

**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
MARKETING MANAGEMENT GRADUATE PROGRAM**

**THE EFFECT OF MARKETING MIX ON CONSUMER BUYING
DECISION
THE CASE OF AWASH WINE SHARE COMPANY**

**BY
DESALE DEMESSIE**

**THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY
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The Case of Awash Wine Share Company**

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**“The Effect of Marketing Mix on Consumer Buying decision: The Case of
Awash Wine Share Company”**

MA Degree

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Declaration

I, the undersigned graduate student, hereby declare that this thesis is my original work, and that all sources of the materials used for this thesis have been duly acknowledged. This research study is being submitted in partial fulfillment of the requirement for Master of Arts degree in Marketing Management.

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Abstract

The purchase process for wine is complex, since it has many dimensions which can influence decision making. Out of these many dimensions marketing mix is an important factor. Conventionally marketing mix referred as the 4P's. For the purpose of this research, product has been seen from two dimensions which are quality and packaging. The research is quantitative in nature and a mixed (descriptive and explanatory) research design has used. Both primary and secondary data have been used to conduct the study. Primary data was collected through structured questioner using a combination of convenience and purposive sampling techniques. The analysis has done using the software, Statistical Packages for Social Science (SPSS).

The main objective of the study is to determine the effect of marketing mix on consumers buying decision, in perspective of Awash winery. The marketing mix elements that are considered includes product packaging, product quality, price, promotion and place/accessibility; and these are independent variables; so that the study has conducted to reveal the relationship between these independent variables and the dependent variable, consumer buying decision. The summary made based on the findings of the study with the objectives of determining the effect of marketing mix factors on wine consumers buying decision, implies that the factors namely, product packaging, product quality, price, promotion, and place have a great influence on consumers buying decision in purchasing wine products. By the same token the regression analysis shows that there is a positive and significant relationship between marketing mix and consumer buying decision.

Key words: Marketing mix, marketing mix factors, Consumer buying decision

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CHAPTER ONE

INTRODUCTION

This chapter discusses issues like; background of the study, background of the organization, the reason why the research is conducted, objective of the study, significance of the study, scope of the study, limitations of the study, organization of the paper and definition of terms.

1.1 Background of the study

Nowadays companies are more concerned on individual consumer behavior. It helps them to yield information about how the consumers think, feel and choose their products. Every individual is consumer. Consumer behavior is the study of the processes involved when individual or groups select, purchase, use, or dispose of the product, service, ideas or experiences to satisfy needs and desires (Michael R. Solomon, 1998, p. 31). The expand view of consumer embrace much more than the study of why and what consumer buy, but also focuses on how marketer influence consumers and how consumers use the products and services.

Wine is a complex beverage which varies in taste, in categories and in quality measures. These factors may influence consumers' preferences. The most important factor is probably taste, although consumers usually cannot taste wine before a purchase and so other factors are important in the decision making process Batt and Dean (2000). The motivation for wine drinking is important as well. Knowledge of situations connected with wine consumption, of what role wine plays in consumers' lifestyles and of other important motivations helps to understand the purchase decision. The purchase process for wine is complex, since it has many dimensions which can influence decision making. There are not only thousands of brands and products, but numerous wine styles, grape varieties, vintages, labels and wine regions. In addition, price plays a very important role in the decision making process Johnson and Bruwer (2004), Mueller et al. (2010), Overby et al. (2004), Rasmussen and Lockshin (1999).

Wine consumers use intrinsic and extrinsic cues when making wine purchases, and these cues are normally used as an indicator of quality. Intrinsic cues refer to characteristics of a wine that relate to the wine itself, such as grape variety, alcohol content, and wine style. Characteristics that are labeled intrinsic are items that if changed, will change the composition of the wine as well. Although intrinsic cues can be a good indicator of quality, it is more common to look at the extrinsic cues when purchasing wine since intrinsic quality related attributes such as taste and aroma are not always available to the consumer while shopping (Jacoby and Olson 1985).

Consumers commonly rely on extrinsic cues such as price or region of origin as an indicator of quality, but will also consider label, packaging, brand, and shelf position when making wine purchases Lockshin and Rhodus (1993), Atkin and Johnson (2010). In addition, consumers will also look to brands and wines from regions that have pleased them in the past. Extrinsic cues are under the control of the producer, and can be changed without actually changing the product.

Consumers use extrinsic cues to reduce their risk and are used in combination with intrinsic cues, and when the intrinsic cues that come from tasting a wine cannot be used.

Extensive research has proven that consumers will use extrinsic cues when making purchases.

Lockshin (2000) states that brand name often acts as a substitute for quality, and consumers will also look at brand name in order to delegate perceived risks. However, Gluckman (1990) stresses that consumers will place the same status on generic varietals as they do to brands, since they do not clearly understand the concept of wine branding. It has also been seen that when in the absence of wine knowledge, purchasers will use price as a cue for quality Barber (2008). Place of origin or region are also often used as an indicator of quality since wine is a product with a strong relationship to territory. Consumers often use the image of a region to make a decision.

It is against this background that, this research seeks to determine the effect of marketing mix on consumers buying decision: in perspective of Awash winery, Addis Ababa, Ethiopia. As wine consumption is growing in importance in the Ethiopia, especially in the capital city, Addis Ababa, knowledge of consumers is pivotal. The main focus of this study is to find out if there are any positive and significant relationship between the five marketing mix elements; (by splitting product in to two dimension) namely product packaging, product quality, price, promotion and place/accessibility and wine consumers buying decision in perspective of Awash winery.

1.2 Background of the Organization

Here in Ethiopia, there is a proud tradition of wine making that stretches unbroken to the reign of Queen of Sheba and beyond. Two Greek and Italian families initiated in 1943 GC (1936 Ethiopian Calendar). The two ventures were nationalized in 1973 and regrouped in one entity that was named Awash Wine. Established in 1956, Awash Wine is Ethiopia's longest established wine maker. Since that time the company has grown to be one of the countries' most loved brands- a market leader that is interwoven with the cultural fabric of the country.

In July 2013 Awash Wine was privatized, when London-based investor 8 Miles and local entrepreneur Mulugeta Tesfakiros teamed up to buy the winemaker. Since then, the company has

made significant investments in equipment and marketing, as well as implementing a program aimed at reducing costs by eliminating waste. Typical inefficiencies that one would expect from government-run companies,” recalls Doug Agble, Partner at the company. “Putting capital, effort and human talent to work to resolve those inefficiencies has to date allowed the company to deliver impressive top-line growth and, at the same time, significantly improve its profitability. The priority has been to inject the team with fresh talent and motivation at every level of the organization to drive the cultural change that was required.” Today, Awash Wine S.C leads the Ethiopian wine market. Eight bottles out of ten consumed is from Awash.

