null hypothesis.

In general concerning F is 67.140 on table 4.13 , which is significant at $p<0.05$, tells us there is less than 5% chance that an F ratio this large would happen by chance alone. Therefore, the researcher can conclude that his regression model results in significantly better prediction of marketing performance than if we used the mean value of marketing performance than if he used the mean value of marketing performance. In short, the regression model overall predicts marketing performance significantly well.

The Beta value (standardized coefficient) in the third Table indicates the effect of change in the independent variables on dependent variables. For instance, a unit increase in customer satisfaction results in an increase of marketing performance by 0.515 vice-versa, keeping other factors constant. In other word, a 100% change in customer satisfaction causes a 51.5 % change in marketing performance. For more information refer Table 4.14.

Generally, to the results of regression analysis & hypothesis testing were computed. See table 4.9 to 4.15 for more information.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter presents conclusion, direction for future researches & recommendation of this study.

5.1. Summary

All constructs & some items were adapted from existing scales in the literature. A five point likert scale was used to collect data. Most statements had response categories ranging from strongly disagree (1) to strongly agree (5). Thus, to achieve objectives of this research by considering nature of the variables, the study was used questionnaires adapted from (Piriyakul & Kerdpitak, 2011 ; Kaplan & Norton , 1996; Kangogo et al., 2013). All the study constructs and some items are adopted from three sources while items related to Marketing Performance were adopted from Piriyakul & Kerdptiak (2011) and (Kangogo et al., 2013), product /service attribute , buying experience , customer satisfaction and related items were adapted from Kaplan & Norton (1996). But items from Kaplan & Norton were not standardized. Two items were added by the researcher.

In this way factors like product attribute & buying experience was tried to be measured by eight items, Marketing Performance was attempted to be measured by three items, customer satisfaction was measured by two items other items. The structured questionnaires was translated into local language Afan Oromo by authorized translator .

In order to empirically test the hypothesis, the data was collected from Awash Melka, Awash Godeti and Tarre sillassie member primary

cooperatives existing in three districts namely Sebeta Hawas, Soddo Dachi & Kersa Malima based on purposive sampling design. A sample of 188 respondent farmers were contacted as proposed by proportional allocative sampling technique. After distributing 188 questionnaire for respondents, a total of 188 answered were retrieved which is 100% of the total distributed questionnaires.

After checking the retrieved questionnaires, the all 188 questionnaires were valid for statistical analysis. SPSS version 16.00 was used for analysis. 100% of the total questionnaires distributed were entered the analysis. The majority of the sample respondents (79.8%) gender were male and female respondents were 38.

Descriptive statistics were used to interpret data in general (such as demographic characteristics, mean, standard deviation and etc). Inferential statistics were used for testing hypothesis and investigating research objectives. In order to examine the objectives of this study as proposed testing of hypotheses were used Pearson correlation and regression analyses.

A contribution of this study is that a meaningful relationships exist among product/service attribute, buying experience, customer satisfaction & marketing performance. The relationship between product/service attribute is examined & it can be seen that product/service attribute relates positively with customer satisfaction ($r=0.487; p<0.05$). Buying experience is also found to be positively related to customer satisfaction ($r=0.493; p<0.05$). Further more, the researcher of this study examined the effect of customer satisfaction on marketing performance of MAFCU. The result of regression analysis reveals that

customer satisfaction has a positive & significant effect on marketing performance ($\beta=0.515$; $P < 0.01$).

5.2. Conclusion

The general objective of this study was to empirically explore the way customer satisfaction affect marketing performance of MAFCU from the individual shareholders' of primary cooperative perspective. Accordingly, the specific objectives of this study were to examine the relationship between product /service attributes and customer satisfaction, to examine the relationship between buying experience and customer satisfaction and to examine the effect of customer satisfaction on marketing performance in MAFCU from individual shareholders of member primary cooperatives.

The researcher three basic research questions were answered from the point view of MAFCU individual shareholders in primary cooperatives. The pearson correlation result show that product/service attribute has positive relationship with customer. The finding is consistent with the finding reported in the literature such as product/service attribute determine customer satisfaction (Dalilva et al., 2010). The previous research found that knowlegde about product attribute was positevely related to customer satisfaction (Benett et al., 2005).

