


# ADDIS ABEBA UNIVERSITY

# SCHOOL OF COMMERCE

# DEPARTMENT OF MARKETING MANAGEMENT

## The Effect of Marketing Mix on Consumer Buying Behavior of Small and Medium Enterprises (SMEs) in Addis Ababa. (The case of Lideta,Kolfe-Keraniyo and Arada Sub Cities)

**By:-**

**Asteway Tekletsion**

**ID No:-GSD/6496/08**

January, 2019

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Advisor: Temesgen Belayneh (PhD)

Addis Ababa

January, 2019

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Approved by the Board of Examiners

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| External Examiner | Signature | Date |

# Statement of Declaration

I, the under signed, declare that this submission is my own work, prepared under the advisee of Dr. Temesgen Belayneh To the best of my knowledge and belief, it contains no material previously published or written by another person who has been accepted for the award of any other degree or diploma of the university or other institute of higher learning, and all sources of material used for the research have been duly acknowledged.

ASTEWAY TEKLETSION

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Candidate’s Name Signature Date

# Statement of Certification

This is to certify that Asteway Tekletsion Gebeyehu has carried out his research on the topic entitled “The Effect of Marketing Mix on Consumer Buying Behavior of Small and Medium Enterprises (SMEs) in Addis Ababa. (The case of Lideta,Kolfe-Keraniyo and Arada Sub Cities)”.It’s original work and suitable to submission for the award of Master’s Degree in Marketing Management.

_____

Temesgen Belayneh (PhD)

(Advisor)

January, 2019

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# List of Acronyms and Abbreviations

**CSA**: -Central Statistics Agency

**CBB:-** consumer buying behavior

**EBDSN:-** Ethiopian Business Development Services Network

**FeMSEDA:-** Federal Micro and Small Enterprises Development Agency

**GTP** :-Growth and Transformation Plan

**IFC**: International Financial Corporation

**ILO:** International Labor Organization.

**LSEs** :Large Scale Enterprises

**MOTI:-** Ministry of Trade and Industry

**MSMEs:-** Micro, Small and Medium Enterprise.

**MSEDA**: Micro and Small Enterprise Development Agency

**MSEs**: Micro and Small-sized Enterprises

**MSMEs:** Micro, Small and Medium-sized Enterprises

**MoFED**: Ministry of finance and economic development

**ReMSEDA**: Regional Micro and Small Enterprises Development agency

**SSA: -** Sub-Saharan Africa

**SME**:- Small and Medium sized enterprises

**SMEs:** Small and Medium-sized Enterprises

**WB**: World Bank

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# *ABSTRACT*

*This paper deals with analysis of marketing mix component and consumer buying behavior. The purpose of the study was to find out The Effect of Marketing Mix on Consumer Buying Behavior of Small and Medium Enterprises (SMEs) in Addis Ababa (The case of Lideta, Kolfe-Keraniyo and Arada Sub Cities. Accordingly, the research models were composed of four independent variables such as product, price, place and promotion while there is one dependent variable which is consumer buying behavior. Furthermore hypotheses were developed to shown the effect of all the independent variables of marketing mix on the dependent variable of consumer buying behavior. To this end, a structured 5-point Likert scale close ended questionnaire based survey was employed to collect data. By using probability sampling technique from the consumer of three selected sub cities found in Addis Ababa, more specifically 400 questionnaires were distributed and 372 (93 %) were returned back for analysis. The correlation analysis was illustrated to examine the relationship between those variables and effects of the factors was reported and analyzed by using multiples liner regression. Descriptive statistics also conducted in the research through the aid of Statistical Package for Social Science version 24 (SPSS). The findings of the study revealed that among the independent variables of product significantly affect consumer buying behavior of SME in Lideta ,Kolfe keraniyo and Arada sub city . Concerning to price the beta value as well as the p-value told that those factors has no a positively and significantly affect consumer buying behavior of SME in Lideta ,Kolfe keraniyo and Arada sub city. Another promising finding was also told that place is considered as a factor and which positively and significantly affect consumer buying behavior. The last independent factors promotion has also a positively and significantly affect the consumer buying behavior of SME of those previously mentioned sub cities. Based on the finding, the researcher tried to forward a recommendation that government and other stakeholder should focus and working on the above statistically significant factor in order to enhance and improve the enterprise activities in the near future.*

***Keywords: Consumer buying behavior, Product, Place, Price Place and promotion***

# CHAPTER ONE

## 1. INTRODUCTION

This chapter contains background of the study which highlights the study area ,the reason why the study has done and the general focus of the study. The effect of marketing mix on consumer buying behavior under selected sub cities small and medium enterprises are discussed and research questions to be answered and the gap that need to be solved by the study are identified under this chapter. Objectives and the significance of the study are also among major issues discussed in this section.

### 1.1. Background of the study

Small and Medium sized enterprises (SMEs) have usually been perceived as the dynamic force for sustained economic growth and job creation in developing countries. They play multifaceted role such as boosting competition, innovation, as well as development of human capital and creation of a financial system. With increased urban population dynamics of Sub-Saharan Africa (SSA), the importance of SMEs is also growing. In SSA, given the rapid rural-urban migration and deficiency to absorb this migration, SMEs have become important urban economic activities particularly in providing urban employment. In similar fashion, in cities and towns of Ethiopia, SMEs and the informal sector are the predominant income generating activities and thus they have a significant contribution to local economic development and used as the basic means of survival (Gebre-egiziabher and Demeke, 2004).

Marketing problems are simply those marketing factors that can impede, disrupt or hinder the growth, development and expansion of the firm in its effort to satisfy its target market and also create value for the organization. Small businesses face myriads of problems. Some of the problems which are relative to their size include epileptic power supply, lack of capital, inefficient management, difficulty in employing skilled manpower, fraud, inability to analyze market opportunities, advertising and marketing problems, research and production inefficiencies, problems of standardization, poor quality products, etc.

In particular, the basic marketing problems include inability to apply modern marketing techniques and strategies, difficulty in managing the firm’s advertising and other promotional tools, competition from large firms, lack of adequate research, poor and mundane production

technology, lack of adequate financing of marketing activities, poor quality products and problems of standardization, warehousing, inventory control, and poor transportation facilities, branding/packaging, financing and credit facilities, risk bearing among others.(Stull, Myers and Scott, 2008) give these factors as marketing problems, namely: problem of standardization, competition from large scale businesses, poor sales promotion and poor bargaining power.

Walt,(2013) is of the opinion that lack of raw materials, scarcity of expertise labor, lack of finance and poor marketing strategies are the basic marketing problems of small scale businesses. He added that with these problems SMEs are placed at a disadvantaged position to face the onslaught of large scale enterprises in terms of quality, cost, research or assess marketing scenarios/changes which are taking place in the market in terms of taste, likes and dislikes, competition, technology etc. He concluded that SMEs do not possess the requisite expertise to adjust their operations to the changed situations. Poor advertising and non-utilization of other promotional tools may not attract the right caliber of customers to patronize the business. Specifically, Scott (2003) in Tom (2014) posits that as a result of the inability of small scale enterprises to advertise appropriately or effectively, they encounter the following problems a) Difficulty in attracting customers b) Difficulty in attracting quality employees c) Difficulty to growth d) Difficulty to compete with bigger companies, and e) Difficulty to diversify.

Small business has been facing several problems that hamper their performance and their growth. Among the most prevalent areas in which SME have problems are sales/marketing, human resource management and general management, they specifically reported promotion ,marketing research and training as the most frequently encountered problems. So, marketing problems hold the first position (Girma Balcha, 2012).

A lot of study emphasized the importance of the implementation of marketing mix in SME. Marketing mix is the concept created by (McCarthy ,1964) as the means of executing marketing into practice. Marketing mix consist of four Ps namely as product, price, place, and promotion. As stated by (Kotler, 2000) Marketing mix is the set of controllable variables that the firm can use to influence the buyer's response. The controllable variables in this context refer to the 4P's including Product, Price, Place and Promotion. In case of service organization, there are three extra P's such as People, Physical evidence and Process.

Consumer behavior is affected by several factors. Marketers need to have a good knowledge of the factors affecting the consumer behavior. Marketing mix factors are among different factors that affect consumer behavior. Marketing mix consists of 4Ps that are price, product, and promotion and place (Shahram Gilaninia, 2013).

Taking these thoughts into consideration, the most important question addressed in this study is the effect of marketing mix on consumer buying behavior of SME in Addis Ababa sub cities: Lideta, Kolfe Keraniyo and Arada. These enterprises have been facing various challenges related to marketing which can hamper their contribution to economic and social development of the town. Thus this thesis tried to review some theoretical and empirical studies on marketing mix effect on consumer buying behavior of the enterprises based on primary and secondary data.

## 1.2 Statement of the problem

The study conducted by Ethiopian central statistics agency discloses that, the contribution of small enterprises in creating job opportunities and in the development of our economy is vital **(FeMSEDA,** 2006). However, their contribution is very low in compared with that of other countries due to financial problem, lack of qualified employees, lack of proper financial records, marketing problems, lack of working premises and raw materials. Lack of information about market opportunities and standards and regulations is one of the underlying factors that hinder their performance (Mulu Gebreeyesus, 2009).

According to Girma Balcha, (2012) small business has been facing several problems that hamper their performance and their growth. Among the most prevalent areas in which SME have problems are sales/marketing, human resource management and general management, they specifically reported promotion ,marketing research and training as the most frequently encountered problems. So, marketing problems hold the first position.

Girma Balcha,(2012) also stated that although SMEs face different problems, like financial factors, marketing management and human resource factors , environmental factors, specifically inadequacy and costly of credit facilities ,shortage of working capital ,intensity of competition ,lack of business development strategies ,collateral requirement by financial institution ,conflict with neighbors and lack of transparency among SME office at the time of allocating the working place were the major problems identified in his the study. The study also has been widely

acknowledged marketing as being the most critical problems of all activities and crucial for the survival and the growth of SMEs.

As stated by EBDSN,( 2004) the marketing problems faced by SME in Ethiopia are as follows; the prevalence of lack of product diversity, the prevalence of similar product, lack the skill to modify their products and there is also lack of sufficient range of product designs that hinder consumer buying behaviors negatively.

Place also have significantly affecting the consumer buying behavior in different ways. According to EBDSN, (2004) disclose that SME that work in 'gulit' areas do their business on the sidewalk or by the roadside, as a result consumers refrain from buying products from SMEs.

Meredith, Nelson and Neck,(1991) stated that as small business grows, it must expand its markets. Special sales promotions can provide the exposure that the product or service needs to increase sales in new markets. According to EBDSN, (2004) many SMEs plan on promoting their products; however, their budget is mostly tight. Even though some enterprises understand that issuing flyers, posters and business cards have promotional values, they refrain from undertaking such promotional activities to use the money for other urgent matters. Because of this, many SMEs can't be undertaking to communicate and promote its products to their customers; as a result the consumers can't consider and taking in to accounts SME's products when purchase products.

Finally, from the most important marketing mix elements that affect the consumer buying behavior is price. Zeithaml, (1988) is of the view that monetary cost is one of the factors that influence consumer's perception of a products value. Most SME have lack of cost knowledge, manufacturers don't correctly know how much raw materials and accessories are required to make one unit of a product, overhead cost are mostly not calculated as expense .As a result of this, they can't set the exact price for a single items and sell at break-even or below cost or over cost and this affect consumers cease from buying products from SME (EBDSN, 2004) .

Various studies have been conducted on SME in Ethiopia. The major focuses of the study subject are on (1) Assessment on Marketing Activities of small and Medium Enterprises (Girma Balcha ,2012;(2) Assessment of Access to finance and it's Availability for SME (Ayalneh Menberu, 2018) (3) Factors Affecting the profitability of SME (Gebrie Worku, 2018) and (4) The Role of Government support service for the performance of SME (Mariamawit F/selassie, 2017) etc

While there is a rich study conducted on SME in Ethiopia, it is paucity of studies conducted regarding the effects of marketing mix on consumer buying behavior the case of SME in our country.

Therefore, this research seeks to make a contribution towards filling the knowledge gap regarding specifically the effect of marketing mix on consumer buying behavior the case of selected small and medium enterprise in Addis Ababa sub cities: Lideta ,Kolfe keraniyo and Arada Administration by examining the four relevant marketing mix elements that is product, price, sales and promotion and also attempted to show their effect on consumer buying behavior.

## 1.3 Research question

The central question of this study is:

- What is the effect of marketing mix on consumer buying behavior of Lideta ,Kolfe keraniyo and Arada sub city SMEs?

Specifically, the following sub research-questions are raise that was further elaborated by adopting the conceptual framework in the next chapter:

- To what extent Product factor of SME affect the consumer buying behavior?
- How does competitive price of SME affect the consumer buying behavior?
- How does place / Shopping convenience of SME affect the consumer buying behavior?
- How does promotion factor of SME affect the consumer buying behavior?

## 1.4 Aim and Objective of the study

The aim and objectives of the study are present as follows:

### 1.4.1 Aim of the study

- The major aim of this study is investigated how marketing mix would have effect on consumer buying behavior in SMEs the case of Lideta ,Kolfe keraniyo and Arada sub cites.

### 1.4.2 Objectives of the study

The objectives of the study are:-

- To examine the effect of product factor on the consumer buying behavior in SMEs the case of Lideta ,Kolfe keraniyo and Arada sub cites.
- To determine the effect of price on the consumer buying behavior in SMEs the case of Lideta ,Kolfe keraniyo and Arada sub cites.
- To identify the effect of place/ shopping convenience on the consumer buying behavior SMEs the case of Lideta ,Kolfe keraniyo and Arada sub cites.
- To analyze effect of promotion on the consumer buying behavior SMEs the case of Lideta ,Kolfe keraniyo and Arada sub cites.

## 1.5. Scope and Limitation of the study

Many researchers try to examine about the effect of marketing mix on consumer buying behavior by rising and linked with different variables such as competition, finance, lack of market related knowledge, raw material and source of energy, the need for retail stores, however this research paper would not consider those variable.

This study merely intend to investigate how the frame work of four variables of marketing mix on consumer buying behavior such as product, price, sales, promotion, affects elected small and medium enterprise in Addis Ababa, especially in Lideta ,Kolfe keraniyo and Arada sub cities under small and medium scale enterprises are consider. The data type is primarily quantitative nature. Meanwhile due to collecting data the inherent weakness of this paper is that target respondent were expect from Lideta ,Kolfe keraniyo and Arada sub cities by using stratified probability sampling technique. It should also be mentioned that financial constraints and a lack of organized and relevant recorded data were among some of the limiting factors in this study.