The Upper Awash Valley is situated 180km South East of Addis Ababa with 517 hectares of prime land and 100 hectares of vines growing a variety of grapes that includes Petit Syrah, Barbera, Nebiollo, Chenin Blanc and native, Dodoma. A fertile plain blessed with ideal soil and weather for growing grapes. The perfect terroir, means that the company harvest twice a year, a unique aspect of Awash Wine SC.

In an idyllic location, Awash have Merti Jeju its vineyard, which harvests its grapes and is then brought to the companies two wineries, Lideta and Mekanisa, where it make its current range of six exceptional wines. Awash, goudier, kemila, axumit, gebeta red, gebeta white, awash plus

1.3 Statement of the Problem

Marketing mix decisions must be made for influencing an offering mix of products, services, and prices, and utilizing a communications mix of advertising, sales promotion, events, experiences, public relations, direct marketing, and personal selling to reach the trade channels and target customers Keller & Kotler (2006). French (2003) indicates that food pricing is an essential factor that shapes individual choice. Given the importance of cost saving consumers evaluate and compare price during the process of food purchasing (Nevin & Suzan Seren, 2010). Interestingly, some authors challenge this view and argue that consumers who seek to maximize expected quality are willing to pay for the highest-priced products (Dodds, Monroe, & Grewal, 1991; Kerin, Jain, & Howard, 1992). That is, consumers are interested in the ratio between price and quality when making purchase decision. Figuié and Moustier (2009) find that most of Vietnamese supermarket consumers perceive high price as an indicator of product quality.

The central place theory (Craig, Ghosh, & McLafferty, 1984) posits that retail stores at central locations may attract consumers from long distances. Alongside location, results of an India study (Jabir et al., 2010) show that food consumers prefer supermarkets which have longer

opening hours, sufficient parking, product availability and accessibility. Promotion is a marketing activity that retailers use to bring traffic into stores and generate sales by communicating current offerings to targeted consumers (Dunne et al., 2010, p. 392). Specifically, promotion can increase sales through sales switched from other stores and increase in consumption from existing consumers (Ailawadi, Harlam, Cesar, & Trounce, 2006).

Spinks and Bose (2002), in a study of seafood purchasing in New Zealand, find that consumer decision is influenced by product characteristics of nutrition, taste, health benefit and ease of preparation. Additionally, Maruyama and Trung (2007) demonstrate that the underlying reasons for buying fresh food in Vietnamese supermarkets include factors such as brand names, ranges of size and volume, the freshness and the origin of goods. Recently, scholars typically identify food label and package as important determinants of consumer purchasing decision (Akbat & Jones, 2005; Andreas, Panagiotis, & Rodolfo, 2007; Jabir, Sanjeev, & Janakiraman, 2010; Jean & Louis, 2011; Kempen, Bosman, Bouwer, Klein, & van der Merwe, 2011).

As it is depicted in the empirical literatures above, different researchers have examined the effect of each of the marketing mix elements separately on consumers purchase decision; most of them didn't show the aggregate effect of marketing mix on consumers buying decision. This research will fill the empirical gap of the effect of marketing mix in aggregate on consumers buying decision. This is necessary because, the degree of influence of marketing mix is quite difference when it is considered in aggregate and separately as each of the marketing mix factors have relationship with each other. More over inconsistency of findings has also observed in the previous researches. For instance, some authors claim that price is an important factor that shapes consumers choice of a particular product; whereas others view price by relating with product quality and argue that it has a negative relationship with buying decision as low price indicates poor quality.

Contextually, the research tries to provide information concerning whether these marketing mix elements affect consumers buying decisions as well as exploring important marketing mix elements and their degree of influence on consumers buying decision in Ethiopian beverage industry, specifically wine drinks, this study will be takes place to fill these gaps. More importantly, there is no research done on effect of marketing mix elements on consumers buying decision of wine products in Ethiopia. This study therefore, seeks to empirically reveal important

marketing mix elements and to examine their effect on the consumers buying decisions in the case of awash wine S.C products.

1.4 Research Question

The research tries to answer the following research questions;

- How does packaging affect consumers buying decision of Awash wine in Ethiopia?
- To what extent does product quality influence consumers buying decision of Awash wine in Ethiopia?
- To what extent does price influence consumers buying decision of Awash wine in Ethiopia?
- How does promotion affect consumers buying decision of Awash wine in Ethiopia?
- To what extent does accessibility influence consumers buying decision of Awash wine in Ethiopia?

1.5 Objectives of the Study

The importance of marketing mix elements is growing rapidly in competitive markets, it is crucial for marketers to explore marketing mix factors in more details, in order to gain a better understanding of which factors are the most important element that influence the consumer's purchase decision. The main objective of this study is to explore the effect of marketing mix elements on consumer buying decisions. However the specific objectives are as follows:

- To analyze the influence of packaging on consumers buying decision of Awash wine in Ethiopia.
- To examine the effect of product quality on consumers buying decision of Awash wine in Ethiopia.
- To determine the effect of price on consumers buying decision of Awash wine in Ethiopia.
- To examine the influence of promotion on consumers buying decision of Awash wine in Ethiopia.
- To determine the effect of accessibility on consumers buying decision of Awash wine in Ethiopia.

1.6 Significance of the Study

The Research provide awash wine S.C with new and updated information because review of the literature shows the previous researches done globally on marketing mix elements was scattered, which included limited information about the effect of these marketing mix elements on wine consumer buying decision and there is no research done on this issue in Ethiopian context. In the

past, research have been made on narrowed and common factors that affect consumers buying decision, but in this research the researcher determine how marketing mix elements affect wine consumers buying decision and tells what are the most important marketing mix elements that prompts and attract the buyers to decide for buying the product at the point of purchase. Therefore this research help marketers to consider findings that are discovered in this research and implement in their plan in creating and selecting the appropriate design elements and attributes for their product quality, pricing, distribution and packaging and allow companies to be different from each other and to have more priorities among competitors.

Furthermore, this research can serve as stepping stone for other researchers who will explore similar areas in the future.