Buying experience is also found to be positively related to customer satisfaction. This result supports the findings of many studies made in the literature. When the customer receive benefit greater than the cost (i.e., receiving added value) after purchase , they become more satisfied, which in turn affects subsquent customer value expectations & overall customer satisfaction (Dalilva et al., 2010, Hellier et al., 2003; Woodruff,

1997). Also customer require experience with a product to determine how satisfied they are with its (Anderson et al., 1994,p.54).

Further more ,the researcher of this study examined the effects of customer satisfaction on marketing performance of MAFCU.The result of simple regression analysis reveals that customer satisfaction has a positive & significant effect on marketing performance. Literature support this finding.Among the findings of previous research, Kangago et al.,(2013)and Wiele et al., (2002) found that customer satisfaction has effect on performance which includes indicators of marketing performance such as sales turn over, market share & service quality.Richard et al . (2009) stated that business performance includes product market performance, financial performance and shareholder return. The other previous finding also suggest that there are significant, and moderate -to- strong associations between satisfaction levels and a firms financial performance & marketing performance (Paul & Earl,2011).

5.3. Recommendations

Product/service attribute has positive relationship with customer satisfaction.Hence, the Cooperative Union should focus on an improvement of both product/service attribute and buying experience which will result in the increase of customer satisfaction.More over, the inter-correlations between product/service attribute and buying experience show a positive and significant relationship. Therefore, the Union should targeting on making changes to product/service attribute and the assocaition is likely to positvely motivate other buying experience positively too.

Buying experience is also found to be positively related to customer satisfaction. Therefore, the union should depend on buying experience of customer to satisfy more them.

Customer satisfaction has effect on marketing performance. So, MAFCU should focus on customer satisfaction to contribute in the improvement of marketing performance. The finding also has important practical implication for managers to understand the way customer satisfaction affect marketing performance so that they should choose which strategies they can pursue & which actions to take to maximize marketing performance.

5.4. Direction for Future Researches

This paper has some limitations. One of the most important limitation of this study even though the researcher tried to contact the sampled size, geographical dispersion of farmers need more time and budget to reach farmer respondents which help for generalization of the finding. Geographically scattered respondents limited his study to 188 respondents. Sample size was not large enough to generalize the findings. Hence, the study needs to be replicated using larger sample size of the respondents with enough time & budget. The second restriction of the study is that the survey is applied to sampled respondents (farmers) , their perception may be differ depending on their level of participation in both primary cooperatives & in MAFCU.

Probable perceptual differences among farmer respondents in MAFCU could have been eliminated by identifying their level of participation for some years in both primary cooperatives & MAFCU before entering into the investigation. In firms that involved in indirect sales like MAFCU , product/service attribute & buying experience are shared between

dealers and end users to determine customer satisfaction(see figure 2.1 above). These will also need comparative analysis between primary cooperatives as dealers satisfaction & end user satisfaction.

According to Motony & Gyau (2013),there are many factors (including customer satisfaction) affecting marketing performance as dominant construct such as commitment & trust, food quality, Adaptability, efficiency and effectiveness.The future researchrs can focus and use these models in the future. In this study , the researcher explored empirically the way customer satisfaction affect marketing performance. By considering individual members as customers.In the future research the effects of the other factors on marketing performance with larger sample size are expected from investigators. Also,the effects of both product/service attribute and buying experience on customer satisfaction are expected from them.

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Appendixes

Appendix 1: Questionnaire (English)

Questionnaires for MAFCU individual Shareholders in primary cooperatives

Dear participant, this questionnaire is developed to conduct the research entitled "Farmers satisfaction and marketing performance in Melka Awash Farmers' Cooperatives Union in Oromia Region of Ethiopia". I want to assure you the information you will provide in this questionnaire will be utilized for only academic purpose and its confidentiality will be maintained.

Thank you for your cooperation!!!!

Part One:-Demographic Characteristics

Sex of Member 1=Female 2= Male

Age of member in years _____

Educational level of member _____

Part Two: Items related to product/service attribute . buying experience and Marketing Performance

1. Do you have a degree of satisfaction on product /service attributes of the Union?

1. =Yes 2. =No

2. Do you have degree of satisfaction on your buying experiences in MAFCU?

1. =Yes 2. =No

3. Do you have satisfaction level on marketing Performance of MAFCU?

1. =Yes 2. =No

4. Is there marketing performance in the union?

1. = Yes 2.= No

5. Respondents are requested to put (x) sign on the box of their choice.

Where

- 1. Strongly disagree(SDA), 2.Disagree (DA) ,
- 3. Neither disagree nor agree(N), 4. Agree (A) and
- 5. Strongly Agree (SA)