## 1.6. Significant of the study

This study have two basic importance first, it deals with the effect of marketing mix on consumer buying behavior of small and medium enterprise and the factors affecting the customer buying behavior so that, it can serve as an input for marketers decisions that enables to foster their business and enhance their buying behavior. Second, this study have been some value in

narrowing the unfilled gap in the existing literature and encourage further studies in this area serving as a reference and motivate other researchers to go for further study

## 1.8. Organization of the Study

The study organized in to five chapters. The first chapter deals with background of the study, statements of the problem, the research questions, objective of the study, the hypothesis, scope of study, significance of the study, and organization of the study. The second chapter deals with previous related research conducted on the effect of marketing mix on consumer buying behavior the case of selected small and medium enterprise.

The types and source of data that were used for the study, sampling techniques that would used to determine the sample size, collection tools and procedure and data analysis method of the study would discuss in chapter three. The fourth chapter would take about the analysis and result of the study. The last chapter would present the summary of major findings, conclusion and recommendation of the study.

## 1.9. Definitions of terms

**Buying Behavior**: - Defined as a study of what, when, where, how and how often people buy a product (Kotler ,1988).

SMEs are defined for this study by adapting the definition given "Tire" 2003 E.C by Federal Micro and Small Enterprises agency (**FeMSDA**)

**Small Enterprise**: "Those enterprises hired 6 up to 30 employees or total asset amount birr 100,000 up to 1.5 million birr for industry sector and 50,000 up to 500,000 not greater than for services sector".

**Medium Enterprise**: "Are enterprises found in manufacturing and service sectors of the Ethiopian economy with a total asset of more than 1.5 million birr and a total asset of more than Birr 500,000".

**SME:-**Small and medium-sized enterprises are a very heterogeneous group of businesses usually operating in the service, trade, agri-business, and manufacturing sectors. They include a wide variety of firms such as village handicraft makers, small machine shops, and computer software firms that possess a wide range of sophistication and skills. Some are dynamic, innovative, and growth-oriented while others are satisfied to remain small and perhaps family owned. Small

enterprises usually operate in the formal sector of the economy and employ mainly wage-earning workers. Small enterprises are often classified by the number of employees and/or by the value of their assets. The size classification varies within regions and across countries relative to the size of the economy and its endowments. It is important to note that there is a minimum as well as a maximum size for Small enterprises (Lukacs, 2005).

**Consumer buying behavior: -** describes consumer buying behavior as a process of choosing, purchasing, using and disposing of products or services by the individuals and groups in order to satisfy their needs and wants. (Solomon et al., 1995)

# CHAPTER TWO

## 2. Review of related Literature

## 2.1. Introduction

This chapter tries to deal with description of the chosen theoretical framework of the consumer buying behavior, describing empirical study of independent variable of marketing mix such as product, price, place, and promotion. Further tries to construct conceptual framework by exhibit the literature gap on the study

## 2.2. Theoretical Review.

### 2.2.1 Overview of Small and Medium Enterprises

The term SME"s universally stands for small and medium-sized enterprises but there is no consensus on the definition of SMEs. This is because definitions differ widely in different regions, and depend on the phase of economic development as well as their prevailing social conditions. There are several definitions of the term small and medium enterprises (SMEs), varying from country to country. As a result, various indicators are used to define them, for example, the number of employees, amount of capital, total amount of assets, sales volume and production capacity.

The commonly used criteria at the international level to define SMEs are the number of employees, total net assets, sales and investment level. While employment is the criterion to define, then there exists variation in defining the upper and lower size limit of SMEs. SMEs have become the focus of attention for development stakeholders interested in market-oriented solutions to poverty and economic development. Hence, European Commission defines SMEs as "enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million", subject to certain additional conditions regarding the ownership structure (EC, 2003b).

### 2.2.2 Definition of SME in Ethiopian context

However, in Ethiopia SME defined as based on the number of employee and total asset excluding buildings. The improved federal Micro and Small Enterprises development agency adapted a definition of enterprises taking into consideration number of hired employee's and total asset excluding buildings for industry and services sector and five year inflation rate and foreign exchange rate taking into consideration: **Small enterprise**: Those enterprises hired 6 up to 30 employee or total asset amount birr 100,000 -1.5 million birr for industry sector and 50,000-500,000 not greater than

for services sector. **Medium Enterprise**: are enterprises found in manufacturing and service sectors of the Ethiopian economy with a total asset more than 1.5 million birr and a total asset of more than Birr 500,000. Addis Ababa MSE's development agency bureau,(2003) E.C as cited on Addis Ababa Communication office bureau. Hence, according to officer of the Federal Micro and Small enterprises development Agency (FeMSEDA) interview, the limit for medium enterprises and definition for large enterprises are not stated so far. This is due to large enterprises are not registered under (FeMSEDA) agency up to now.

The Small and Medium-enterprises sector is the second largest employment-generating sector after the agriculture sector (Desta,2002) as cited in (Lishan,2006). So, the SME sector in Ethiopia provides employment and income opportunities for fairly a sizeable portion of the population. The overall contribution of the SMEs sector to the GDP was 3.4% in 1999 hence; no data were available about current SMEs contribution to the GDP as a matter of facts. Inline to this government also admitted SMEs role in achieving economic growth with the establishment of Federal Agency for Micro and Small Enterprise development. SMEs development Strategy aims to integrate SMEs development into the national vision and economic development plans (Lishan,2006). Additionally, government set overall SME strategy to create an enabling environment for the development & growth of the sector for facilitating economic growth & equitable development; to provide basis for medium and large scale enterprises; promote export; balance preferential treatment between SMEs and bigger enterprises (CSAE, 2004).

However, it isn't deal that a substantial number of Ethiopians make their living from incomes generated from SMEs, the sector suffers from a range of constraints. The following problems are pointed that hamper the growth of SMEs: lack of finance, weak entrepreneurial culture, poor product quality, shortage of raw material, underdeveloped markets, limited demand for goods, and poor access to infrastructure and technology (Lishan, 2006**)**.

Particularly, the five-year growth and transformation plan has given particular attention to the expansion and strengthening of micro and small enterprise. The sector is believed to be the major sources of employment and income generation for a wider group of society. The major objective of this program, which is creating and promoting MSEs in urban areas foresee to reduce urban unemployment rate. According to ministry of works and urban development (MoWUD), total populations of 176,543 MSEs were established in 2009/10 employing 666,192 people. The number of established and total employment created went up 141.6 and 25.6 percent, respectively, compared to a year ago. In 2008/9 73,062 MSEs is created 530,417 numbers of employments and in 2009/10 176,543 was 666,192 numbers of employments. Regarding regional distribution, about 48.6 percent

of total MSE‟s were located in Tigray, followed by Amhara (31.1%), Oromia (9%), Harari (5.4%) and Addis Ababa (3.4%). (NBE Annual report 2009/10)

The role of SMEs in the economic growth need not be over-emphasized and their vitality is clear to the health of the economy. Innovation activities observed in Ethiopia SMEs might grouped into two: Improvements to existing product or manufacturing of copied product with minor adjustments of new design copied from abroad or minor modification to production process or technological innovation. Thus, SMEs in Ethiopia their most activities are technological changes based on imitation with minor improvements. Regardless of the above, SMEs engaged in technological innovation are active in trying to adjust to changing demand condition by investing in skills and technology to go in line with change market needs.

### 2.2.3 Marketing and characteristics of SMEs

Marketing is regarded as relevant to both large and small organizations (Hogarth-Scott et al., 1996) and basic marketing principles are seen to apply to both of them (Reynolds 2002, Siu & Kirby, 1998). At the same time it is recognized that small firm marketing has unique characteristics that differentiate it from that of large organizations (Fillis 2002, Gilmore et al. 2001). Small firm marketing has been characterized by attributes such as haphazard, informal, loose, unstructured and spontaneous (Gilmore et al., 2001), that compared to “textbook” marketing seem to have somewhat negative connotations. In addition, small firms appear to have specific weaknesses with regard to pricing, planning, training and forecasting (McCartan-Quinn & Carson ,2003). On the other hand, it is argued that a great part of marketing in SMEs is driven by innovation (O’Dwyer et al.,2009). Moreover, small firms are seen to operate close to their customers, to be flexible and to respond quickly to the changing needs of customers (McCartan-Quinn & Carson,2003). Some SMEs place strong emphasis on customer care, concern for employees’ welfare and reliance on intuition and awareness of the environment in their marketing (Blankson et al. ,2006).

The special characteristics of small firm marketing are considered to result from various limitations. According to the literature, marketing functions in SMEs are seen to be hindered by poor cash flow, lack of marketing expertise, business size, tactical and strategic customer-led problems (O´Dwyer et al.,2009) narrow customer base, over-reliance on the owner-manager’s marketing competency (Stokes 2000b) limited resources relating to finance and time and limited impact in the marketplace (Gilmore et al., 2001). With limited resources added to the day-to-day pressures of the business operations, marketing may seem to be peripheral and an unnecessary luxury in small firms (Hogarth-Scott et al. 1996).

Baumback,(1992) also says characteristically small businesses are those units that are actively managed by its owners, highly personalized, largely local in the area of operation, of relatively small size within the industry and largely dependent on sources of capital to finance its growth. The basic distinguishing factors between small scale and large scale enterprises are as follows:1)The size within the industry is relatively small as compared to large scale enterprises.2) The firm is owned and financed by an individual or a group of individuals. Capital requirements for small scale enterprises are small and usually within the reach of indigenous entrepreneurs.3) Small scale enterprises are either run on household basis and serve local population or cut across states and ethnic boundaries.4) The manager/proprietor handles and supervises the financing, production, marketing and personnel of the enterprises.5)The manager/proprietor may not be able to raise short term capital needs of his business from the organized financial market; instead he relies heavily on personal savings or loans from friends, relations or money lenders.6). The enterprise is generally poorly equipped as the small firm feels reluctant to accept outside help owing to prejudice or fear that information about the enterprise might reach the tax authorities or a nearby competitor.7) The level of the owner/proprietor may be low with consequent of low level of business market analysis.

Another scholar Carson et al., (1995) proposed that SME marketing was in fact entrepreneurial marketing, a distinctive style characterized by a range of factors that included an inherently informal, simple and haphazard approach. This approach is a result of various factors including: small size; business and marketing limitations; the influence of the entrepreneur; and, the lack of formal organizational structures or formal systems of communication with sometimes no systems at all when it comes to marketing. This form of marketing tends to be responsive and reactive to competition and opportunistic in nature (Carson et al., 1995). It also tends to be highly dependent on networking (Gilmore and Carson, 1999; Gilmore et al., 2001; Miller et al., 2007) and the opportunities it provides for the generation of social capital (Bowey and Easton, 2007; Cope et al., 2007; Miller et al., 2007; Shaw, 2006). Networks facilitate the formation and generation of customer contacts where word-of-mouth recommendation is facilitated through use of inter-organizational network relationships and personal contact networks (Gilmore et al., 2001; Hill and Wright, 2001).

### 2.2.4 Distinguishing feature of SMEs from larger firms

The distinction between SMEs and large enterprises (Table 8). Small enterprises are not just the "downsized versions" of larger enterprises; their operation is also based on totally different principles (Barakonyi,2004) cited in (Orosdy,2008). Wynarczyk,(1993) emphasizes greater uncertainty, more innovation, and evolution. This differentiation approaches SMEs from the bottom up. This ascertainment is supported by (Carson and Cromie, 1989) as well, who think that SMEs are not small large enterprises, but rather have unique characteristics which define their way of operation together with their main activities and concerns. SMEs truly have many characteristics which distinguish them from large enterprises. According to McCartan-Quinn and Carson,(2003) the unique nature of SMEs stems from bigger flexibility, better innovation skills, lower fixed costs, less market power, less capital and managerial resources (Motwani, Jiang, Kumar, 1998). SMEs are less able to specialize in their organization, so their managerial functions are generally provided more costly and less effectively (Kállay, 2002).

Hollensen (2011) differentiates large enterprises (LSE: large-scale enterprises) and SMEs. He studies economic actors from several aspects of which the first is the issue of resources. The most typical characteristic of SMEs is the lack of financial and other (e.g. human; Orosdy, (2008) resources McCartan-Quinn and Carson, (2003) which exists due to the limited amount of equity. Owners usually supply their business with only limited amounts of capital which depletes within a short time.

Next is the level of business education and the level of specialist and/or generalist expertise where significant differences can be experienced between the two company size categories. Unlike the managers of large enterprises, one of the characteristics of the leaders of SMEs is their limited formal business education. Traditionally, the owner/manager of an SME is an expert in one technique or profession, and in many cases it is not typical that they have received training in the field of any business discipline. Therefore, specialist expertise is often a compulsion, since SME leaders are usually specialists rather than generalists. It is rarely seen that the owners of SMEs are more extensively involved in sales, distribution, pricing, and product development (Motwani, Jiang, Kumar, 1998) or even marketing strategy.

Planned (and unplanned) strategy results in realized **strategy** (a measurable outcome of the activities of the organization). None of the enterprises create a clearly conscious or intended

strategy. The final strategy will consist of a combination of the two. The planning rate is high in large enterprises. The progression sequence of setting, analyzing, evaluating, selecting, and realizing aims is intended to support the long-term orientation of the organization (Porter, 2008). This enterprise is characterized by an incremental approach which proceeds step-by-step and takes environmental changes into account (Mintzberg and Waters, 1985). In contrast, the **decision-making of SMEs** can be better characterized by **an intuitive and unstructured** nature (Gilmore, Carson, Grant, 2001). The number of possible strategic directions and possible strategic outcomes can be very diverse. Usually it can be observed that there is no planned or co-ordinate increase, which leads to isolated, occasional decisions, and can influence the future development directions of the SMEs. It is thereby confirmed that the strategic orientation of SMEs can be measured with different methods than in the case of large enterprises (Rekettye, 2004; Magyar, 2009).

In the **organizational** sense, there is a so-called *entrepreneur's influence* (Hollensen, 2011) which results in the conformation of SME employees to the personality of their leaders. This foresees that while in large enterprises the organizational structure is more formal and independent from one person, **in the life of SMEs the presence of the owner/manager defines the organizational structure,** too.

**With respect to risk taking,** large enterprises normally have a low risk tolerance, since the decision-making model emphasizes small, incremental changes and primarily takes long-term possibilities into consideration. In the case of SMEs, risk tolerance depends on the circumstances. In a situation where the existence and activity of an SME is threatened by a competitor or there is a lack of information, it is typical that decision-making is carried out in case of higher risk tolerance (Wynarczyk, 1993). Due to the shortness of the communication channel (enterprise and its partners) **SMEs can react faster and be more flexible to consumer enquiries** than large enterprises (McCartan-Quinn and Carson, 2003).