1.7 Scope of the study

In this research paper data has gathered about how marketing mix elements influence on consumer buying decision in perspective of awash wine S.C in detail from the customers of awash wine in Addis Ababa city. This research fills the gap by encompassing all the possible and generally accepted marketing mix elements which includes the factors of price, promotion, product quality, accessibility and packaging. This therefore, is a comprehensive report, which determines also that how change in marketing mix elements change consumer buying pattern and their preference, so that the results could be made useful.

The research is quantitative and the researcher uses descriptive and explanatory research design. The primary data has collected using a combination of convenience and purposive sampling techniques.

1.8 Limitation of the study

The period of time was not sufficient for the researcher to observe large respondents from different areas of the city; research can be further conducted in other cities of Ethiopia also but, it only focused mainly on one city, Addis Ababa. It was best if it is done in a longer period of time on large geographical area and with fewer burdens of other subject's projects/work load.

Some other limitations the researcher has faced also include; some respondents were not willing to cooperate for the questionnaire and some others were lack knowledge to the questionnaire.

1.9 Definition of terms

- **Product:** According to the Promotional Products Association International, the product element of the marketing mix could be replaced with “customer,” since companies are

focusing more on the user experience than obsessively perfecting the goods they create. Nonetheless, product and consumer go relatively hand in hand – the product is any item that satisfies a customer’s wants, needs, or desires. Marketers have the responsibility of looking into the lifecycle of the products they are marketing and retool their strategies to keep up with innovation and change in their industry.

- **Price:** This is obviously the cost of a product, and any adjustments made to price will affect the marketer’s overall strategy. It affects demand and sales, and marketers need to consider how much price influences customers’ perception of a product. Determining the price of a product involves insight and understanding from many departments within an organization, but marketers have the responsibility to help sell goods to their target audience no matter how much the product costs.
- **Promotion:** This is what many marketers consider the heart of what they do – it’s all about getting the product out there in the most effective, creative ways that draw consumers in and create a positive emotional response. Gone are the days when traditional print advertising and cold sales calls effectively turn prospects into leads. Now, marketers must practice a wide range of concepts and strategies – both digital and traditional – to get products noticed and draw consumers to them.
- **Place:** The distribution of a product is the final step in the marketing mix, and it’s the pivotal moment when a brand’s reputation can either be built or destroyed. Your goods are finally in retail stores or online, and consumers have convenient, direct access to it. It doesn’t matter how much positive messaging you put out about your product if it isn’t drawing people in once it hits the shelves. Distributing products involves trusted, efficient partnerships to ensure products are getting to consumers quickly and effectively.
- **Packaging:** Your packaging is the gold star of your marketing mix – it can dictate how well your strategy is working, and it involves each one of the points above. Packaging is what shows off your product in the best light, displays the price and value of the product communicates the product’s benefits to consumers, and it what physically appears in your various distribution points. Your product may be the very best on the market, but its packaging needs to be the main tool that represents this. It’s the first thing people see, and it has the ability to catch or divert their attention within seconds.

- **Consumer:** a consumer is an individual who receives or seeks to receive goods or services from a supplier. We all become consumers when we buy or hire items in a private capacity for our personal use. Every time we purchase goods or services we form a consumer contract even if nothing is put in writing.
- **Buying decision:** is the decision buying process used by consumers regarding market transactions before, during and after the purchase of a good or service. It can be seen as a particular form of a cost benefit analysis in the process of multiple alternatives. Decision making is a psychological construct. This means, although a decision cannot be seen, we can infer from observable behavior that a decision has been made. Therefore we conclude that a psychological decision making event has occurred. It is simply a construction that imputes commitment to action.

1.10 Organization of the paper

The paper is consisting of five chapters and each chapter has sub topics. The first chapter is an introduction and it discusses about background of the study, why the study is conducted, purpose of the research, its scope, limitation and definition of terms.

Chapter two encompasses review of related literatures which includes conceptual framework, theoretical review, and empirical reviews. The third chapter dealt with methodology of the research. This section describe issues like description of the study area, the approach of research, study participants, sampling techniques, sample size, the method used to collect, analyze and interpret the collected data, validity and reliability tests and ethical consideration.

After methodology of the study, data analysis and interpretation has presented. The last major content of the study incorporates summaries of major findings, conclusions and recommendations. At the end of the research, important materials that are used to conduct the study but did not added in the main part have also incorporated.

CHAPTER TWO

2. RELATED LITERATURE REVIEW

Introduction

This chapter analyzes the existing literature on marketing mix elements and consumer buying decision behavior. Hence, on the basis of the existing literature, this chapter expands theoretical, empirical and conceptual frameworks which will be tested by this research.

2.1 Theoretical framework

2.1.1 Marketing Mix

Marketing mix is the set of marketing tools the firm uses to pursue its marketing objectives. It is classified into four broad groups, which are product, price, place, and promotion. Marketing mix decisions must be made for influencing an offering mix of products, services, and prices, and utilizing a communications mix of advertising, sales promotion, events, experiences, public relations, direct marketing, and personal selling to reach the trade channels and target customers (Keller & Kotler, 2006).

2.1.1.1 Price

Price is the amount of money one must pay to obtain the right to use the product. One can buy ownership of a product or for many products, limited usage rights. Economists often assume that lower prices for the same product will result in more sales than higher prices. However, price sometimes serves as a signal of quality.

A product priced too low might be perceived as having low quality. Owning expensive items also provide information about the owner. If nothing else, it indicates that the owner can afford the expensive items. This is a desirable feature to some consumers. Therefore, setting a price requires a thorough understanding of the symbolic role that price plays for the product and target market question. It is important to note that the price of a product is not the same as the cost of the product to the customer. The consumer cost is everything the consumer must surrender in order to receive the benefits of owning or using the product. One of the ways that firms seek to provide customer value is to reduce the non-price costs of owning or operating a product. If successful, the total cost to the customer decreases while the revenue to the marketer stays the same or even increases (Hawkins et al., 2001).

2.1.1.2 Promotion

Promotion means activities that communicate the merits of the product and persuade target customers to buy it (Armstrong & Kotler, 2003). It includes advertising, the sales force, public relations, and any other signal that the firm provides about itself and its products (Hawkins et al., 2001). Marketing communications activities are integrated to deliver a consistent message and achieve the strategic positioning. To be able to plan a marketing communication it is important to analyze the possible interaction a consumer may have with a brand and its products or service.