Variables & Indicators	SDA	DA	N	A	SA
Product/Service Attributes (PSA)					
CS1: Safe product/service	1	2	3	4	5
CS2:Minimum revision of submitted procedure	1	2	3	4	5
CS 3: Clean facility	1	2	3	4	5
CS4:standard of input provided	1	2	3	4	5
Buying Experience (BE)					
CS 5: Work hours	1	2	3	4	5
CS6:Friendly, helpful employees (Friendliness of employees)	1	2	3	4	5
CS 7:Customer recognition of loyalty	1	2	3	4	5
CS 8:Honesty and openness	1	2	3	4	5
Customer Satisfaction (SC)					
CS9:Responsiveness	1	2	3	4	5
CS10:Team Spirit	1	2	3	4	5
Marketing Performance of the Cooperatives Union (MP)					
MP1:Sales turn over years	1	2	3	4	5
MP2:Average increased sales volume in the past 3 years	1	2	3	4	5
MP3: Average increased sales value in the past 3 years	1	2	3	4	5

Appendix 2 : Questionnaire (Afan Oromo)

Y/H/G/Q/M/Awaash ilaalchisee Gaafannoo Abboota Qabeenyaa WHGB tiif dhiyaate

Hirmaattoota Keenyaa, gaaffannoon kun kan qophaa'eef qorannoo mata dureen isaa "Farmers satisfaction and marketing performance in Melka Awash Farmers' Cooperatives Union in Oromia Region of Ethiopia" gaggeessuudhaaf. Odeeffannoon isin gaafannoo kanaan nuuf kennitan kaayyoo barumsaa qofaaf kan ooluu fi amanamummaadhaan kan eegamuudha.

Deeggarsa keessaniif isin galateeffanna!!!!

Kutaa Tokko:Amaloota Dimoogiraafii

1. Saala Miseensa:1. = Dubartii 2. = Dhiira
2. Umrii miseensaa waggaadhaan _____
3. Sadarkaa barumsa miseensotaa _____

Kutaa Lama: Wantoota amala omishaa /tajaajilaa fi muuxannoo bittaa kallattii itti quufinsa maamiltootaatiniif ,itti quufinsa maamilaa

4. Sadarkaa itti quufinsa amala omisha/tajaajila Y/Q/M/A irratti ni qabdu?

1. =Eeyyee 2. = Lakkii

5. Muuxannoo bittaa fi sadarkaa itti quufinsaa omishaa fi tajaajila Y/Q/M/A irratti ni qabdu ?

1. =Eeyyee 2. =Lakkii

6. Sadarkaa itti quufinsaa Y/Q/M/A keessatti ni qabdu?

1. =Eeyyee 2. = Lakkii

7. Raawwiin hojii gabaa Y/Q/M/A keessatti ni jira?

1. = Eeyyee 2. =Lakkii

8. Deebistoota keenya sanduuqa filannoo keessan ibsu keessatti mallattoo (X) akka keessan isin gaafanna.

Yemmuu:

1. Baay'isee itti walii hin galu(SDA), 2.Itti walii hin galu (DA)

, 3. Itti walii hin galus nan galas hin jedhu(N) ,

4. Ittin walii gala (A) and

5. Baay'iseen itti walii gala (SA)

Agarsiistoota	SDA	DA	N	A	SA
Kallattiii Amala omishaa/tajaajilaa					
CS1:Omishishni/tajaajilli kan badiirraa eegame ta'uu	1	2	3	4	5
CS2:Adeemsa ittiin omishni/tajaajilli dhiyaatu xiqqaatullee irra deebi'amee kan ilaalamuu ta'uu	1	2	3	4	5
CS3: Faasiliitii qulqullina qabu omisha yookin tajaajila wajjin jiraachuu	1	2	3	4	5
CS4:C/guddistuun kennamu Staandardii kan qabu ta'uu	1	2	3	4	5