Large enterprises can only take advantage of the benefits stemming from their size if – besides increased production and sales volume – the average unit costs per product become lower after a while thanks to the effect of the experience curve and the increased efficiency in production and marketing. (Besanko et al., 2004; Kopányi, 2008). Larger production can only generate a competitive advantage if it is converted by the enterprise into **economies of scale**. The

advantages of economies of scale are reflected in the decrease in operating costs by product: distributed fixed costs by bigger volumes by means of the effects of the experience curve. In the software market the situation is different: the advantages of large actors deriving from economies of scale are limited there, because the needs of various target groups must be satisfied, which does not favour the conditions of competitive advantage based on large quantities and decreasing unit costs. SMEs usually target small, profitable market segments. In many cases these target groups are so insignificant for larger enterprises that they do not consider them potential target customers. Thus, SMEs can achieve success in **niche markets** but this in exchange does not entail higher market share.

With regard to **economies of scope** (Kopányi, 2008), reusing a resource from one market and/or country in another market and/or country means a twofold decision-making dilemma for firms (Besanko et al., 2004). It requires central co-ordination over the marketing mix elements, or local autonomy in the case of the actual products and services. As many SMEs usually serve only a limited number of foreign markets, their advantages stemming from the economies of scope are also limited.

As SMEs realize that there are connections between their different markets (e.g. international, regional), they coordinate their marketing strategies to take advantage of the economies of scope in research and development, production, or even in the field of marketing.

With regard to the **use of information sources**, large enterprises relying on market reports and/or the information of consultancy firms face SME owners/managers, who often collect and synthesise information and make decisions in an intuitive way. The acquired information is often incomplete and fragmented, and decision-making is in many cases based on intuition (Zoltay, 2010) and guesses.

**Table 2.1 Differences between the SMEs and large enterprises**

| Factors | Large enterprises | SMEs |
|---|---|---|
| Resources | A wide range of resources | **Limited resources** |
| | Resource internalization | **resource externalization (outsourcing)** |
| Creation of strategic/decision-making process | Prudent strategy-making | **Emerging strategy-making** |
| | Increment list decision-making method, every new product is a little innovation for the large enterprise | **Entrepreneur's decision-making model, where every new product is a decisive innovation for the SME** |
| Organization | Formal, hierarchic | **Informal** |
| | Independent from a single person | **Owner/entrepreneur usually has the power to inspire/supervise the whole organization** |
| Risk-taking | Mainly risk-averse | **Risk-averse or risk-taker** |
| | Thinking of long-term possibilities | **Focuses on short-term possibilities** |
| Flexibility | Low | **High** |
| Advantages of economies of scale and economies of scope | Yes | **Limited advantages** |
| Use of information sources | Use of advanced technologies: databases, external consultancy, Internet | **Information collection in an informal way, cheaply: internal sources, face-to-face communication** |
| Marketing philosophy | Often existing market, which the enterprise must adapt to | **In many cases, the market must be created (e.g. niche markets)** |

Source: Own compilation based on (Hollensen ,2011) and (Rugimbana et al,2011).

### 2.2.5 The role of Small and Medium Enterprises in the economy

Proponents of policies and programs to support small firms have long claimed that they are more labor intensive, efficient, equitable in distributing the income that they generate, widely dispersed geographically, and nurturing of entrepreneurs (Nichter & Goldmark, 2005, ; Daniel Agyapong, 2010). Moreover, the micro and small enterprise sector speeds up the competitive strength of a national economy by generating employment opportunities for a lot of the people, adding flexibility and industrial diversification, and making use of resources that may otherwise not be used in the development process (Abeka & Evance, 2011).

The role of the Small and Medium Enterprises (SME) as a catalyst for economic growth and development has been well documented in the economic literature and recognized in most countries. For example, in many of the newly industrialized nations, more than 98 percent of all industrial enterprises belong to the SMEs sector and account for the bulk of the labor force. SMEs enjoy a competitive advantage over large enterprises in servicing dispersed local markets (Sanusi, 2003). SMEs plays a significant role in countries economy through employment creation, income generation, productivity, proper utilization of resources, technology transfer, revenue generation, internal and international trade linkages, and equal distribution of wealth. (Atsu&Ojong, 2014; Maunganidze, 2013; Oni &Daniya, 2012; Jibrilla, 2013; Beyene, 2002; Smallbone& Welter, 2001; Biru, 2014; Abdullahi et al., 2015; Abor&Quartey, 2010).

In Ethiopia, next to the agriculture sector, the SME is the second largest employment-generating sector (Fiona Meehan, 2004). Thus, the government of Ethiopia gave due attention to the growth of SMEs, especially for women, as a means to reduce poverty and employment creation (Rahel & Issac, 2010).

In some developing countries, which have great economic achievement, SMEs by virtue of their size, location, capital investment and their capacity to generate greater employment, have demonstrated their powerful propellant effect for rapid economic growth‖ (ILO, 2003). Small and Medium Enterprises contribution towards promotion of employment for young entrepreneurs and economic development of the country is widely acknowledged. In contrast, there are strong arguments that supporting and subsidizing SMEs will result in inefficiency, discourage competitiveness and become a bottleneck factor for development of SMEs (Berihu, 2014).

The SME sector in Ethiopia is tied up with a number of problems that mitigate its growth and expansion, thereby minimize its vital role in national economic development and improve the women‘s economic empowerment (ILO, 2003).

The private sector in Ethiopia remains underdeveloped, which accounts for less than 50 percent of total employment in the formal urban sector. But at this time the situation seems to be changing and the SMEs sector is playing a vital role in the industrial development of Ethiopia. It is recognized that this sector provides not only employment opportunities, but it is also an effective means of alleviating poverty and reducing income inequality (Biru Ashenafi, 2014).

## 2.2.6 An overview of Marketing Mix & consumer buying behavior

There are a variety of theories in the concept of Marketing mix and consumer buying behavior which are designed in different perspectives. In practice, the following theories are frequently studied and adopted from reputable journals.

### 2.2.7 History and Implementation of Marketing Mix

Borden,(1965) claims to be the first to have used the term “marketing mix” and that it was suggested to him by (Culliton’s,1948) description of a business executive as “mixer of ingredients”. An executive is “a mixer of ingredients, who sometimes follows a recipe as he goes along, sometimes adapts a recipe to the ingredients immediately available, and sometimes experiments with or invents ingredients no one else has tried” (Culliton, 1948).

The early marketing concept in a similar way to the notion of the marketing mix, based on the idea of action parameters presented in 1930s by Stackelberg,(1939). Rasmussen,(1955) then developed what became known as parameter theory. He proposes that the four determinants of competition and sales are price, quality, service and advertising. Mickwitz ,(1959) applies this theory to the Product Life Cycle Concept.

Borden’s original marketing mix had a set of 12 elements namely: product planning; pricing; branding; channels of distribution; personal selling; advertising; promotions; packaging; display; servicing; physical handling; and fact finding and analysis. Frey, (1961) suggests that marketing variables should be divided into two parts: the offering(product, packaging, brand, price and service) and the methods and tools (distribution channels, personal selling, advertising, sales promotion and publicity). On the other hand, Lazer and Kelly, (1962) and Lazer, Culley and Staudt ,(1973) suggested three elements of marketing mix: the goods and services mix, the

distribution mix and the communication mix. McCarthy, (1964) refined Borden's, (1965) idea further and defined the marketing mix as a combination of all of the factors at a marketing manger's command to satisfy the target market. He regrouped Borden's 12 elements to four elements or 4Ps, namely product, price, promotion and place at a marketing manger's command to satisfy the target market.

Especially in 1980s onward, number of researchers proposes new 'P' into the marketing mix. Judd,(1987) proposes a fifth P (people). Booms and Bitner, (1980) add 3 Ps (participants, physical evidence and process) to the original 4 Ps to apply the marketing mix concept to service. Kotler, (1986) adds political power and public opinion formation to the Ps concept. Baumgartner, (1991) suggests the concept of 15 Ps. MaGrath ,(1986) suggests the addition of 3 Ps (personnel, physical facilities and process management). Vignalis and Davis ,(1994) suggests the addition of S (service) to the marketing mix. Goldsmith ,(1999) suggests that there should be 8 Ps (product, price, place, promotion, participants, physical evidence, process and personalization).

## 2.2.8 The concept of marketing mix

Marketing mix means the product, distribution, promotion and pricing strategies to produce and carry out exchanges and achieve the target markets. "Marketing mix - interrelated actions and solutions to meet consumer needs and to achieve the company's marketing goals, a whole" (Sereikienė-Abromaitytė 2013). "Marketing mix - a set of relevant factors and solutions that enable customers to meet the (national) needs and achieve the goals set by the company (Pruskus 2015). According to Singh,(2016) marketing is a complex range of marketing mix solution variables used in the company seeking to sell their goods and services.

The marketing mix concept was suggested by McCarthy in (1960), which were called the 4Ps of marketing: Product, price, place and promotion. Marketing mix is an important tool for the marketing of any product. It is the delivery vehicle through which strategy is actualized. Using available information and expertise, managers customize the marketing mix in relation to given target markets by making decisions concerning (1) product, (2) place (channels), (3) promotion, and (4) pricing (Fuller,1999).

Similarly, according to Goi, (2009) marketing mix is originating from the single P (price) of microeconomic theory (Chong, 2003). McCarthy, (1964) offered the "marketing mix", often referred to as the "4Ps", as a means of translating marketing planning into practice (Bennett,

1997). Marketing mix is not a scientific theory, but merely a conceptual framework that identifies the principal decision making managers make in configuring their offerings to suit consumers' needs. The tools can be used to develop both long-term strategies and short-term tactical programs (Palmer, 2004)

There are different scholars tried to review marketing mix in different perspective for example Riaz (2011) defined Marketing mix is a set of controllable marketing tools that a company uses to create a desired response in the targeted market. (Set of these tools is generally referred to as 4P's of Marketing, being Product, Price, Promotion and Place.

Rad and Akbari, (2014) describe Marketing mix is a controllable part of marketing tools that affects the demand and increases it (Jonathan Ivy, 2008). By the compound, mix, or a combination, it is meant that the four p's (product, price, promotion, and place) should have an established and coordinated systematic approach in order to have effective influence on persuading the customers. In other words, the right product at affordable prices is accompanied by better distribution and use of appropriate communication techniques and they act together in costumers' views.

As clearly stated as Singh, (2012) Marketing mix is the combination of different marketing decision variables being used by the firm to market its goods and services. After identifying the market and gathering the basic information about it, the next step is the direction of market programming, is to decide upon the instruments and the strategy to meet the needs of the customers and the challenge of the competitors. It offers an optimum combination of all marketing ingredients so that companies can realize goals for example profit, sales volume, market share, return on investment etc. The marketing mix is grouped under four elements i.e., Product, Price, Place, Promotion.

Therefore, while satisfying the needs of consumers, the company makes decisions related to the product, its price, distribution / place and promotion, and the four of the group is considered to be the key marketing mix elements also called - "4P" marketing mix (Gronholm, 2012).

### 2.2.9 Use of the marketing mix concept

As stated by (Mei, 2011) like many other concepts, marketing mix concept seems relatively simple, once it has been expressed. Before they were ever tagged with the nomenclature of "concept," the ideas involved were widely understood among marketers as a result of the growing knowledge about marketing and marketing procedures that came during the preceding

half century. But once the ideas were reduced to a formal statement with an accompanying visual presentation, the concept of the mix has proved to be a helpful device in teaching, in business problem solving, and, generally, as an aid to thinking about marketing. First of all, it is helpful in giving an answer to the question often raised: "what is marketing?" A chart which shows the elements of the mix and the forces that bear on the mix helps to bring understanding of what marketing is. It helps to explain why in our dynamic world the thinking of management in all its functional areas must be oriented to the market.

Mei,(2011) also expressed as, in problem solving the marketing mix chart is a constant reminders such as firstly, the fact that a problem seems to lie in one segment of the mix must be deliberated with constant thought regarding the effect of any change in that sector on other areas of marketing operations. The necessity of integration in marketing thinking is ever present and secondly, the need to study carefully the market forces as they might bear on problems in hand. In short, the mix chart provides an ever ready checklist as to which areas to think when considering marketing questions or dealing with marketing problems.

### 2.2.10 Critique on Marketing Mix

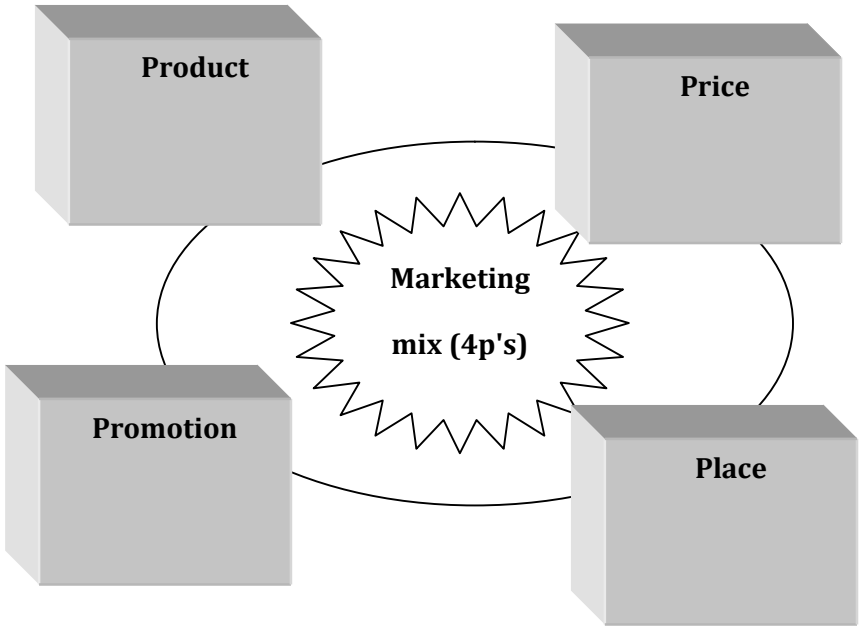
4Ps delimits four distinct, well-defined and independent management processes. Despite the consistent effort by many physical businesses to deal with the 4P in an integrated manner, the drafting but mainly the implementation of the Policies remains largely the task of various departments and persons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

The introductory marketing texts suggest that all parts of the marketing mix (4Ps) are equally important, since a deficiency in any one can mean failure (Kellerman, Gordon and Hekmat, 1995). Number of studies of industrial marketers and purchasers indicated that the marketing mix

components differ significantly in importance (Jackson, Burdick and Keith, 1985). Two surveys focused on determination of key marketing policies and procedures common to successful manufacturing firms (Jackson, Burdick and Keith, 1985). Udell, (1964) determined that these key policies and procedures included those related to product efforts and sales efforts. This followed in order by promotion, price, and place. In a replication of this survey, Robicheaux ,(1976) found that key marketing policies had changed significantly. Pricing was considered the most important marketing activity in (Robicheaux's,1976) survey, although it ranked only sixth in Udell's, (1964) survey. Udell ,(1968) found that sales efforts were rated as most important, followed by product efforts, pricing, and distribution. LaLonde, (1977) found product related criteria to be most important, followed by distribution, price, and promotion. Perreault and Russ ,(1976) found that product quality was considered most important, followed by distribution service and price. McDaniel and Hise, (1984) found that chief executive officers judge two of the 4 Ps, pricing and product to be somewhat more important than the other two – place (physical distribution) and promotion. Kurtz and Boone ,(1987) found that on the average, business persons ranked the 4 Ps to be of most importance in the following order: price, product, distribution, and promotion. Thus, it appears from these studies that business executives do not really view the 4 Ps as being equally important, but consider the price and product components to be the most important (Kellerman, Gordon and Hekmat, 1995).