Advertising is a means of marketing communication, which publicizes attributes of a brand to customers. A brand has a high probability of being strong when advertising, promotion and packing support a constant positioning strategy over time Aaker, (1991) Pages 51

2.1.1.3 Place/Accessibility

Place includes company activities that make the product available to target consumers (Armstrong & Kotler, 2003). Only in rare cases will customers go to much trouble to secure a particular brand. Obviously, good channel decisions require a sound knowledge of where target customers shop for the product (Hawkins et al., 2001). Availability means the access to a product or brand in a store at the time of purchasing. The convenience of a product or brand has a great influence on the customer buying behavior Lin & Chang, (2003) Pages 94-107. In today's busy society, a customer does not have the time to move from one shop to the other when purchasing low involvement product, the customer will choose a new brand or switch the entire shop.

2.1.1.4 Product Packaging

Packaging is the container for a product, encompassing the physical appearance of the container and including the design, color, shape, labeling and materials used" Arens (1996). Packaging can be defined quite simply as an extrinsic element of the product Olson (1972). Kotler (2003) defines packaging as all the activities of designing and producing the container for a product.

Packaging can be defined as the wrapping material around a consumer item that serves to contain, identify, describe, protect, display, promote and otherwise make the product marketable.

Packages are found to attract attention Underwood (2001); Garber (2000); Goldberg (1999); Schoormans (1997). Pictures on packages are emphasized to attract attention; particularly when consumers are not very familiar with the brands Underwood (2001). Jahre (2004) asserted that, packaging is the technology and art of preparing a commodity for convenient transport, storage and sale. Packaging provides many pertinent marketing and managerial functions such as

protection, promotion and user convenience. Packaging may be viewed as an integral part of the product and is the first point of contact with the brand especially consumer product Rundh (2005). Packaging may likely influence and smoothly lead consumers to form associations on the first sight of a package which may trigger favorable or unfavorable purchase intention about a brand of alcoholic beverage at the point of sale and/or consumption.

2.1.1.5 Product quality

Quality is defined as evaluation of excellence and superiority of the product (Zeithaml, 1988). In the previous studies, some researchers argued that quality cannot be defined and quality is objective which can be measured. In a different thought others believed quality cannot be measured. Combining this two approaches quality is divided in to objective of quality and perception of quality (anselmsson, ULF, & persson, 2007). Objective of quality is evaluation of the product based on physical characteristics. While perception of quality considers subjective notation which is consumer evaluation of the product and judgment that based on some attributes. According to Collins (2003) consumer evaluates the quality in association of extrinsic and intrinsic cue. Intrinsic cue is the perception of quality through physical characteristic of the product (color, size, flavor or aroma) while extrinsic cues are attributes which have some relations with the product (package, price, advertising and peer pressure). Because extrinsic cues are more familiar with customers, based on this cues it is easier for them to evaluate the products.

2.1.2 Consumer Buying Behavior

“Consumer buying behavior refers to the buying behavior of final consumers, individuals and household who buy goods and services for personal consumption.” Armstrong & Kotler, (2003), p. 128. The consumer market consists of all the combinations of final consumers. These consumers, from all over the world, with a wide range in terms of age, income, educational level, gender and tastes. In addition, they purchase an incredible variety of goods and services.

2.1.2.1 Model of Consumer buying Behavior

Consumers make many buying decisions every day. The consumer purchasing decision answers questions about what consumers buy, where they buy, how and how much they buy, when they buy, and why they buy (Armstrong & Kotler, 2003). Past decisions, time-related events, such as ageing, and external events, such as an illness of job change, lead to lifestyle changes that pose additional consumption problems and result in new purchases (Neal, Quester, & Hawkins, 2002).

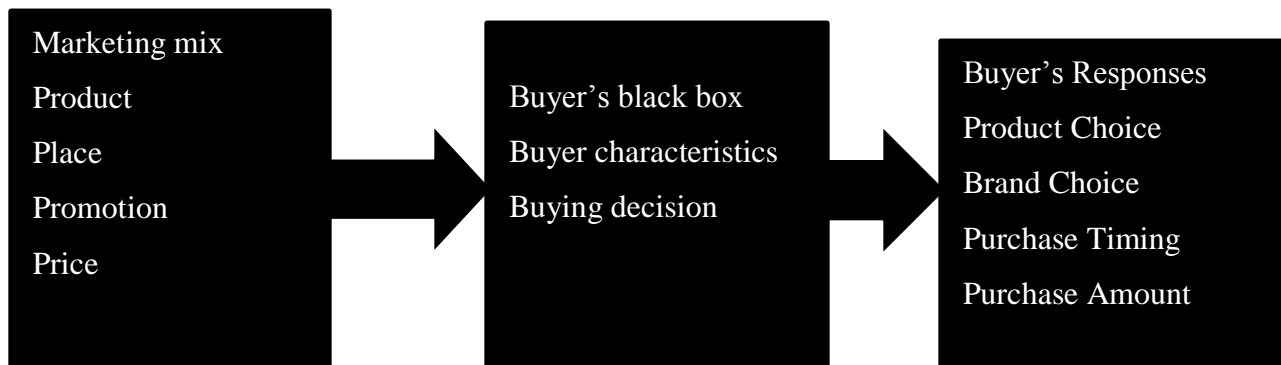


Figure 2.1 Model of Buyer Behavior

Source: Armstrong and Kotler (2003)

Figure 2.1 presents that marketing and other stimulus enter the consumer's black box and produce certain responses. Marketing stimuli consists of the four Ps; product, price, place, and promotion. These inputs enter the buyer's black box, where they are turned into a set of observable buyer responses: product choice, brand choice, dealer choice, purchasing timing, and purchasing amount. The market wants to understand how the stimuli are changed into responses inside the consumer's black box, which has two parts. First, the buyer's characteristics influence how they perceive and react to the stimuli. Second, the buyer's decision process itself affects the buyer's behavior (Armstrong & Kotler, 2003).

2.1.2.2 Consumer Decision Making

The key process in consumer decision making, however, is the integration process by which knowledge is combined to evaluate two or more alternative behaviors and select one. The outcome of this integration process is a choice, represented cognitively as a behavioral intention. A behavior intention is a plan (sometimes called a decision plan) to engage in some behavior. All aspects of affect and cognition are involved in consumer decision making, including the knowledge, meanings, and beliefs activated from memory and the attention and comprehension processes involved in interpreting new information in the environment (Peter & Olson, 1999).