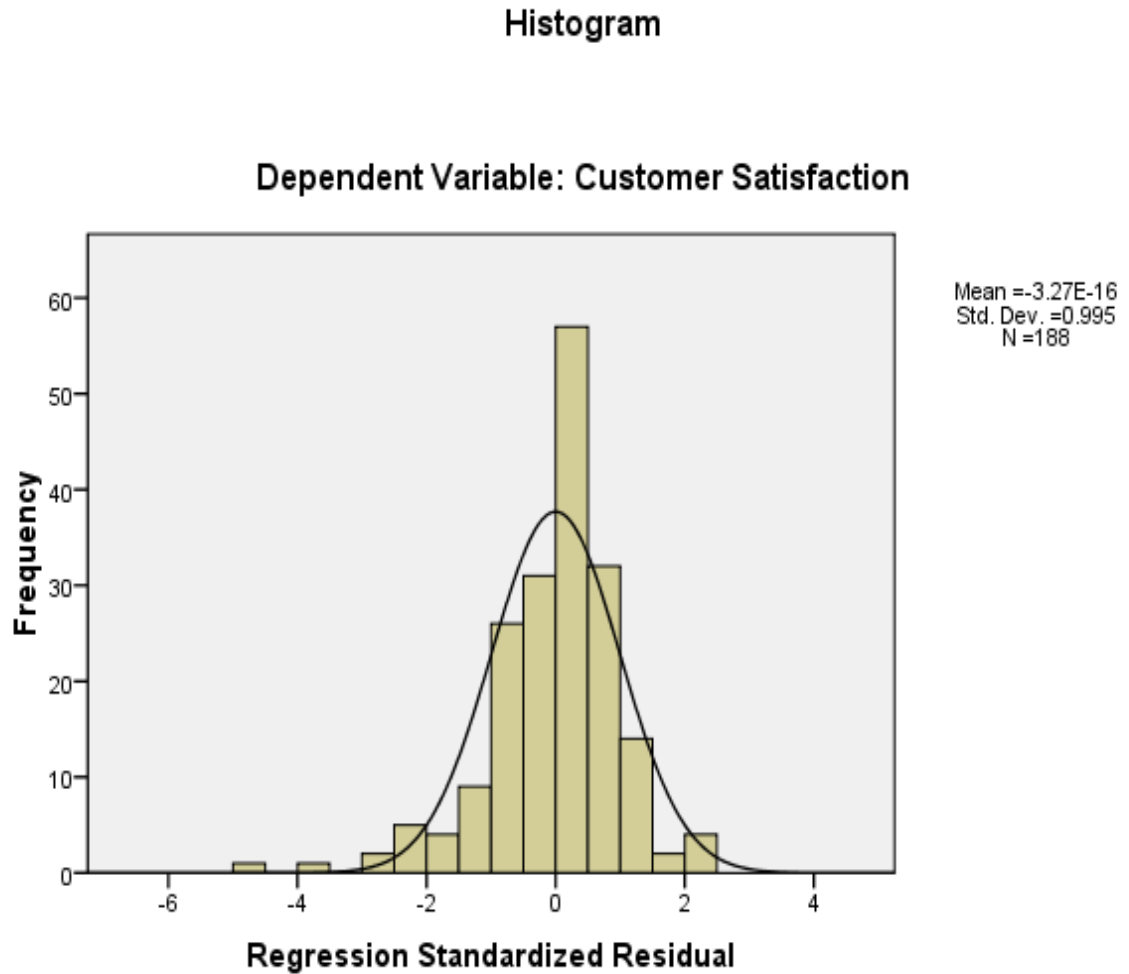
Agarsiistoota	SDA	DA	N	A	SA
Kallattii muuxannoo bittaa					
CS5: Sa'aatii hojii kabajuu	1	2	3	4	5
CS6:Akka hiriya isaatti hojjetaan nama gargaaruu	1	2	3	4	5
CS7:Amanamummaan isaanii isin biratti beekamtii qabaachuu					
CS8:Amanamuu fi iftoominni isaan bira jiraachuu	1	2	3	4	5
Itti Quufinsa maamilaa (CS)					
CS9: Deebii hatattamaa kennuun jiraachuu	1	2	3	4	5
CS10: Miira garee qabaachuu	1	2	3	4	5
Raawwii Gabaa Yuuniyeenichaa ilaalchisee(MP)					
MP1:Gaggaragalchaan gurguruun jiraachuu(Sales turnover)	1	2	3	4	5
MP2:Hangi gurgurtaa yuuniyeenii waggoota sadiif avireejiidhaan dabale	1	2	3	4	5
MP3:Bu'aan gurgurtaa irraa yuuniyeenichi argate waggoota sadan darban keessattii avireejiidhaan dabale	1	2	3	4	5