The concept of 4Ps has been criticized as being a production-oriented definition of marketing, and not a customer-oriented (Popovic, 2006). It's referred to as a marketing management perspective. Lauterborn,(1990) claims that each of these variables should also be seen from a consumer's perspective. This transformation is accomplished by Converting product into customer solution, price into cost to the customer, place into convenience, and promotion into communication, or the 4C's.

## Figure 2.1 Marketing mix model




Source: -Adapted from( Vrontis, Thrassou et al., 2009)

### 2.2.11 The concept of consumer buying behavior

In this sub section details of consumers buying behavior are summarized by referring to different literatures. There are large bodies of literatures, which have analyzed and reported about consumers buying behavior. The American Marketing Association has defined consumer behavior as, "the dynamic interaction of affect and cognition, behavior and the environment by which human beings conduct the exchange aspects of their lives." (Peter,1995) expressed consumer behavior as, "…the actions and decision processes of people who purchase goods and services for personal consumption."

Studies have shown that a lot of elements can affect consumer behavior, whether to purchase or not to purchase a particular product or service. Most of life's routine actions are dominated by product buying behavior and practices with places such as shopping centers, malls, entertainment parks, sightseeing centers and so on (Blythe and Jim, 1997). According to (Morris et al,1998) consumer behavior has two aspects: the final purchase activity which is visible to us and the decision process which may involve the interaction of a number of complex variables not visible

to us. As a matter of fact, purchase behavior is the end result of a long process of consumer decision-making (Duffy et al., 2005).

For a variety of reasons, the study of consumer behavior has developed as an important and separate branch in marketing discipline. Scholars of marketing had remarked that consumers did not always behave as suggested by economic theory (Engel et al, 1986).The size of the consumer market in all the developed and rapidly developing economies of the world is getting broad (Gabbottet al.,1998). A huge population of consumers was spending large sums of money on goods and services. Besides these, consumer preferences were shifting and becoming highly diversified. Even in the case of industrial markets, where the need for goods and services is generally more homogenous, buyers‟ preferences were becoming diversified and they too were exhibiting less predictable purchase behavior ( Ajzen and Icek ,2005).

According to Zaltman,(2003) marketing researchers involved in studying the buying behavior of consumers soon appreciated the fact that though there were many similarities, consumers were not all alike. There were those who used products currently in style while many consumers did not like using “me too” types of products and showed a preference for highly differentiated products that they felt met their special needs and reflected their personalities and lifestyles. These findings led to the development of the market segmentation concept, which required dividing the total heterogeneous but potential market into relatively smaller homogenous groups or segments for which they could design a particular marketing mix. They also used positioning techniques and developed promotional programs to vary the image of their products, so that they were perceived as a better way to satisfying the specific needs of certain segments of consumers (Bearden, 1999).

### 2.2.12 The effects of marketing Mix on consumer Buying Behavior

In this sub section the researcher reviewed the effects of marketing Mix and consumer Buying Behavior by raising the feature of consumer buying behavior like customer loyalty. The aim of the marketing mix is to identify the needs of the people and met a way that pleases them and then work to keep them for a lifetime of loyalty to the institution (Mohammed Abdel-Rahman Ibomendel, 2008). Marketing, more than any other business function, deals with customers. Perhaps the simplest definition is this one: Marketing is managing profitable customer relationships. The twofold goal of marketing is to attract new customers by promising superior value and keep and grow current customers by delivering satisfaction (Kotler, 2011). (Mohammed Ibomendel, 2008) believes that telecommunication Companies must focus their attention to the overall marketing mix elements in order to lead to better customer loyalty.

Moreover, the Mohammed Abdel-Rahman Ibomendel, (2008) examined actual practices of marketing mix and their impact on customer loyalty at the Palestine Telecommunication Company (Paltel) and this research showed that there is a significant impact of the instruments that form the marketing mix (specifically, product/service, pricing, promotion, and placing/distribution) on customer loyalty.

Another study examined the elements of marketing mix in relation to brand loyalty in the drug prescription industry (Muthu Kumar, 2009) and the findings show that better product attributes and sales promotion lead to high brand loyalty. Similarly,(Kwon,2011) explored the relationship between marketing mix and customer retention for herbal coffee in Malaysia and showcased similar results regarding the importance of the product attributes and promotional activities on customer retention. Interestingly, (Kwon, 2011)'s analysis did not present a reliable and significant relationship between price or place and customer retention. Moreover, there is also evidence of a strong, positive influence of the marketing mix elements and customer satisfaction on customer loyalty, particularly in terms of customer recommendations (KhooKhayHool, 2012).

## 2.3 Empirical Review

Different researchers have conducted some related studies in different parts of the world; however there are limited numbers of studies conducted in Ethiopia concerning the effects marketing mix on the consumer buying behavior. Here below some of the researches which have been conducted in Ethiopia & in other countries are reviewed the critical problems of SMEs and the researcher would see the outcome on the consumer buying behavior.

According to the study of (Mulugeta,2011) the critical problems of SMEs has recognized and classified in to market-related problems, which are caused by poor market linkage and poor marketing mix efforts; institution-related problems including bureaucratic bottlenecks, weak institutional capacity, lack of awareness, failure to abide policies, regulations, rules, directives, absence of training to executives, and poor monitoring and follow-up; operator-related shortcomings like developing a dependency tradition, extravagant and wasting behavior, and lack of vision and commitment from the side of the operators; MSE-related challenges including lack of selling place, weak accounting and record keeping, lack of experience sharing, and lack of cooperation within and among the SMEs and finally society-related problems such as its distorted attitude about the operators themselves and their products.

### 2.3.1 The effect of product on customers' buying behavior

Product influences have a significant impact on business performance (Gbolagade, et al, 2013). However, in all circumstances a product's quality should be consistent with other elements of the marketing mix. For example a premium based pricing strategy will require a quality product possibly branded to support the price change. Consumers buy products frequently, with careful planning, and by comparing brands based on price, quality and style. kotler, (2003) sees a product as about quality, design, features, brand name and sizes which influences purchase. Mustapha, (2013) also assert that product is the physical appearance of the product, packaging, and labeling information, which can influence behavior whether consumers notice a product in-store, examine it, and/or purchases it. Prior researchers have clearly suggested that product influences have a significant impact on business performance (Owomoyela et al. 2013).

The quality of the product you produce, that will lead to a successful outcome in the long run for every in the world. In business there are five most important dimensions which make a successful business and these are service quality, tangible, reliability, responsiveness assurance and identification (Azadavar, Shahbazi & Teimouri, 2011).

Also Satya,(2011) found that it is compulsory for the firms to maintain their quality because people are more conscious of quality than price. Most of the Asian country consumers would want to have European or American product to have better quality, so they always consider the "MADE IN" in their buying behavior (Abedniya, 2011). The assessment of consumer on a product based on quality is very essential characteristic in purchasing processes and consumers are conscious of quality difference of all products (Nugroho & Wihandoyo, 2009). Tsiotsou ,(2006) found a positive direct effect of perceived quality on purchase intentions. The literature suggests that there is a significant role of product quality in buying behavior but it may vary from culture to culture.

As stated by EBDSN, (2004) the marketing problems faced by SME in Ethiopia are as follows ; the prevalence of lack of product diversity, the prevalence of similar product ,lack the skill to modify their products and there is also lack of sufficient range of product designs such as handicraft products, pottery, furniture, metal products, kitchenware etc. And other product related problems that hinder consumer buying behaviors negatively.

**H1. Product has a positive and significant effect on consumer buying behavior of Small and Medium Enterprises (SMEs) in Addis Ababa.**

## 2.3.2 The effect of Price on customers' buying behavior

The price includes a fair assessment of the product, e.g., a good price for a good product (Ehmke, Fulton, Lusk 2016). Kotler and Armstrong, the price is defined as the amount of money to pay for a product or service, or the value of the exchange help customers receive a product or service for a certain amount. "Thus, the direct cost of the period is the amount of money the buyer has to pay for the product or service that is likely to buy it."The price may also be defined as a monetary expression of value for the consumer agrees to pay" (Entrepreneurship Academy, 2012). The price is the amount that the consumer must pay, that would involve exchanges, so the price of the product depends on the different elements of change. The price is the only marketing element, on which income and all other elements are related to the cost. Thus, price is one of the factors affecting the consumer, because it helps him to understand the value of the product. Also, the price can be specified as an actual or valuable, giving value, and the price of companies to identify their products or services in the role as the regulation of its marketability (Owomoyela, Olasunkanmi, Oyeniyi, 2013).

Singh,(2016) highlights that a very important factor in determining prices is influenced by the cost of the product, marketing strategy and costs associated with the distribution, advertising costs or price changes in the nature of the market.

Most SME have lack of cost knowledge, manufacturers don't correctly know how much raw materials and accessories are required to make one unit of a product, overhead cost are mostly not calculated as expense .As a result of this, they can't set the exact price for a single items and sell at break-even or below cost or over cost and this affect consumers cease from buying products from SME EBDSN,(2004) .Based on the above empirical proof it's possible to hypothesize that:-

**H2. Price has a positive and significant effect on consumer buying behavior of Small and Medium Enterprises (SMEs) in Addis Ababa.**

## 2.3.3 The effect of Place on customers' buying behavior

Kotler and Armstrong,(2006) defined place or distribution as a set of interdependent organizations involved in the process of making a product available for use or consumption by consumers. Jones, (2007) defined place as any way that the customer can obtain a product or receive a service (Owomoyela and Oyeniyi, 2013).

According to EBDSN 2004 disclose that SME that work in 'gulit' areas do their business on the sidewalk or by the roadside. The majority of them sell products such as tomatoes, onions, seeds, 'enjera', 'teff', and pottery products. Traders in this category face problems such as: textile products being exposed to too much dust; pottery products are exposed to high risk of breakage; as the result of poor environmental hygiene, food items get spoiled; there are limited market outlets for some products; as a result consumers refrain from buying products from SMEs. As a result it's possible to hypothesize:

**H3. Place has a positive and significant effect on consumer buying behavior of Small and Medium Enterprises (SMEs) in Addis Ababa.**

### 2.3.3 The effect of Promotion on customers' buying behavior

It is all the communication tools that can deliver the message to the intended audience. Basically Promotion is set of activities to inform, persuade and influence that completely linked (Roosta& et al, 2007). Zeithaml et al., (1995) described promotion as part of a specific effort to encourage customers to tell others about their services (Owomoyela and Oyeniyi, 2013). According to EBDSN,( 2004) many SMEs plan on promoting their products; however, their budget is mostly tight. Even though some enterprises understand that issuing flyers, posters and business cards have promotional values, they refrain from undertaking such promotional activities to use the money for other urgent matters. Because of this, many SMEs can't be undertaking to communicate and promote its products to their customers; as a result the consumers can't consider and taking in to accounts SME's products when purchase products. Based on the above empirical proof it's possible to hypothesize that:

**H4. Promotion has a positive and significant effect on consumer buying behavior of Small and Medium Enterprises (SMEs) in Addis Ababa.**

## 2.4. Conceptual Framework

According to Mugenda and Mugenda, (2003) conceptual framework is a diagrammatic presentation of the relationship between dependent and independent variables. In this study, the dependent variable is Consumer Buying Behavior while independent variables are Product, Price, Place and Promotion as presented in figure 2.2.Therefore, based on the reviewing empirical literatures and the findings of previous researchers, the following conceptual framework (Research model) was developing.

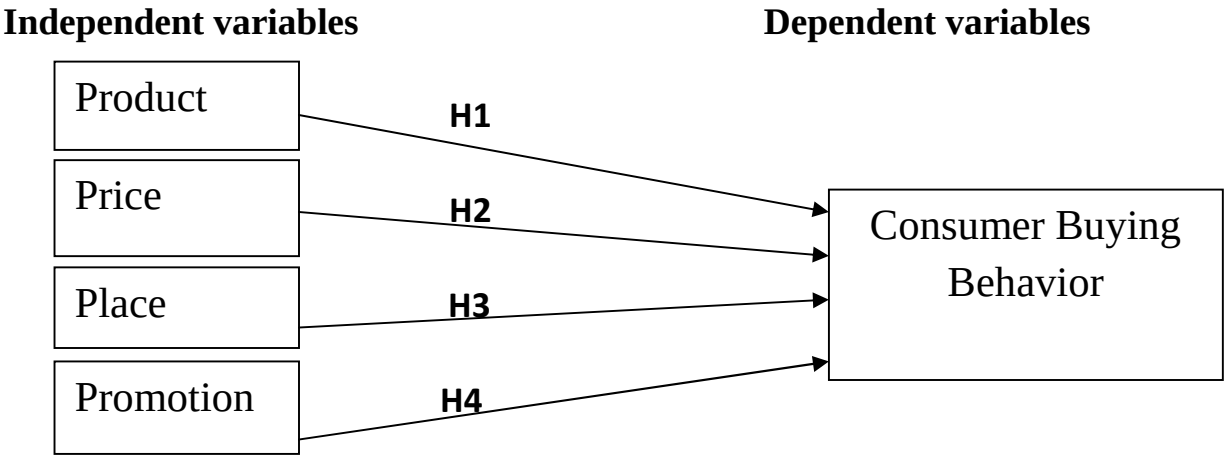
**H1**. Product has a positive and significant effect on consumer buying behavior of (SMEs) in Addis Ababa.

**H2**. Price has a positive and significant effect on consumer buying behavior of (SMEs) in Addis Ababa.

**H3**. Place has a positive and significant effect on consumer buying behavior of (SMEs) in Addis Ababa.

**H4**. Promotion has a positive and significant effect on consumer buying behavior of (SMEs) in Addis Ababa.

**Figure 2.2 Conceptual Framework**




**The diagram represent the relationship b/n marketing mix and Consumer Buying Behavior**

Source: - Adopted from (Gronholm, 2012)

N.B. The above diagram of conceptual framework describes how component of marketing mix variables had the effect on consumer buying behavior.

# CHAPTER THREE

## 3. RESEARCH DESIGN AND METHODOLOGY

This chapter explains in detail about the methodologies that were used to achieve the objectives of the study. Research approach and design, variables of the study, population and sampling techniques and data analysis techniques were also briefly discussed. Furthermore reliability and Validity tests of the research and ethical consideration were also take in.