2.1.2.3 Buyer Decision Process

The consumer usually searches his or her memory (the psychological field) before seeking external sources of information regarding a given consumption related need. Past experience is considered an internal source of the consumer is likely to need to reach a decision. Many

consumer decisions are based on a combination of past experience, marketing and noncommercial information (Schiffman & Kanuk, 2004).

Figure 2.2 shows that the buyer decision process consists of five stages; need recognition, information search, evaluation of alternatives purchase decision, and post purchase behavior. Clearly, the buying process starts long before actual purchase and continues long after. Marketers need to focus on the entire buying process rather than on just the purchase decision. The figure implies that consumers pass through all five stages with every purchase. Nevertheless, in more routine purchases, consumers often skip or reverse some of these stages (Armstrong & Kotler, 2003).



Figure 2.2 Buyer Decision Process

Source: Armstrong and Kotler (2003)

1. Need recognition.

The buying process starts with requirements or need recognition. The buyer recognizes a problem or need. The need or requirement can be triggered by internal stimuli from one of the person's normal needs. For example, hunger, thirst, sex, raises to a level high enough to become a drive. A need can also be triggered by external stimuli (Armstrong & Kotler, 2003). It is the task of marketing managers to determine the needs and wants of a particular product can and does satisfy and the unsatisfied needs and wants of consumers have for, in which a new product could be developed. In order to do so, marketing managers should understand what types of needs consumers may have. A well-known classification of needs was developed many years ago by Abraham Maslow, including physical needs, safety needs, belonging needs, esteem needs, and self-actualization needs (Peter & Donnelly, 2001).

2. Information search

An interested consumer may or may not search for more information. If the consumer's drive is strong and a satisfying product is near at hand, the consumer is likely to buy it then. If not, the consumer may store the need in memory or undertake an information search related to the need

(Armstrong & Kotler, 2003). Information provided by marketers is invariably favorable to the product and/or brand. Consumers are especially likely to note the negative information and to avoid products or brands that receive negative evaluation (Shiffman & Kanuk, 2004).

3. Evaluation of alternatives

Evaluate or judge competing alternatives in terms of salient beliefs about relevant consequences and combine this knowledge to make a choice (Peter & Olson, 1999). The marketer needs to know about alternative evaluation. That is how the consumers process information to arrive at brand choices. Unfortunately, consumers do not use a simple and single evaluation process in all buying decisions. Instead, several evaluation processes are at work. The consumer arrives at attitudes toward different brands through some evaluation procedure. How consumers go about evaluating purchase alternatives depends on the individual consumer and the specific buying situation (Armstrong & Kotler, 2003).

4. Purchase decision

If no other factors intervene after the consumer has decided on the brand that is intended for purchase, the actual purchase is a common result of search and evaluation. Actually, a purchase involves many decisions, which include product type, brand, model, dealer selection, and method of payment, among other factors. In addition, rather than purchasing, the consumer may make a decision to modify, postpone, or avoid purchase based on an inhibitor to purchase or perceived risk. The perceived risk literature emphasizes that consumers generally try to reduce risk in their decision making. This can be done by either reducing the possible negative consequences or by reducing the uncertainty (Peter & Donnelly, 2001).

5. Post purchase behavior

The marketer's job does not end when the product is bought. After purchasing the product, the consumer will be satisfied or dissatisfied and will engage in post purchase behavior of interest to the marketer. If the product falls short of expectations, the consumer is disappointed; if it meets expectations, the consumer is satisfied; if it exceeds expectations, the consumer is delighted. The larger the gap between expectations and performance, the greater will be the consumer's dissatisfaction. This suggests that sellers should make product claims that faithfully represent the product's performance levels to boost consumer satisfaction with the product. Almost all major purchases result in cognitive dissonance, or discomfort caused by post purchase conflict. After the purchase, consumers are satisfied with the benefits of the chosen brand and are glad to avoid

the drawbacks of the brands not bought. Consumers feel uneasy about acquiring the drawbacks of the chosen brand and about losing the benefits of the brands not purchased. Thus, consumers feel at least some post purchase dissonance for every purchase (Armstrong & Kotler, 2003).

2.1.5 Wine quality dimensions

It has been noted that commentators from the wine industry also demonstrate an unwillingness to deal with the overall nature of wine quality (Charters & Pettigrew, 2002). In many wine handbooks (for instance Rankine, 1989) wine quality is undefined. Similarly, quality as a term does not even register as an index entry in many wine books. For example, in the Faber series on world wine regions, which is possibly the most detailed and comprehensive such undertaking in the English language, half of the volumes have no such reference. Rather, the emphasis is on the production methods and management techniques adopted to create that undefined quality or (in Europe) on the legal structures imposed to ensure its manifestation.

Part of this unwillingness to engage explicitly with the topic of quality within the field of wine relates to both a lack of a definition of quality and a sense of confusion about the parameters within which quality can be analysed. For some the assessment of wine is an aesthetic process which includes some objective criteria (Amerine & Roessler, 1976). For others it is a subjective process which cannot be divorced from the use the consumer will put the wine to or the amount they are prepared to pay for it. Peynaud (1987 p. 220), in one of the standard texts on wine tasting suggests that “quality only exists in relation to this individual and then only in as far as he has the ability to perceive it and approve it”. Gawel (1999), who has spent some time researching how Australian wine show judges operate, supports this disparity of views about the nature of quality: As a result, rather than engage directly with the nature of wine quality, wine professionals have tended to set up a series of proxy systems. They utilise criteria which appear to mark the quality of a wine objectively, even though they may not be precise about exactly what that quality is or – in some cases – without explicitly assessing the wine in the glass. These quality criteria may be intrinsic (that is, they involve tasting the wine), or they may be extrinsic, in which case they rely on external factors to grade the wine. The latter include classifications and systems which relate to the origin of the wine.

The intrinsic dimensions were perceived to be more important overall than the extrinsic dimensions. With the exception of one interviewee, all informants mentioned at least one intrinsic component as being part of their perception of wine quality and most volunteered two or

more of these dimensions when asked. Whereas some of the extrinsic dimensions of quality (especially price, reputation and packaging) are about symbolic consumption, the intrinsic dimensions seem to be more firmly rooted in experiential consumption. In the same way that psychologists talk of terminal and instrumental values (typically Rokeach, 1968; Rokeach, 1973) so one can see the dimensions of quality as terminal or instrumental. Thus some dimensions may be an end state to be attained. Alternatively other dimensions can be seen as catalysts or indicators which mark out the process of the consumer's engagement with the quality of the product and are therefore instrumental. The first dimension pleasure and enjoyment tends to be terminal while the other three can be seen generally as instrumental dimensions.