Annexes: SPSS Out Put

Annex 1: Normality Testing

Normality Testing For Multiple Regressions

Figure 4.1: Histogram

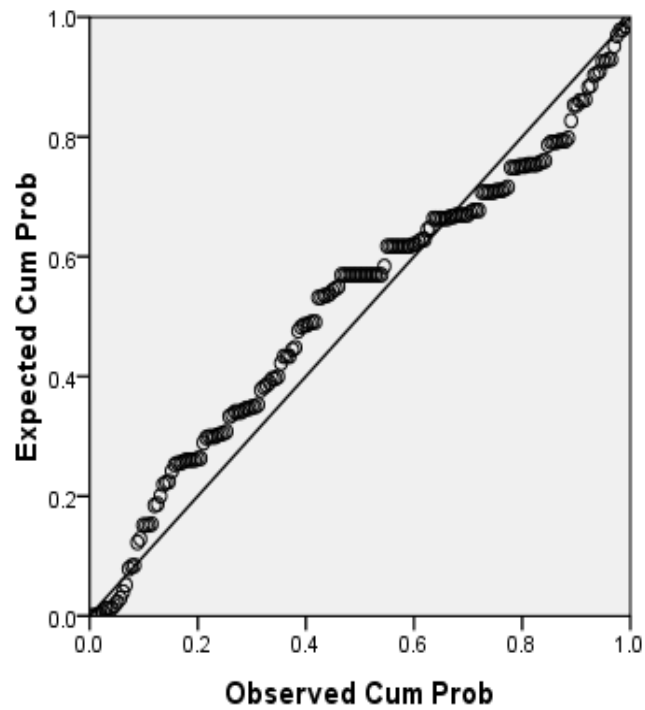


Source : Researcher's Survey Findings (2016)

Figure 4.2: Normal P-P Plot for Multiple Regressions

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Customer Satisfaction



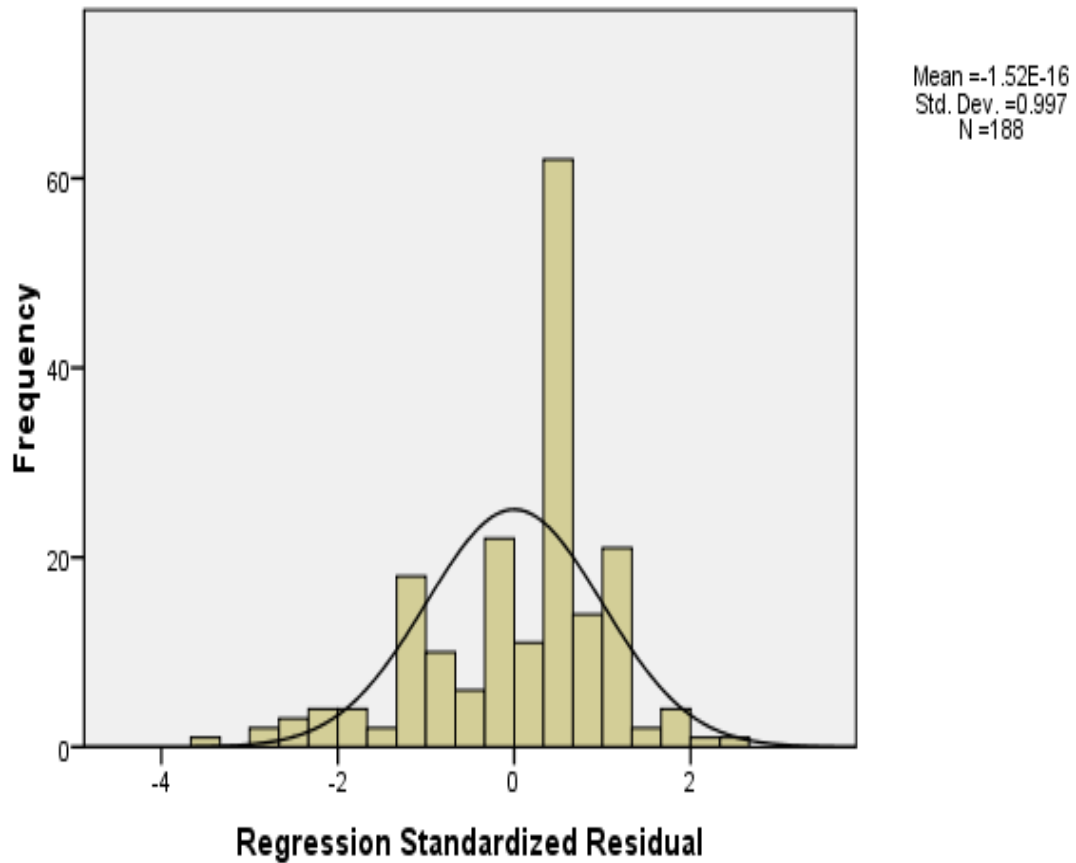
Source : Researcher's Survey Findings (2016)