### 3.1. Research Approach

The researcher used quantitative research by organized questionnaire for the selecting respondents. Adams, et al., (2007) stated that quantitative research method is defined as numeric collection of data that analyze using different types of statistical tools and largely independent of the researcher ideas. In this studies review of basic statistical outputs are summaries through descriptive frequency, numerical measures and tables are assessed.

This method would provide the effect of marketing mix on consumer buying behavior the case of selected small and medium enterprise in Addis Ababa sub cities like Lideta ,Kolfe keraniyo and Arada administration. It also provides the researcher by examining the four relevant marketing mix elements that is product, price, sales and promotion and also attempted to show their effect on consumer buying behavior.

The main reason to select this method is that it is the easiest to get information from large number of sample and also go with the objective of the study that is examining the effect of independent variables of marketing mix features on the dependent variable that is consumer buying behavior. Deductive approach was also used to test the hypothesis after reviewed journals and other studies.

### 3.2. Research Design

As clearly classified by Saunders, Lewis and Thornhill, (2000) research design as exploratory, descriptive and explanatory. Exploratory research approach has a primary objective to insight into and understanding of the problem situation tackling the research and descriptive research approach as a type of research that has a purpose to describe something.

In this study the researcher were used explanatory research design to examine the relationship between independent variable that is marketing mix features and dependent variable that is

consumer buying behavior. Cross sectional method also use for gathering data from a population or a representative subset, at one specific point in time.

## 3.3. Variables of the study

This study has both dependent and independent variables. There is one dependent variable that is consumer buying behavior and four independent variables of marketing mix features that are product, price, sales and promotion.

## 3.4. Sampling design

According to Sarantakos, (1997) a sample design is the framework, or road map, that serves as the basis for the selection of a survey sample and affects many other important aspects of a survey as well. One must define sampling frame that represents the population of interest, from which a sample is to be drawn.

### 3.4.1. Target Population

The general populations of the study were customers of Small and Medium Enterprises (SMEs) in Addis Ababa found in Lideta,Kolfe-Keraniyo and Arada sub cities.

### 3.4.2 Sampling technique

Sampling technique enables the researcher to study a relatively small number of units in place of the target population, and to obtain data that are representative of the whole target population (Sarantakos, 1997).

The study used probability sampling techniques which are stratified sampling to select the number of participants from each population of the SME in order to minimize sample selection bias and ensuring certain segments of the population that are not overrepresened or underrepresented. The main reason to adopt this sampling technique is that stratification ensures to have adequate numbers of participants from each stratum so that they can examine differences in responses among the various strata (Leary, 2012). The researcher also used disproportionate stratified sampling technique to select representatives as per the total population by using the formula developed by Krejcie and Morgan (1970).

### 3.4.3. Sample size

The sample size for this study was determined by using the formula developed by Krejcie and Morgan (1970) as follow:-

$$n_0 = \frac{Z^2 pq}{e^2} = \frac{(1.96)^2 (.5)(.5)}{(0.05)^2} = 384$$

Where

no = Sample size

e = Acceptable error

p = the estimated proportion (standard deviation) of an attribute that is present in the population, and q is 1-p.

$Z^2$ = the abscissa of the normal curve that cuts off an area α at the tails (1 - α equals the desired confidence level, i.e. 95%)

The above sample size is the representative sample proportion at 95% confidence level and 5% precision when the population is large and unknown. With proportionate stratification, the sample size of each stratum is proportionate to the population size of the stratum. Strata sample sizes are determined by the following equation:

$n_h = n^* ( N_h / N )$

Where nh is the sample size for stratum h, Nh is the population size for stratum h, N is total population size, and n is total sample size.

### 3.4.4. Sampling procedure

The study used stratified sampling technique and divide the total population in three (strata groups) and the number of units that would be select for each stratum. (i.e., the number of customers select) were vary in number. The population in the study incorporated from ten sub cities found in Addis by selecting three sub cities who have slightly good SMEs marketing activities found in Lideta sub city (148), Kolfe keraniyo sub city (72) and Arada sub city (164) customers were selected.

## 3.5. Sources of Data

The sources of data are both primary and secondary.

### 3.5.1. Primary sources

The primary data were gather from consumers of Lideta, Kolfe keraniyo and Arada sub cities SMEs in Addis Ababa by using questionnaire in order to gathering information from respondents because questionnaire is the easiest method to analyze scientifically than other forms of research techniques.

### 3.5.2. Secondary sources

Secondary sources of data were collected from different journals, articles, and websites, working manuals, MSE's laws and regulations of the federal and regional government, books and other research studies. Other sources that have analysis of files from the Ethiopian Federal SME industries development Agency.

## 3.6. Data Collection Instrument

This study collected data through close-ended questionnaire. The questionnaires were primarily consists of two parts: Section one deals with the demographic profile of the respondent and Section two is concerned with those factors/ components of Marketing Mix and aggregate features of consumer buying behavior.

Basically, the instrument was developed based on the objectives of the study and research questions. Each item were assessed on a five point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree). A measure for price and product has ten items that were adopted from (Piterson, 2009) and (Orth,2005). Promotion has six items which were adopted from (Yoo et al, 2000). Finally the items for place/distribution were adopted from (Dibb et al, 2006)

## 3.7. Data Analysis Techniques

Method of data entry were statistical package for social science version 24 (SPSS) and the analysis method also descriptive and inferential statistics. The reasons of selecting descriptive analysis are that its simplicity to summarize the data by using mean and standard deviation. Relationship between independent variable that is Marketing Mix and dependent variable that is Consumer Buying Behavior will analyze using correlation. Regression analyses were also applied to predict the values of significance of the variables of the respondent.

## 3.8. Reliability and Validity

According to Marczyk et al., (2005) reliability refers to the consistency or dependability of a measurement technique, and it is concerned with the consistency or stability of the score obtained from a measure or assessment over time and across settings or conditions. If the measurement is reliable, then there is less chance that the obtained score is due to random factors and measurement error. Accordingly, reliability is usually expressed as a correlation coefficient, which is a statistical analysis that tells us something about the relationship between two sets of scores or variables

(Marczyk et al., 2005).So, to increase the reliability and to minimize the measurement error, the researcher adopting a standardized questionnaire in a consistent manner across all of the participants to take part in the study. To guarantee the face validity, pilot study was conducted by forwarded 30 questioners that helped the researcher to omit and simplify some jargon terms. Ideally, Chronbach Alpha was expecting over 0.70 to produce a reliable scale (Marczyk et al., 2005).

## 3.9. Ethical Considerations

The ethical considerations that the study applying is voluntary participation and harmlessness is that the respondents were fully informed about the procedures and risks involved in research and can easily withdraw from participation. Informed consent is that the respondents have full information about the study. Confidentiality and the researcher avoid bias and incorrect report.

# CHAPTER FOUR

# 4. DATA PRESENTATION, ANALYSIS AND DISCUSSION

This chapter discussed the findings of the studies in accordance to the ultimate research objectives. Hence statistical testing of hypothesis and interpretation of the result were made by using SPSS version 24 software. Moreover, as stated in the previous part questionnaire were designed and distributed to the customers of Lideta ,Kolfe keraniyo and Arada sub city Small and medium Enterprises in Addis Ababa, and analyzed as follow:-

## 4.1. Response Rate

The proposed sample size were 384 but in order to enhance the response rate; total number of questionnaires distributed are 400 out of this 372 questionnaires were returned which yielding 93 percent response rate.

## 4.2. Descriptive Statistics

**Table 4.1 Summary of Demographic Variables**

| | Variables | Frequency | Percentage | Cumulative percentage |
|---|---|---|---|---|
| **Gender profile** | Male | 175 | 47.0 | 47.0 |
| | Female | 197 | 53.0 | 53.0 |
| | **Total** | **372** | **100** | **100** |
| **Age group** | 18-29 | 197 | 53 | 53 |
| | 30-49 | 153 | 41.1 | 41.1 |
| | 50-69 | 22 | 5.9 | 5.9 |
| | above 70 | 0 | 0 | 0 |
| | **Total** | **372** | **100** | **100** |
| **Educational level** | High school & above | 98 | 26.3 | 26.3 |
| | Diploma | 100 | 26.9 | 26.9 |
| | Degree | 172 | 46.2 | 46.2 |
| | Masters | 0 | 0 | 0 |
| | Other specify | 2 | 0.5 | 0.5 |
| | **Total** | **372** | **100** | **100** |
| **Working condition** | Student | 75 | 20.2 | 20.2 |
| | employee | 212 | 57 | 57 |
| | Self-employed | 85 | 22.8 | 22.8 |

| | | | | |
|---|---|---|---|---|
| | **Total** | **372** | **100** | **100** |
| **Time of customer of SME** | Below 5 Years | 131 | 35.2 | 35.2 |
| | 5-10 Years | 153 | 41.1 | 22.6 |
| | 10-15 Years | 0 | 0 | 0 |
| | Above 15 years | 88 | 23.7 | 23.7 |
| | Total | **372** | **100** | **100** |

Source: - Study survey (2019)

The above tables summarize the demographic profile of the respondents. They are classified according to their gender, age group, and educational qualification, working status and time for which how long have you been customer of small and medium enterprises are reported through descriptive statistics. Accordingly gender distribution tells about majority 53 % respondents were female while 53 % of customers are between the ages of 18-29 years. In addition to this most of 57% respondents are employee.

**Table 4.2 Summary of Reliability Test of the study**

| S/N | Variables | No. of item | Cronbach's alpha value |
|---|---|---|---|
| **1** | **Product** | 7 | .747 |
| **2** | **Price** | 6 | .710 |
| **3** | **Place** | 3 | .737 |
| **4** | **Promotion** | 5 | .756 |
| **5** | **Consumer buying behavior** | 4 | .756 |
| Overall reliability | | | .837 |

Table 4.2, Shows the Cronbach's alpha reliability statistics value of the scale for each predictor and outcome variables. Accordingly all variables results above suggested threshold of reliability test of > 0.7 which is statistically significant and the data are reliable.

## 4.3 Correlation Analysis

### 4.3.1 Correlation between Product, Price, Place, Promotion and Consumer buying behavior

In this section, the researcher tried to accomplish the goal of the study through applying Pearson's correlation as it is the most widely used method of measuring the degree of relationship between the variables.

**Table 4.3 Correlation analysis**

| | | Product Average | Price Average | Place Average | Promotion Average | Consumer Buying Behavior Average |
|---|---|---|---|---|---|---|
| Product Average | Pearson Correlation | 1 | .818** | .392** | .695** | .696** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 |
| | N | 372 | 372 | 372 | 372 | 372 |
| Price Average | Pearson Correlation | .818** | 1 | .588** | .492** | .536** |
| | Sig. (2-tailed) | .000 | | .000 | .000 | .000 |
| | N | 372 | 372 | 372 | 372 | 372 |
| Place Average | Pearson Correlation | .392** | .588** | 1 | .252** | .360** |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 |
| | N | 372 | 372 | 372 | 372 | 372 |
| Promotion Average | Pearson Correlation | .695** | .492** | .252** | 1 | .764** |
| | Sig. (2-tailed) | .000 | .000 | .000 | | .000 |
| | N | 372 | 372 | 372 | 372 | 372 |
| Consumer Buying Behavior Average | Pearson Correlation | .696** | .536** | .360** | .764** | 1 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **Sig. (2-tailed)** | **.000** | **.000** | **.000** | **.000** | |
| | **N** | **372** | **372** | **372** | **372** | **372** |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | | | | |

Table 5. Shows the Pearson correlation result with its significant level. When we see the correlation of product, price, place, promotion with consumer buying behavior they have a substantial Pearson correlation of r=0.696, r=0.536, r=0.360, r=0.764 and r=0.818. From this result we can conclude that the independent variables and dependent variables are significantly correlated.

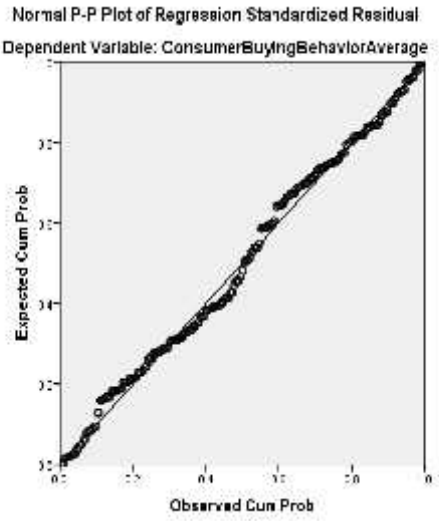
## 4.4. Multiple Regression Analysis

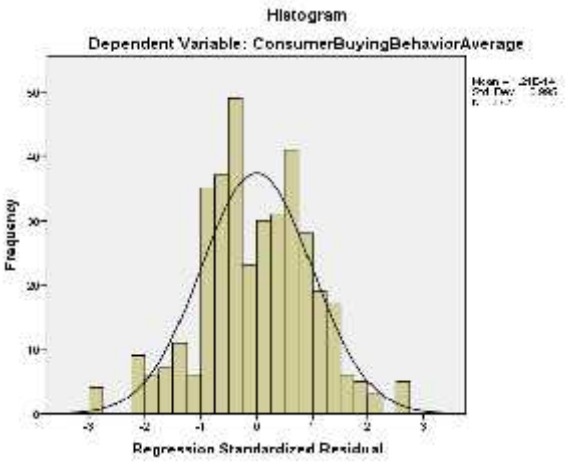
### 4.4.1. Straightforward Assumptions for Multiple Regression Analysis

There are several assumptions that are required to provide valid results in regression. Before running the analysis, let's test some of the basic assumption of multiple liner regression which commonly forwarded as follow:-

**Figure 4. 3 Linear regression**

**Assumption 1.** The relationship between the predictors and the outcome variable should be linear



An example of model equation that is linear in parameters :

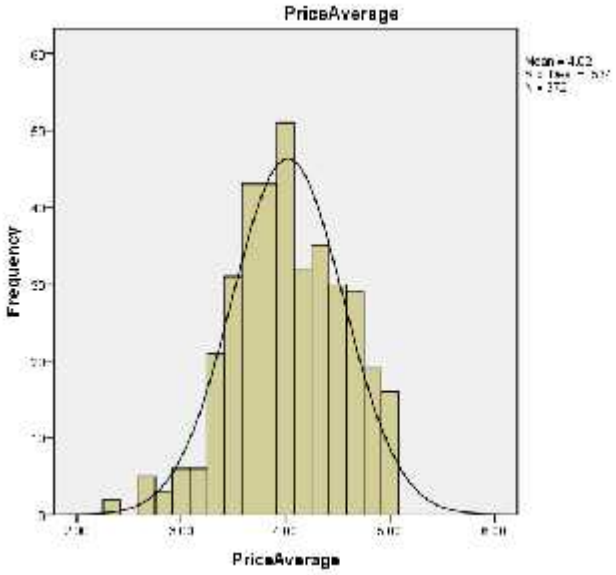
$Y = a + (\beta 1 * X1) + (\beta 2 * X22)$

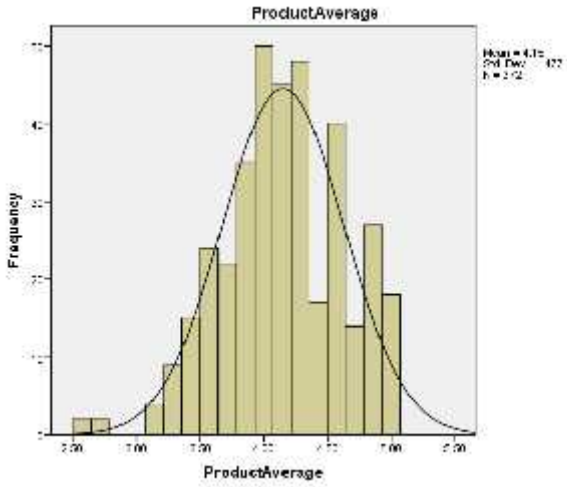
As we can see from the above figure there is linearity and all residual is close to the line that suggests assumption of linearity are met. Though, the $X_2$ is raised to power 2, the equation is still linear in beta parameters. So the assumption is satisfied in this case.