2.1.6 Factors Influencing Wine Purchases

There is a perceived risk that goes hand in hand with purchasing wine. Consumers strive to reduce the likelihood of making a bad purchase decision by using a variety of tools to get around the risk. Some of these methods include selecting wines based on brands that represent consistent quality, recommendations from family and friends, advice from a sales associate, or the consumers' own knowledge. Wine consumers use intrinsic and extrinsic cues when making wine purchases, and these cues are normally used as an indicator of quality. Intrinsic cues refer to characteristics of a wine that relate to the wine itself, such as grape variety, alcohol content, and wine style. Characteristics that are labeled intrinsic are items that if changed, will change the composition of the wine as well. Although intrinsic cues can be a good indicator of quality, it is more common to look at the extrinsic cues when purchasing wine since intrinsic quality related attributes such as taste and aroma are not always available to the consumer while shopping (Jacoby and Olson 1985). Consumers commonly rely on extrinsic cues such as price or region of origin as an indicator of quality, but will also consider label, packaging, brand, and shelf position when making wine purchases (Lockshin and Rhodus 1993, Atkin and Johnson 2010). In addition, consumers will also look to brands and wines from regions that have pleased them in the past. Extrinsic cues are under the control of the producer, and can be changed without actually changing the product. Consumers use extrinsic cues to reduce their risk and are used in combination with intrinsic cues, and when the intrinsic cues that come from tasting a wine cannot be used.

In the earlier (Lockshin and Hall, 2003) there were several studies focusing on the concept of wine involvement and its impact on how consumers purchase wines. Mueller et al. (2010a)

combined discrete choice and actual sensory tasting to determine the importance of taste compared to packaging elements in choice. They found that packaging, lower price, and market share, influenced choice, while higher price and sensory characteristics, such as fruity and sweet influenced hedonic liking.

Mueller et al. (2010b) looked at the influence of back label statements on choice. Winery history and elaborate taste descriptions were found to be the most positive influences on choice, while ingredient labelling was the only negative influence on choice. Ritchie et al. (2010) also looked at price as an important element in wine purchasing. Their interest is the low involvement, supermarket shopper, typically buying wine like other grocery items. They found that the way super- markets communicated wine and focused on price dis- counting caused the focus to be on price and not on other attributes. Orth and Bourrain (2005) looked at the influence of ambient scent on wine buying behavior. They found that more pleasant scents increased variety seeking and curiosity- motivated behavior. This had effects on the importance of the standard elements consumers use in deciding which wine to buy, such as label color, taste and grape variety. Place decision involves activities that make products available to target customers (Kotler & Keller, 2009).

2.2 Empirical Reviews

Product quality shapes retailers' reputation and influences consumer buying decision at stores Pan and Zinkhan (2006). Chaudhuri and Ligas (2009) suggest that product value is positively correlated to purchase behavior and customer loyalty in the retail sector. Consumers evaluate various dimensions of food products to make their purchase decision. Nevin and Suzan Seren (2010) reveal that Turkish consumers are concerned about food nutrition and safety when shopping at supermarket. Spinks and Bose (2002), in a study of seafood purchasing in New Zealand, find that consumer decision is influenced by product characteristics of nutrition, taste, health benefit and ease of preparation. Additionally, Maruyama and Trung (2007) demonstrate that the underlying reasons for buying fresh food in Vietnamese supermarkets include factors such as brand names, ranges of size and volume, the freshness and the origin of goods. Recently, scholars typically identify food label and package as important determinants of consumer purchasing decision (Akbar & Jones, 2005; Andreas, Panagiotis, & Rodolfo, 2007; Jabir, Sanjeev, & Janakiraman, 2010; Jean & Louis, 2011; Kempen, Bosman, Bouwer, Klein, & van der Merwe, 2011).

French (2003) indicates that food pricing is an essential factor that shapes individual choice. Given the importance of cost saving consumers evaluate and compare price during the process of food purchasing (Nevin & Suzan Seren, 2010). Conventional wisdom indicates that, a high retail price which reflects immediate monetary costs are likely to hinder consumer purchase behavior while a low price or competitive price leads to an increase in store traffic and product sales (Barbara, Lois, & Bobby, 1996; Pan & Zinkhan, 2006). Interestingly, some authors challenge this view and argue that consumers who seek to maximize expected quality are willing to pay for the highest-priced products (Dodds, Monroe, & Grewal, 1991; Kerin, Jain, & Howard, 1992). That is, consumers are interested in the ratio between price and quality when making purchase decision. Figuié and Moustier (2009) find that most of Vietnamese supermarket consumers perceive high price as an indicator of product quality. In general, empirical studies find that competitive and reduced prices promote the purchase of food in retail stores (e.g., French et al., 1997; Hansen, 2003; Jeffery, French, Raether, & Baxter, 1994).

As such, it aims to provide shopping convenience sought by consumers in modern retail channels Pan and Zinkhan (2006). Most researchers agree that a convenient location increase store patronage via reduced transaction costs (Berry, Seiders, & Grewal, 2002; Huddleston, Whipple, & VanAuken, 2004; Jabir et al., 2010). The central place theory (Craig, Ghosh, & McLafferty, 1984) posits that retail stores at central locations may attract consumers from long distances. Alongside location, results of an India study (Jabir et al., 2010) show that food consumers prefer supermarkets which have longer opening hours, sufficient parking, product availability and accessibility. One interpretation could be that these elements altogether create consumers' perception of service quality provided by retailers (Berry et al., 2002; Chaudhuri & Ligas, 2009; Pan & Zinkhan, 2006). Empirical evidence confirms that convenience significantly affects consumer purchase of food products (Jaravaza & Chitando, 2013; Maruyama & Trung, 2007).

Promotion is a marketing activity that retailers use to bring traffic into stores and generate sales by communicating current offerings to targeted consumers (Dunne et al., 2010, p. 392). Specifically, promotion can increase sales through sales switched from other stores and increase in consumption from existing consumers (Ailawadi, Harlam, Cesar, & Trounce, 2006). Dunne et al. (2010) propose four basic types of promotion: advertising, sales promotions, publicity and personal selling. Two unique tools that create differences between retailer and manufacturer promotional programs include in-store sales promotion and advertising (Bemmaor & Mouchoux,

1991). A Chinese study (McNeill, 2006) reveals that consumers pay great attention to sales promotion (e.g. free gift, sampling, loyalty programs, discounts, and coupon) when selecting stores. This finding is extended by Hansen (2003) who demonstrates that promotional tools such as print advertisements, direct mail, customer loyalty and discount are likely to attract consumers to retail stores, leading to their purchase. Interestingly, Maruyama and Trung (2007) find that instore advertising (e.g. panel, billboards, and flyers) has strong potential in affecting Vietnamese consumers' purchasing decision toward food products.