Normality Testing For Simple Regrsson

Figure 4.3: Histogram for Simple Regression

Histogram

Dependent Variable: Marketing Performance

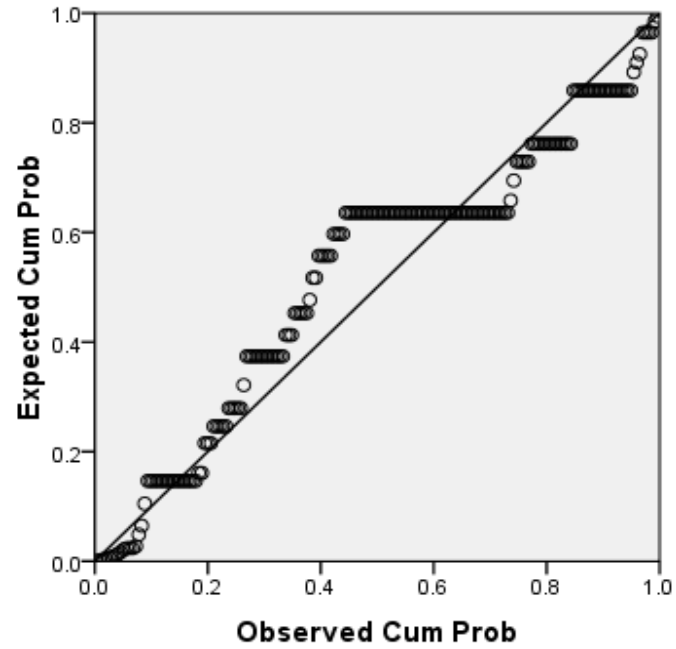


Source : Researcher's Survey Findings (2016)

Figure 4.4: Normal P-P Plot of Simple Regression

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Marketing Performance



Source : Researcher's Survey Findings (2016)

Annex 3: Regression Analysis

Multiple Regression Analysis

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.559 ^a	.313	.305	.685

Source : Researcher's Survey Findings (2016)

Table 4.10: ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39.504	2	19.752	42.104	.000 ^a
	Residual	86.787	185	.469		
	Total	126.291	187			

a. Predictors: (Constant), Buying Experience, Product/Service Attributes

b. Dependent Variable: Customer Satisfaction

Source : Researcher's Survey Findings (2016)

Table 4.11: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.379	.329		4.186	.000		
	Product/Service Attributes	.339	.078	.312	4.325	.000	.713	1.402
	Buying Experience	.361	.080	.326	4.520	.000	.713	1.402

a. Dependent Variable: Customer Satisfaction

Source : Researcher's Survey Findings (2016)

Simple Regression Analysis

Table 4.12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.515 ^a	.265	.261	.71547

a. Predictors: (Constant), Customer Satisfaction

a. Dependent Variable: Marketing Performance

Source : Researcher's Survey Findings (2016)

Table 4.13: ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.369	1	34.369	67.140	.000 ^a
	Residual	95.212	186	.512		
	Total	129.581	187			

a. Predictors: (Constant), Customer Satisfaction

b. Dependent Variable: Marketing Performance

Source : Researcher's Survey Findings (2016)

Table 4.14: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.143	.283		7.582	.000
	Customer Satisfaction	.522	.064	.515	8.194	.000

a. Dependent Variable: Marketing Performance

Source : Researcher's Survey Findings (2016)

Table 4.15: Summary Results of Hypotheses Testing

Hypothesis	Analysis	Result
H ₁₀ : Product/Service Attributes is not positively related to customer satisfaction	MR	Rejected
H _{1a} : Product/Service Attributes is positively related to customer Satisfaction	MR	Accepted
H ₂₀ : Buying Experience is not positively related to Customer Satisfaction	MR	Rejected
H _{2a} : Buying Experience is positively related to Customer Satisfaction	MR	Accepted
H ₃₀ : Customer satisfaction has no a positive effect on marketing Performance	SR	Rejected
H _{3a} : Customer satisfaction has a positive effect on marketing Performance	SR	Accepted

Source : Researcher's Survey Findings (2016)