**Assumption 2**. The errors should be normally distributed technically normality is necessary only for the t-tests to be valid, estimation of the coefficients (errors are identically and independently distributed.

**Table 4.4 Normality Test with Skewness with Kurtosis**

| | | Product Average | Price Average | Place Average | Promotion Average | Consumer Buying Behavior Average |
|---|---|---|---|---|---|---|
| N | Valid | 372 | 372 | 372 | 372 | 372 |
| | Missing | 8 | 8 | 8 | 8 | 8 |
| Skewness | | -.259 | -.231 | -.841 | -.628 | -.509 |
| Std. Error of Skewness | | .126 | .126 | .126 | .126 | .126 |
| Kurtosis | | -.008 | -.124 | 1.075 | .005 | -.307 |
| Std. Error of Kurtosis | | .252 | .252 | .252 | .252 | .252 |



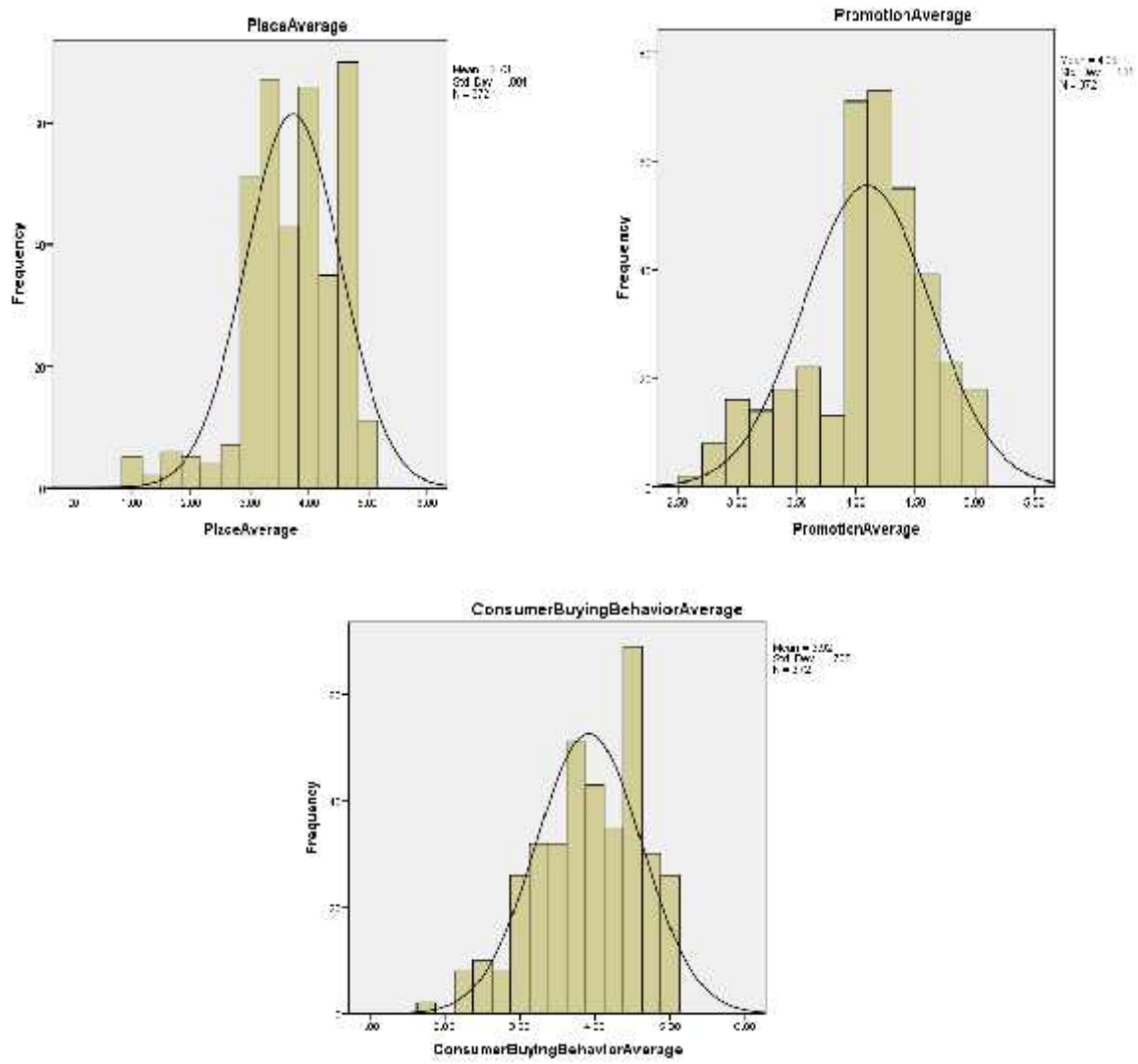



**Figure 4. 4 Normality Test with Skewness with Kurtosis**

The above histograms exhibit the parameter of testing the normal distribution of the data through kurtosis and Skewness where, kurtosis is a measure shape of the curve that how pick or flat our distribution and the suggested standard error should not exceed 0.3 and in our case the kurtosis value is not the problem which result 0.252. On the other hand skewness measure symmetry of distribution hence in perfect spreading skewness coefficient will be equal to zero. And negative values with less than negative one means that we have skewed data. Accordingly the absolute value of average Product, Price, Place, Promotion and consumer buying behavior skewness, is -259,-231,-841,-628 and -509 respectively implies the distribution is moderately skewed.

**Assumption 3**. There should not been Multicollinearity or no perfect correlation between independent variables.

**Table 4.5 Checking for multi Collinearity**

| Collinearity Diagnostics[a] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Variance Proportions | | | | |
| Model | Dimension | Eigen value | Condition Index | (Constant) | Product Average | Price Average | Place Average | Promotion Average |
| 1 | 1 | 4.952 | 1.000 | .00 | .00 | .00 | .00 | .00 |
| | 2 | .030 | 12.920 | .03 | .00 | .00 | .70 | .04 |
| | 3 | .009 | 23.450 | .94 | .03 | .05 | .02 | .08 |
| | 4 | .007 | 25.735 | .01 | .02 | .20 | .17 | .58 |
| | 5 | .002 | 53.233 | .02 | .95 | .75 | .12 | .30 |

a. Dependent Variable: Consumer Buying Behavior Average

If we look at the collinearity diagnostics this can help us to check weather all variables are highly or perfectly correlated or not and if they are, it violating the rules and we have to take corrective measure. In our case the high values in variance proportions for independent variables indicate 0.95, 0.75, 0.70 and 0.58 in different dimension while the rest value showed very low. Therefore we can be satisfied that we don't have any multi Collinearity or singularity.

**Table 4. 6 Coefficients**

| Model | | Collinearity Statistics | |
|---|---|---|---|
| | | Tolerance | VIF |
| 1 | Product average | .210 | 4.767 |
| | Price average | .237 | 4.215 |
| | Place average | .627 | 1.595 |
| | Promotion average | .497 | 2.013 |

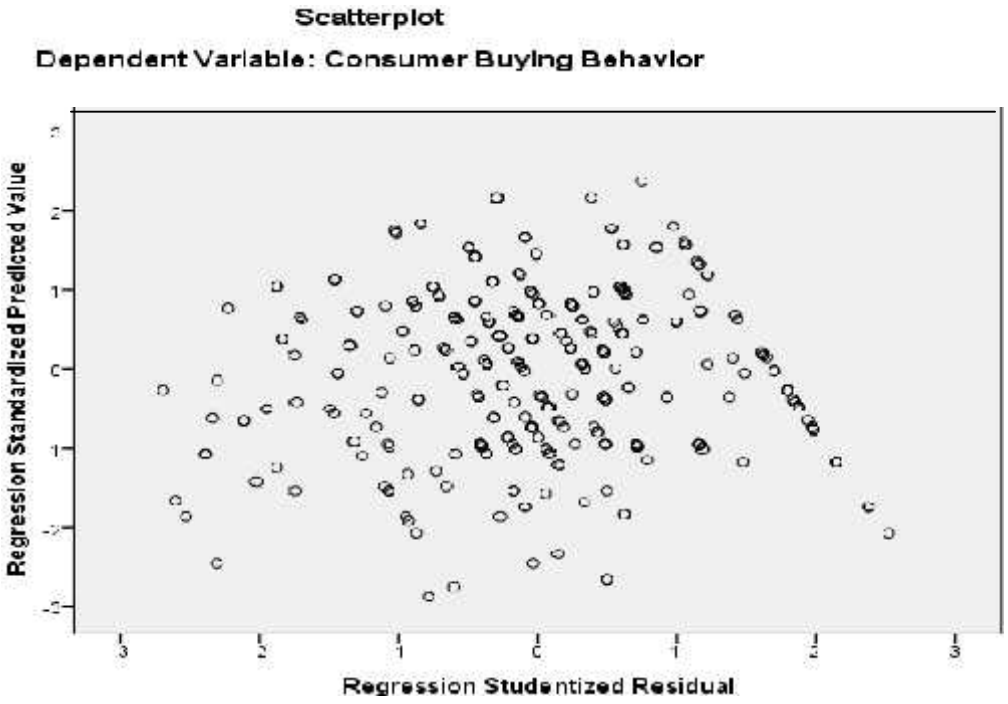
According to different literature, collinearity is relatively easy to detect by calculating the tolerance or VIF (Variance Inflation Factor). A tolerance of below 0.10 indicates that (multi) collinearity is a problem. The VIF is just the reciprocal value of the tolerance. Thus, VIF values above ten indicate

collinearity issues. According to this measurement none of the variables tolerance level is below 0.10 and their VIF above ten. So, there is no a multicollinearity problem with the variable.

**Assumption 4. Homoskedasticity:-**

It refers the variance of the errors which should be constant. To test for this, we plot the errors against the dependent variable (Mooi & Sarstedt, 2011).

**Figure 4.5 Assumption of Homoskedasticity**




When we look at the above scatter plot there is regression standardize residual in the Y-axis and regression standardize predicted value in the X-axis and the plot exhibit none of the point is outside of -3 to 3 either in both axis which indicates the responses seems concentrated in a specific area with some outliers hence, the errors are constant throughout the observations.

## 4.4.2 Multiple linear regression and partial correlation Analysis for categorical response variable.

According to different scholar regression analysis is one of the most frequently used tools in market research that allows analyze relationships between independent and dependent variable. More specifically the regression model presents how much of the variance in the measure of consumer buying behavior is explained by the underlying variables of marketing mix model.

**Table 4.7 Model Summary and ANOVA**

| Model Summary | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .807[a] | .651 | .647 | .41926 |
| a. Predictors: (Constant), product, price, place and promotion | | | | |
| b. Dependent Variable: Consumer Buying Behavior | | | | |

The models of .651 Rsquare indicate that predictor variables have accounted for 65.1% of variance in consumer buying behavior. The remaining amount is explained by other variables out of this model.

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 120.114 | 4 | 30.029 | 170.834 | .000[b] |
| | Residual | 64.510 | 367 | .176 | | |
| | Total | 184.624 | 371 | | | |
| a. Dependent Variable: consumer buying | | | | | | |
| b. Predictors: (Constant), promotion , price , place , product | | | | | | |

Similarly, the ANOVA table shows the overall significance/ acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value of (.000), which is less than $p < 0.05$. Hence all the above stated assumption helps to undertake multiple linear regressions.

**Table 4.8 Regression Analysis**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | -1.061 | .199 | | -5.319 | .000 |
| Product | .511 | .100 | .346 | 5.130 | .000 |
| price | -.126 | .084 | -.095 | -1.502 | .134 |
| place | .128 | .034 | .146 | 3.737 | .000 |
| promotion | .705 | .058 | .534 | 12.209 | .000 |

## 4.5. Hypothesis Testing

In this section the suggested hypothesis are tested and the result is presented. The hypothesis was as follow:-

### 4.5.1. Product and consumer buying behavior

**H1. Product has a positive and significant effect on consumer buying behavior of Small and Medium Enterprises (SMEs) in Addis Ababa.**

The output of multiple linear regression of independent variable (product) with consumer buying behavior shows there is significant result at (β= .346, t-value and p=.000) indicate that there is tangible evidence that product has positively and significantly affect consumer buying behavior of small and medium enterprises (SMEs) in Addis Ababa, the case of Lideta, Kolfe-Keraniyo and Arada sub cities. So it is proved that the hypothesis H1 is supported.

### 4.5.2. Price and consumer buying behavior

**H2. Price has a positive and significant effect on consumer buying behavior of Small and Medium Enterprises (SMEs) in Addis Ababa.**

The output of multiple linear regression of independent variable (price) with consumer buying behavior shows there is insignificant result at (β= -.095, t-value and p=.134) indicate that there is no tangible evidence that price has positively and significantly affect consumer buying behavior of small

and medium enterprises (SMEs) in Addis Ababa, the case of Lideta, Kolfe-Keraniyo and Arada Sub Cities.. So it is proved that the hypothesis H2 is rejected (not supported).

### 4.5.3. Place and consumer buying behavior

**H3. Place has a positive and significant effect on consumer buying behavior of Small and Medium Enterprises (SMEs) in Addis Ababa.**

The finding in the above table shows that there is a positive and significant effect of independent variable component (Place) on dependent variable (consumer buying behavior) at (β= .146 and p-value is <0.05). Hence the beta value shows there is higher strength of independent variable component (Place) on dependent variable (consumer buying behavior). The significance value is shown by "p" value. So it is proved that the hypothesis H3 is confirmed.