Understanding how the product attracts the consumer's attention from the multitude of commodity packaging is the first step that leads to success Wang and Chen (2007). If the packaging can further lead the consumer to a positive buying emotion, the goal of invigorating the sales volume will possibly be achieved Donovan and Rossiter (1982; Sherman (1997). To observe this tendency, the illustration has a more common visual-design performance, and it lets the person feel more approachable. A study reported on Wright (2010) asserted that the food and drink industry accounts for more than half of the world's packaging market, ahead of sectors such as cosmetics, pharmaceuticals and healthcare/medicine. The share of the packaging market taken by food and drink is particularly high in the glass sector, owing to the dominance of glass bottles in the beverages industry Wright (2010). However, food and drink applications account for more than half of apparent consumption for all types of packaging material except metal (which has a share of fewer than 50%), Wright, (2010). By 2014, the plastics sector is expected to become the market's largest share, driven by continuing technological innovations such as improvements in barrier protection. This trend is expected to increase the penetration of flexible forms of plastic packaging such as pouches within the food industry. In contrast, demand for paper, glass and metal packaging is likely to remain at more static levels, although all three materials are expected to retain a significant presence in the food and drink industry, Wright (2010).

According to Kuvykaite (2009), descriptive-research, package attracts a consumer's attention to a particular brand, enhances its image, and influences the consumer's perceptions about a product. Packaging imparts unique value to products Underwood (2001) and Silayoi and Speece, (2004). It also works as a tool for differentiation as it helps consumers to choose the product from a wide range of similar products, i.e. stimulates customers buying behavior Wells (2007). Thus packaging performs an important role in marketing communications and could be treated as

one of the most important factors influencing consumers' purchase of beverage; its elements and their impact on consumers' buying behavior becomes a relevant issue. Using packaging elements by consumers is an important issue for low involvement products. Generally, information elements require more mental effort to process than to do visual elements, which evoke more of an emotional response Silayoi and Speece, (2004). The role of imagery in information processing pictures may exert an influence on judgments through their mediating impact on the images they provide of the situations they describe. However, images may be elicited by verbal description of the situation as well. The role of imagery in consumer behavior has been recognized in research by Escalas (2004). That is, individuals who read a story may often imagine themselves as a protagonist in the narrative. As a consequence of being transported into the situation portrayed in advertisements they may be more influenced by it Wanke (2009).

Consistent with Young's (2006) assertion, packaging also differs from advertising in that it is normally positioned directly next to its primary competitors. In other words, packaging is seldom viewed or considered in isolation and all communication is intrinsically on a relative or comparative basis (that is, with your package in a person's left hand and a competing package in his or her right hand). In advertising, the emphasis is often on historical "norms" and absolute measure research for packaging, the most relevant norm is nearly always competition; and it is critical that a study gather directly comparable data regarding competitive packaging Young (2006). Louw and Kimber's (2006) study concluded packaging has a better reach than advertising does, and can set a brand apart from its competitors. It promotes and reinforces the purchase decision not only at the point of purchase, but also every time the product is used Louw and Kimber (2006). Research into packaging has found that different packaging cues impact how a product is perceived Louw and Kimber (2006). They stated that the packaging is perceived to be part of the product and it can be difficult for consumers to separate the two.

2.3 Conceptual Framework

Scholars substantially identify marketing mix as controllable parameters that firms use to influence consumer buying process Brassington & Pettitt (2005); Kotler, (2010). The conventional framework of marketing mix comprises 4Ps: product, price, place and promotion Waterschoot & Van Den Bulte, (1992). As the marketing literature evolves the 4Ps mix has been adapted to various domains, including retail marketing; Constantinides (2006). In the context of food retailing, a growing volume of studies reveal that conventional marketing mix elements

such as product's quality and package, price, store location and promotional tools shape consumer buying behavior Akbay & Jones, (2005); Knight, Jackson, Bain, & Eldemire-Shearer, 2003; Nevin & Suzan Seren, 2010; Spinks & Bose, 2002). Such elements influence customer perceived value and purchasing decisions towards food products (Chaudhuri & Ligas, 2009). Despite extensive research efforts, there is a paucity of knowledge relating to beverages, especially wine products buying behavior in emerging markets, like in Ethiopia.

This research provides a detailed information resource covering all the key data points on marketing mix factors influencing consumers' purchasing decisions in the consumption of Awash winery products. The factors are categorized into social, cultural, psychological, economical and marketing mix factors. The researcher has focused only on marketing mix factors and identified five variables by splitting product in to two dimensions; namely product packaging, price, promotion, product quality and place/accessibility from the literature review on titles related with the scope of the subject under study. Marketers are familiar with the term "marketing mix," conceived by Neil Borden, president of the American Marketing Association. Though the term was developed back in the mid-20th century, its concepts are still relevant and widely used by companies today. This tool includes four key elements: price, product, promotion, and place.

The researcher has viewed product from two dimensions; which are product packaging and product quality, because each of the dimensions have a broad concept and under each of the dimensions there are a number of sub variables and each of the dimensions individually have relationship with consumers buying decision. The factors that are believed to affect consumers' purchasing decisions in wine consumption are primarily developed from a variety of sources.

Based on the above facts the researcher has developed dependent and independent variables and hence, consumer buying decision will be considered as a dependent variable and the factors like product packaging, product quality, price, promotion and place/accessibility will be the independent variables.