### 4.5.4. Promotion and consumer buying behavior

**H4. Promotion has a positive and significant effect on consumer buying behavior of Small and Medium Enterprises (SMEs) in Addis Ababa.**

The results in table shows that there is a positive effect of independent variable component (Promotion) on dependent variable (Consumer buying behavior ) at (β= .534, and p- value is <0.05) that the beta value shows the strength and direction of independent variable on dependent variable. The significance value is shown by "p" value. So it is proved that the hypothesis H4 is supported.

**Table 4.9 Summary of Hypothesis Testing**

| No | Hypothesis Testing | Reason | Result |
|---|---|---|---|
| | **H1.** Product has a positive and significant effect on consumer buying behavior of small and medium enterprises (SMEs) in Addis Ababa, the case of Lideta, Kolfe-Keraniyo and Arada sub cities. | β= . 346, p=.000 | supported |
| | **H2.** Price has a positive and significant effect on consumer buying behavior of small and medium enterprises (SMEs) in Addis Ababa, the case of Lideta, Kolfe-Keraniyo and Arada sub cities. | β= -.095,P=.134 | Rejected |

| | | | |
|---|---|---|---|
| | **H3**. Place has a positive and significant effect on consumer buying behavior of small and medium enterprises (SMEs) in Addis Ababa, the case of Lideta, Kolfe-Keraniyo and Arada sub cities. | β= . 146, p=.000 | supported |
| | **H4**. Promotion has a positive and significant effect on consumer buying behavior of small and medium enterprises (SMEs) in Addis Ababa, the case of Lideta, Kolfe-Keraniyo and Arada sub cities. | β= .534, p=.000 | supported |

Source: Survey result, 2019

Note:- *The output of multiple linear regression of independent variable (price) with consumer buying behavior shows there is insignificant result at (β= -.095, t-value and p=.134) indicate that there is no tangible evidence that price has positively and significantly affect consumer buying behavior of small and medium enterprises (SMEs) in Addis Ababa, the case of Lideta, Kolfe-Keraniyo and Arada Sub Cities. So it is proved that the hypothesis **H2** is **rejected (not supported).***

## 4.6. Discussion on the finding

This section presents the findings of the study in line with the objectives of the study based on the analysis made and the results of this research also be further elaborated. The empirical findings are also combined with the theory in order to provide a wider perspective.

The result highlights that little is known about the demographic profile of Lideta ,Kolfe keraniyo and Arada sub city small and medium enterprises was analyzed through descriptive and inferential statistics. Accordingly, it was found that 53 % of the customers are female and most of the age distribution of respondents in the enterprises is the same or similar ranging in 18-29 which they are too youngster located in Addis Ababa. In addition a large amount of the respondents were educated once and also they are employed. Another parameter of the general information of respondents showed 41.1% of the respondents join or stayed customer of SME within five up to ten years.

With respect to the first objective, the result of the analysis indicates the relationship between Product and consumer buying behavior by taking its weighted average mean and accordingly the outcome shows that there is a positive effect of Product on consumer buying behavior at ( β= . 346, p=.000). This result is supported by the empirical evidence of ( kotler, 2003) " a product as about quality, design, features, brand name and sizes which influences purchase" Similarly

(Mustapha, .2013) also assert that product is the physical appearance of the product packaging, and labeling information, which can influence behavior whether consumers notice a product in-store, examine it, and/or purchases it. Another researcher, (Muzondo N, and Mutandwa E ,2011) on their research "the seven p's of marketing and choice of main grocery store in a hyperinflationary economy" found that product has a significant influence towards consumer choice of store for main grocery shopping. Accordingly, it is possible to accept the proposed hypothesis that the product is positively & significantly determining the level of consumer buying behavior.

Concerning to the second objective of the study, the result of the survey indicates that there is no a positive effects of Price on consumer buying behavior at β= -.095, with the p- value of .134). However with respect to the second objective the result of the analysis indicate that there is no relationship between Price and consumer buying behavior, there are many empirical evidence maintained the researcher hypothesis that the price is positively and significantly affect the level of CBB. According to Satit, Tat, Rasli, Chin, & Sukati,(2012) price is one of marketing mix elements which affecting customer buying decision the most, as the result of their research, "travel agents can retain existing customers by offering and attractive and competitive price, and by giving special discounts. "

Ahmetoglu, Fried, Dawes, & Furnham, (2010) on their research "Pricing Practices: Their Effects on Consumer Behavior and Welfare" found that price gives a significance influence on customer's purchase intention, especially the reference price which affecting the most while customers are not readily able to comparing with other brands. Therefore based on the results of the analysis indicates that there is no a positive & significant effect of price on the CBB and it is possible to conclude and accept the proposed hypothesis that Price can't have positively and significant effect on consumer buying behavior.

The third objective is related to the relationship between Place and consumer buying behavior. Consequently there is a positive and significant effect of (Place) on dependent variable (consumer buying behavior) at (β=. 146, with p-value =.000). Additionally those finding result have strong evidence from the literature that; (Lolo IN ,2011) on his research "The influence of Marketing Mix towards customer decision-making to saving on PT Bank Mandiri Makassar", place has a significant influence towards customer decision-making at PT. Bank Mandiri Cabang Kartini. Another research found that there is an impact of place towards customer buying decision. (Fadhillah AP ,2013) on the analyze of product, price, promotion, and distribution towards customer buying decision'. Therefore

it is possible to conclude and accept the proposed hypothesis that place is positively & significantly defining the level of consumer buying behavior.

The last objective is related to the relationship between Promotion and consumer buying behavior. Consequently there is a positive and significant effect of (Promotion) on dependent variable (consumer buying behavior) at (β=. 534, with p-value =.000). Additionally those finding result have strong evidence from the literature that; According to (Neha S, and Manoj V, 2013) on their research "Impact of Sales Promotion Tools on Consumer's Purchase Decision towards White Good (refrigerator) at Durg and Bhilai Region of CG, India", promotion plays a significant role in consumer purchase decision, those customers are influenced the most by offer further followed by premium and contest.

Consumers are skeptical about the advertised from retailers and discount, Gupta and Cooper also found that offering discounts on a brand name has bigger impact on customer's purchase intention (Gupta SG, Cooper L 2013). Therefore it is possible to conclude and accept the proposed hypothesis that place is positively & significantly defining the level of consumer buying behavior.

In general based on the findings of this study the researcher tried to encounter the major aim of investigating how marketing mix element would have the effect on consumer buying behavior in selected Addis Ababa sub city small and medium enterprise

# CHAPTER FIVE

# 5. SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

This chapter presents major findings, conclusions and recommendation obtained from the analysis and interpretations made at the pervious chapter and also limitation and implications for further research are forwarded.

## 5.1 Summary of Findings

Since its inception, in this study the researcher were set the major aim to investigate marketing mix will have effect on consumer buying behavior in selected Addis Ababa sub city small and medium enterprise. The specific objectives were also established to analyze the effect of marketing mix feature such as product, price, place and promotion on consumer buying behavior and particular emphasis was given for customers of Lideta ,Kolfe keraniyo and Arada sub city Small and medium enterprises. In addition, the researcher also tried to answer the five research questions which stated as part of the introduction. For this matter, four hypotheses were formulated based on the above stated variables. As a result of this the data were collected through five Likert-scale questionnaires and the overall fit of the model was tested using the model summary and ANOVA table. Hence the major quantitative findings were undertaken as follow:

- The demographic result of the study indicates that 47% respondents were male and the remaining 53 % were females. Regarding the respondents` age category, majority 53% respondents are between the ages of 18-29 years that shows that they are very youngster. The next higher groups of 41.1% respondents were within the age of 30-49 and 5.9% of them are reaches to 50-69 and the left over no one are not above 70 years.

- The study also indicates the educational background of the respondents. Accordingly, 46.2% of the total respondents were of first degree holders followed by diploma holders 26.9%. And the total 26.3% were high school and the last 0.5% is housewife.

- The present study confirmed the findings about working condition of the respondent through some selected sub city Small and medium enterprises i.e. Lideta ,Kolfe keraniyo and Arada SME customers in Addis Ababa. In view of that half 57 % respondents are employee while 22.8% of them are run their private work or self employees and the remaining 20.2% are students.

- The other result observed from the study shows the connection of the respondents with the SME and about 41.1% of the participants have year of service from 5-10years, followed by

35.2% consumers with having length of below 5 years and the researcher have no chance to meet the participants who have year of service from 10 to 15 years but about 23.7% of the participants have year of service from above 15 years which they are very attached and exist with the Enterprise.

- The total reliability statistics of the scale for each variable such as of product, price, place, promotion and consumer buying behavior exhibits above expected standard by having reliability cronbach's alpha coefficient of 0.747, 0.710,0.737 ,0.756 , and 0.756 is a commonly over suggested threshold of reliability test. Similarly the overall reliability was being 0.837 and normal distribution of the data was conducted that the result showed no problems regarding kurtosis as well as having perfect spreading skewness coefficient for both marketing mix components and consumer buying behavior.

- The Pearson correlation coefficient was computed for the purpose of determining the relationship between the independent variables of marketing mix feature and the dependent variable of consumer buying behavior. There was a positive and statistically significant relationship between the variables mentioned above. Accordingly the substantial Pearson correlation result r=0.696, r=0.536, r=0.360, r=0.764 and r=0.818. From this result we can achieved that the independent variables and dependent variables are significantly correlated.

- Regarding to the multiple liner regression result of product demonstrated that having the beta value of 0.346 and P- value of is 0.000; it is statistically significant that Product has positive effect on consumer buying behavior of selected Addis Ababa sub city Small and medium Enterprises**.**

- Analysis shown in table above further indicate that Price is not statically significant for the contribution of consumer buying behavior (CBB) indicating that the factor did not affect consumer buying behavior (CBB) in selected Addis Ababa sub city Small and medium Enterprises (Beta = 0.-095, p >0.05).

- Similarly, the third hypothesis, Place have a positive and significant effect on consumer buying behavior of selected Addis Ababa sub city small and medium enterprises (Beta = 0.-146, p <0.05). So, it is possible to conclude that Price affect consumer buying behavior (CBB) .

- This analysis found evidence for the collective practices of promotion in selected Addis Ababa sub city Small and medium Enterprises indicate that having the highest beta value of practices is 0.534 and the P- value is 0.000; which is statistically significant and that has positive effect on consumer buying behavior (CBB) on SME.

## 5.2. Conclusion

This research paper has analyzed the effect of marketing mix on the consumer buying behavior and it came up with a number of findings. Based on the analysis of the result practitioners of SME have been implemented meaningful strategy of marketing mix by undertaking the critical areas for marketing activities like working premises with least leasing price, Product display center with least leasing price, technical and business management training, counseling service. Loan provision, Market linkage particularly with government development programs (e g. Housing development,) Exhibition, trade fair organization, Access to technology. The government also must give the maximum support to those sectors like manufacturing sectors, in the construction sector, urban agriculture, trade sector, Service sector. There is also inadequate market access and poor marketing linkage between and among SMEs, other large scale enterprises and organizations.

Furthermore, provision of places (shades) to SMEs to sale their products to the market is insufficient .The study also show that because of lack of facilitations to create opportunities of Bazaar and exhibition, products/services of SMEs have not been sufficiently promoted to the market. This is would agree with findings of Mulugeta (2011) who underlined that one of the critical factors of SMEs are market-related problems, which are caused by poor market linkage and poor promotional efforts. It could be realized from the study that owners and Managers of SMEs have lack of marketing management capacities. This show that provision of sufficient skill development and technical training in the area of business, facilitation of experience sharing programs, provision of counseling services to SMEs are found unfavorable to high extent. Furthermore, most enterprise owners and managers have not developed marketing strategy for their business.

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These findings also showed fairly good picture of how the marketing mix element contributed positively for maintaining and building consumer buying behavior of SME in selected Addis Ababa sub cities. Accordingly the output of multiple liner regression told that all stated variable under product have been statistically significant and properly implements in SME. Hence those finding are supported by (kotler, 2003; Muzondo and Mutandwa , 2011).

With reference to price the combined result now provides evidence that price has not positively and statically significant p-value which implies those respondent understand and agreed about SME price issues .Likewise those judgment aren't maintained by the empirical evidence .

The third objective is related to the relationship between Place and consumer buying behavior. Consequently there is a positive and significant effect of (Place) on dependent variable (consumer buying behavior) at (β=. 146, with p-value =.000). Additionally those finding result have strong evidence from the literature supported by (Lolo , 2011; Fadhillah , 2013).

Another finding also revealed that there is a positive and significant effect feature promotion towards the consumer buying behavior SME in selected Addis Ababa sub cities. Consequently it's possible to conclude that value promotion is relevant and conventional by respondent or consumer of the SME. Hence those finding are confirmed by (Neha and Manoj, 2013; Gupta and Cooper; 2013).

## 5.3. Recommendations

From the findings of this study it was observed that there is a direct and positive relationship between marketing mix element and CBB. Based on the finding and analysis of the study, the following recommendations were proposed:-

- The output of findings of this research indicate that those marketing mix element like product, place and promotion significantly affect consumer buying behavior as expected standard. In contrary, Price is not statically significant for the contribution of consumer buying behavior (CBB) indicating that the factor did not affect consumer buying behavior (CBB) in selected Addis Ababa sub city Small and medium Enterprises (Beta = 0.-095, p >0.05). Hence the government, other concerned body like SME development office of the city, owners and managers of the SMEs, stake holders and other concerned government organizations should give much emphasis and upgrading of those statistically significant result in order to enhance the SME development .

- The discoveries of this study also proved that product related feature have had significant p-value which implies those elements are properly undertake in SME. Hence government and other stakeholder should support on product related issue issues like providing raw materials, supporting to use new & appropriate /improved technological innovation including construction of product display centers and provision of market information centers, should

be taken in to consideration by government bodies and stakeholders, creating an opportunity to serve as market outlets.

- However on the price the survey result indicates that, there is no a positive effect of price on consumer buying behavior at (Beta = 0.-095, p >0.05), the researcher recommended that small and medium enterprise must care when setting price for their product.

- The construction of market sheds and common facility centers at suitable locations by assistance of Addis Ababa city administration, donors and private sector could help to address placing problem of SME. Thus, the city administration with support from development partners (NGOs and private investors) should engage extensively in constructing shades for the enterprises to address the problem of working premises, coupled with measures to encourage private investors to engage in construction of premises suitable for SMEs. In this regard, the city administration should in turn provide certain incentives for private investors such as tax relief for some time and availing of lease-free land, etc. In general to solve marketing problems the government body is better to, provide selling and display places, linking the SMEs with other market, developing market research to predict about the future market trends and changing the perception of the general public through extensive awareness creation mechanisms are very important

- Finally from the beta value of this research we have seen that promotion was the highest influencer of CBB which indicate that all parameters promotion is appropriate and performed within the SME. Therefore, its possibility forwarded a recommendation that officials of SME found in different sub cities should give great concern by allocate promotion budget and execute stakeholder's responsibility in the sector because small and medium enterprise cannot survive unless they are competent in such competition environment of the era. Therefore, owners or managers of the SMEs are recommended to develop promotional strategies and programs that stimulate consumers about their offerings. They are also recommended to develop competitive strategies that enable them identify their potential competitors, their strength and action and respond proactively to challenge to coming from competitors. Supporting activities by SME development offices must be enhanced by giving special attention to Bazaars, exhibitions and trade shows.

- To make SMEs competitive and profitable, increasing the capacity, knowledge, and skill or attitude that enables operators to prepare for production activities, through continuous trainings, experience sharing from successful enterprises, and provision of advice and consultancy should be crucial.

## 5.4 Suggestions for further Study

The study will be more decisive if it has considered additional of the variables of marketing mix similar to process, people and physical evidence which are stated in other journal. Furthermore this study only covered Lideta ,Kolfe keraniyo and Arada sub city Small and medium Enterprises in Addis Ababa. Future researches should include the same case in other sub cities as well as major cities of the country to make it more representative.

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# Appendix I - English Questionnaire

## Addis Ababa University School of Commerce

### POST GRADUATE STUDIES DEPARTMENT OF MARKETING MANAGEMENT

## Questionnaire for customers of Lideta ,Kolfe keraniyo and Arada sub city Small and medium Enterprises.

**Dear respondents**

I (Asteway Tekletsion) would like to express my deepest gratitude for your cooperation to express your real feeling in the questionnaire. This questionnaire is developed to examine your response towards Consumer Buying Behavior. I am Masters of Art candidate at Addis Ababa University School of Commerce Conducting a research entitled **"The Effect of Marketing Mix on Consumer Buying Behavior: A case of selected Addis Ababa sub city Small and medium Enterprises."** Finally I assure you that responses would kept confidential as well as the data would use for intended purpose only and you didn't expect to mention your name in the questionnaire.

For more information please contact me via **+251-910-35-19-23,** or
E-mail address: - ***astewaytsion@gmail.com***

## Part I: General Information

**Directions one**:-Please put a tick mark **(√)** on the appropriate responses category against each question.

1. Gender:

1. Male ☐ 2.Female ☐

2. Age group:

1. 18-29 ☐ 2. 30-49 ☐ 3. 50-69 ☐ 4 .Above 70 ☐

3. Educational Level . .

. 1 High school &above ☐ 2. Diploma ☐ 3. Degree ☐

4. Masters ☐ 5. Others specify (…...) ☐

4. Working Condition:

1. Student ☐ 2. Self Employed ☐ 3. Employee ☐

5. For how long have you been customer of Small and medium Enterprises?

1. Below 1 year ☐ 2. 1 -5 years ☐

3. 6-10 years ☐ 4. Above 10 year ☐

## Part II: Marketing Mix component

**Directions two:** The following questions are presented on a five point Likert you can use **X** mark the appropriate responses category against each question.

1.Strongly Disagree 2. Disagree 3.Neutral 4. Agree 5 . Strongly Agree

| NO | Product Related Question | 1.Strongly Disagree | 2 .Disagree | 3.Neutral | 4. Agree | 5. Strongly Agree |
|---|---|---|---|---|---|---|
| 1 | The product is well prepared. | | | | | |
| 2 | The product has an acceptable standard of quality. | | | | | |
| 3 | The product has consistent quality . | | | | | |
| 4 | The product have relatively similar . | | | | | |
| 5 | SME's product overcrowding the market. | | | | | |
| 6 | The SME's product have creative skills. | | | | | |
| 7 | The SME's products consider different community age grouped | | | | | |

| NO | Price Related Question | 1.Strongly Disagree | 2 .Disagree | 3.Neutral | 4. Agree | 5. Strongly Agree |
|---|---|---|---|---|---|---|
| 1 | The product is fairly priced. | | | | | |
| 2 | The product is very economical | | | | | |
| 3 | SME always gives me the cheapest price | | | | | |
| 4 | I always get discounts when I purchase from SME | | | | | |
| 5 | The price at SME is lower from what I get other than SME | | | | | |
| 6 | I always feel like I saved an extra change whenever I purchase from SME . | | | | | |

| NO | Place Related Question | 1.Strongly Disagree | 2 .Disagree | 3.Neutral | 4. Agree | 5. Strongly Agree |
|---|---|---|---|---|---|---|
| 1 | The SME's product distribution system is reachable | | | | | |
| 2 | The SME's product is accessible in time and space. | | | | | |
| 3 | It is simple to find SME products in the market | | | | | |

| NO | Promotion Related Question | 1.Strongly Disagree | 2 .Disagree | 3.Neutral | 4. Agree | 5. Strongly Agree |
|---|---|---|---|---|---|---|
| 1 | The enterprise use creative promotion | | | | | |
| 2 | The Enterprises use promotional activities like issuing flyers, posters and business cards. | | | | | |
| 3 | The SME promotion is attractive. | | | | | |
| 4 | The enterprise use different promotional activities than other Non-SME/ large organization | | | | | |
| 5 | The enterprises are prompted the product through bazaar and exhibition | | | | | |

| NO | Consumer buying behavior Related Question | 1.Strongly Disagree | 2 .Disagree | 3.Neutral | 4. Agree | 5. Strongly Agree |
|---|---|---|---|---|---|---|
| 1 | I am willing to purchase SME'S's products. | | | | | |
| 2 | I am willing to recommend others to buy SME's ;products. | | | | | |
| 3 | My decision to buy SME's product is determined by the product being natural and there is no side effect on the consumers. | | | | | |
| 4 | I usually use SME's product as my first choice | | | | | |

# Appendix II - Amharic Questionnaire

## የአዲስ አበባ ዩኒቨርሲቲ የንግድ ስራ ትምህርት ቤት

## የድህረ ምረቃ የገበያ ጥናት ስራ አመራር ትምህርት ክፍል

በልደታ ፤በኮልፌ ቀራንዮ፤በአራዳ ክ/ከተማ የአነስተኛና መካከለኛ ድርጅት ደንበኞች የሚሞላ መጠይቅ፡፡ውድ የጥናቱ ተሳታፊዎች በቅድሚያ ግዜዎን ሰውተው ትክክለኛና ታማኝ የሆነ ምላሽ ለመስጠት ፍቃደኛ በመሆንዎ ልባዊ ምስጋናዬን አቀርባለሁ፡፡ የዚህ ጥናት አላማ በገበያ ጥናት ውስጥ ምርት፤ዋጋ፤የምርትስርጭት አና የማስታወቂያ ተፅዕኖ ለመለካት እንዲቻል የተዘጋጀ ነው፡፡ በተጨማሪ ይህ መጠይቅ ለሁለተኛ ዲግሪ ማሟያ ጥናት በመሆኑ የሚሰጡት መረጃ በሙሉ በሚስጥር የሚያዝ እና ለዚሁ ጥናት አላማ ብቻ የሚውል በመሆኑ ስምዎንም ሆነ ማንነትዎን በመጠይቁ ላይ መግለፅ አይጠበቅብዎትም፡፡

ለበለጠ መረጃ +251-910-35-19-23 ወይም (astewaytsion@gmail.com) አስተዋይ ተክለፅዮን ብለው ሊያገኙኝ ይችላሉ፡፡

<u>ክፍልአንድ፡-ከዚህ በታች ለተዘረዘሩት ጠቅላላ ጥያቄዎች የእርስዎን ምላሽ በሚገለፀው ሳጥን ውስጥ ብቻ ይህን ምልክት "√" ይጠቀሙ፡፡</u>

1. ፆታ ወንድ 1. ☐ 2. ሴት ☐

2. እድሜ 1. 18-29 ☐ 2. 30-49 ☐ 3. 50-69 ☐ 4. ከ 70 በላይ ☐

3. የትምህርት ደረጃ

1. ሁለተኛ ደረጃና ከዚያ በላይ ☐ 2. ዲፕሎማ ☐

3. ዲግሪ ☐ ማስተርስ 4. ☐ 5. ሌላከለ (……..) ☐

4. የስራ ሁኔታ

1. ተማሪ ☐ 2. የግል ☐ 3. ተቀጣሪ ☐

5. በአነስተኛና መካከለኛ ድርጅቶች የተመረቱ ምርቶችን መገልገል ከጀመሩ ስንት ግዜ ሆነዎት?

1. ከ 5 አመት በታች ☐ 2. ከ5- 10 አመት ☐

3. 10-15 አመት . ☐ 4. ከ15 አመት በላይ ☐

ክፍል ሁለት፡- የምርት፤ዋጋ፤የምርትስርጭት አና የማስታወቂያ ግንዛቤን የተመለከቱ ጥያቄዎች

ማስታወሻ፡- ከዚህ በታች በሰንጠረዥ ለቀረቡት ጥያቄዎች ምን ያህል እንደሚስማሙ ወይም አንደማይስማሙ ለመግለፅ ከተሰጡት አማራጮች ውስጥ የእርስዎን አቋም የሚገልፀው ቁጥር ላይ የ X ምልክት ያድርጉ፡፡

1. በፍፁም አልስማማም 2. አልስማማም 3. ገለልተኛነኝ 4 .እስማማለሁ 5. በጣም እስማማለሁ

| NO | የምርት፤ዋጋ፤የምርትስርጭት አና የማስታወቂያ ግንዛቤ | | | | | |
|---|---|---|---|---|---|---|
| | የምርት ግንዛቤ | (1).በፍፁምአልስማማም | 2 አልስማማም | 3.ገለልተኛ ነኝ | 4.እስማማለሁ | 5.በጣም እስማማለሁ |
| 1 | የአነስተኛና መካከለኛ ድርጅቶች ምርት በሚገባ የተመረተ ነው፡፡ | | | | | |
| 2 | ምርቱ የጥራት ደረጃውን የጠበቀ ነው፡፡ | | | | | |
| 3 | የድርጅቱ ምርቶች ወጥ የሆነ ነው፡፡ | | | | | |
| 4 | የድርጅቱ ምርቶች በይዘት አንድ ዓይነት ናቸው፡፡ | | | | | |
| 5 | የአነስተኛና መካከለኛ ምርቶች ገበያውን አጨናንቀው የሚገኙ ናቸው፡፡ | | | | | |
| 6 | የድርጅቱ ምርቶች ልዩ ፈጠራ ይታይባቸዋል፡፡ | | | | | |
| 7 | የድርጅቱ ምርቶች በተለያየ የእድሜ ክልል ውስጥ ለሚገኙ የህብረተሰብ ክፍሎችን ታሳቢ ያደረገ ነው፡፡ | | | | | |

| | የዋጋ ግንዛቤ | (1).በፍፁምአልስማማም | 2 አልስማማም | 3.ገለልተኛ ነኝ | 4.እስማማለሁ | 5.በጣም እስማማለሁ |
|---|---|---|---|---|---|---|
| 1 | የምርቶቹ ዋጋ ተመን የሸማቹን አቅም ያገናዘበ ነው፡፡ | | | | | |
| 2 | ምርቶቹ ገንዘብ ቆጣቢ ናቸው፡፡ | | | | | |
| 3 | ከድርጅቱ ምርቶች ስገዛ ዝቅተኛ ዋጋ እከፍላለሁ፡፡ | | | | | |
| 4 | ከድርጅቶቹ ምርቶችን ስገዛ የዋጋ ቅናሽ አለው፡፡ | | | | | |
| 5 | ከድርጅቶቹ የማገኘው የዋጋ መጠን ከሌሎች ጋር ሲነጻጸር አነስተኛ ነው፡፡ | | | | | |
| 6 | ምርቶችን ከአነስተኛና መካከለኛ ድርጅቶች ስገዛ ላወጣ የምችለውን ተጨማሪ ወጪ እንዳተረፍኩኝ ይሰማኛል፡፡ | | | | | |

| | የምርትስርጭት ግንዛቤ | (1).በፍፁምአልስማማም | 2 አልስማማም | 3.ገለልተኛ ነኝ | 4.እስማማለሁ | 5.በጣም እስማማለሁ |
|---|---|---|---|---|---|---|
| 1 | የአነስተኛና መካከለኛ ምርቶች ተደራሽ በመሆናቸው ረክቻለሁ፡፡ | | | | | |
| 2 | ምርቶቹ በየትኛውም ጊዜና ቦታ መገኘት የሚችሉ ናቸው፡፡ | | | | | |
| 3 | የአነስተኛና መካከለኛ ድርጅቶች ምርቶችን በቀላሉ በገበያ ውስጥ ማግኘት ይችላል፡፡ | | | | | |

| | የማስታወቂያ ግንዛቤ | (1).በፍፁምአልስማማም | 2 አልስማማም | 3.ገለልተኛ ነኝ | 4.እስማማለሁ | 5.በጣም እስማማለሁ |
|---|---|---|---|---|---|---|
| 1 | የአነስተኛና መካከለኛ ድርጅቶች የምርት ማስታወቅያ ልዩ ፈጠራ አለው፡፤ | | | | | |
| 2 | ድርጅቶቱ የተለያዩ የማስታወቅያ መንገዶችን ማለትም በራሪ ወረቀቶችን ፤ ፖስተሮች እንዲሁም የቢዝነስ ካርዶችን ይጠቀማሉ፡፡ | | | | | |
| 3 | የአነስተኛና መካከለኛ ድርጅቶች የማስታወቅያ ስራዎች ማራኪ ናቸው፡፡ | | | | | |
| 4 | የድርጅቶቱ የማስታወቅያ ስራ ከሌሎች አንጻር ሲታይ የተለየ ነው፡፡ | | | | | |
| 5 | የአነስተኛና መካከለኛ ድርጅት ምርቶች በተለያዩ የገበያና የምርት ማሳያ ቦታዎች ተዋውቀዋል፡፡ | | | | | |

| | የተጠቃሚ የመግዛት ባህሪ ግንዛቤ ጥያቄ | (1).በፍፁምአልስማማም | 2 አልስማማም | 3.ገለልተኛ ነኝ | 4.እስማማለሁ | 5.በጣም እስማማለሁ |
|---|---|---|---|---|---|---|
| 1 | የአነስተኛና መካከለኛ ድርጅቶች ምርት ለመግዛት ፈቃደኛ ነኝ፡፡ | | | | | |
| 2 | ሌሎች የአነስተኛና መካከለኛ ድርጅቶች ምርቶችን እንዲገዙ ለመምከር ፈቃደኛ ነኝ፡፡ | | | | | |
| 3 | ከድርጅቶች ምርቶችን ስገዛ የምርቱ ተፈጥሮአዊነትና የጎንዮሽ ጉዳት እንደሌለው በመተማመን ነው፡፡ | | | | | |
| 4 | ምርቶቹ ከሌሎች ጋር ሲወዳደር ሁሌም ቢሆን ተቀዳሚ ምርጫ§ ነው፡፡ | | | | | |