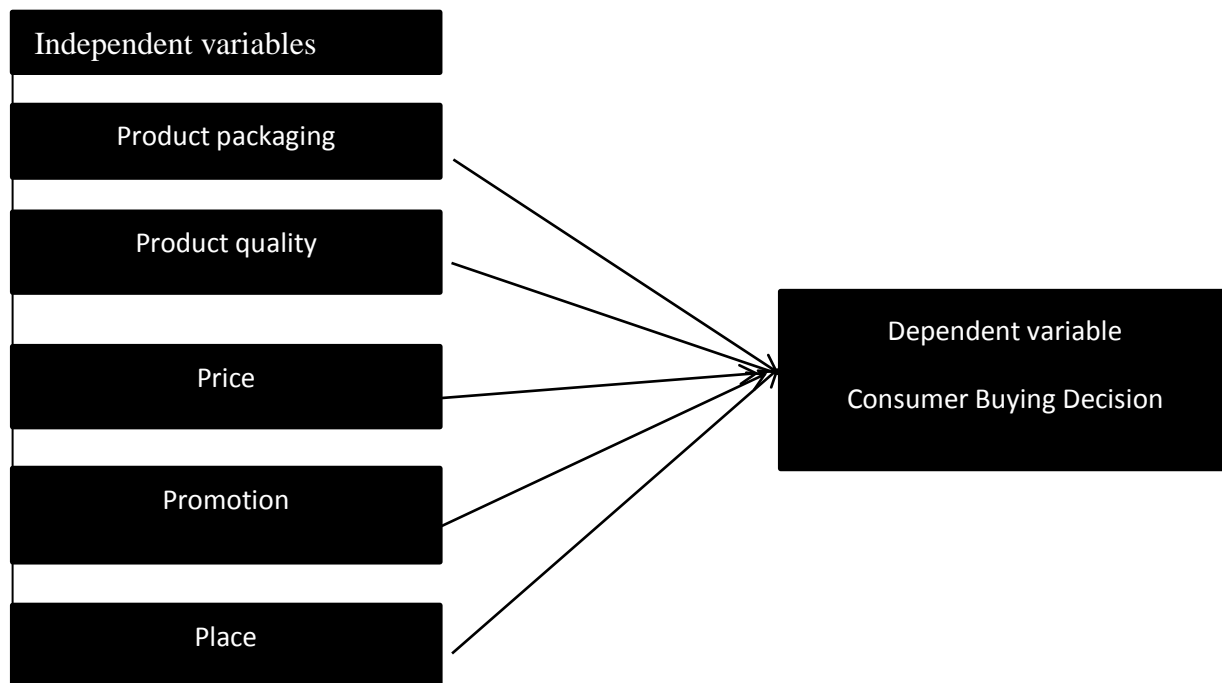


Figure 2.3 Conceptual Framework

Source: Shanthakumary et.al (2014) with slight modification.

The associations between the dependent variable and independent variables will be analyzed individually with the applications of SPSS software.

Mueller et al. (2010b) looked at the influence of back label statements on choice. Winery history and elaborate taste descriptions were found to be the most positive influences on choice, while ingredient labeling was the only negative influence on choice. Based on this literature the researcher has developed the hypothesis that:

H1: Product packaging has a positive and significant influence on consumer buying decision.

Product quality shapes retailers’ reputation and influences consumer buying decision at stores Pan and Zinkhan (2006). Chaudhuri and Ligas (2009) suggest that product value is positively correlated to purchase behavior and customer loyalty in the retail sector. Consumers evaluate various dimensions of food products to make their purchase decision. Nevin and Suzan Seren (2010) reveal that Turkish consumers are concerned about food nutrition and safety when shopping at supermarket. Spinks and Bose (2002), in a study of seafood purchasing in New Zealand, find that consumer decision is influenced by product characteristics of nutrition, taste,

health benefit and ease of preparation. Depending on the literature the researcher postulates the following hypothesis:

H2: product quality has positive and significant influence on consumer buying decision.

Ritchie et al. (2010) also looked at price as an important element in wine purchasing. Their interest is the low involvement, supermarket shopper, typically buying wine like other grocery items. They found that the way super- markets communicated wine and focused on price discounting caused the focus to be on price and not on other attributes. Based on this the researcher has developed the following hypothesis:

H3: Price has a positive and significant relationship with consumer buying decision.

Promotion is a marketing activity that retailers use to bring traffic into stores and generate sales by communicating current offerings to targeted consumers (Dunne et al., 2010, p. 392). Specifically, promotion can increase sales through sales switched from other stores and increase in consumption from existing consumers (Ailawadi, Harlam, Cesar, & Trounce, 2006). Based on this evidence the researcher has developed the following hypothesis:

H4: Promotion has positive and significant influence on consumers buying decision.

Empirical evidence confirms that convenience significantly affects consumer purchase of food products (Jaravaza & Chitando, 2013; Maruyama & Trung, 2007). As such, it aims to provide shopping convenience sought by consumers in modern retail channels Pan and Zinkhan (2006). Most researchers agree that a convenient location increase store patronage via reduced transaction costs (Berry, Seiders, & Grewal, 2002; Huddleston, Whipple, & VanAuken, 2004; Jabir et al., 2010). Based on the literature the researcher has developed the hypothesis that:

H5: Accessibility has positive and significant influence on consumer buying decision.

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

Introduction

This chapter describes the methodology used for the study. The main issues discussed here are the research approach, research design, research population, sample and sampling technique, source of data and data collection methods, method of data analysis and ethical considerations.

3.1 Description of the study area

The study has conducted on customers of Awash wine S.C located in Addis Ababa in connection with the effect of marketing mix elements on consumers buying decision and to explore whether marketing mix factors namely product packaging, product quality, price, promotion and place/convenience/accessibility matters consumers in deciding to purchase of wine products.

3.2 Approaches to the Research Method

Quantitative research is a study that makes use of statistical analysis to obtain findings. Its key features include systematic and formal measurement of phenomena and the use of statistics, Geoffrey et al. (2005). Since this research uses systematic collection and measurement of data as well as application of statistical tools to obtain the findings, it is a quantitative research. A quantitative data collection technique has been used by utilizing a questioner with structured questions. Quantitative research has applied, because it is an appropriate approach for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures. Moreover the researcher uses quantitative research approach, due to the group to be studied is larger and randomly selected through non probability sampling technique, and the final report has presented through statistical report with correlation, regression and statistical significance of findings.

3.3 Research Design

Research can be classified as descriptive, explanatory and exploratory depending on the specific purpose the research that tries to address. Descriptive research sets out to describe and to interpret what is. It looks at individuals, groups, institutions, methods and materials in order to describe, compare, contrast, classify, analyze and interpret the entities and the events that constitute the various fields of inquiry. It aims to describe the state of affairs as it exists. On the

other hand, explanatory research, aims at establishing the cause and effect relationship between variables.

Accordingly, the researcher employs mixed (descriptive and explanatory) research design with which to describe and explain the five marketing mix elements and the relationship between marketing mix factors and consumer buying decision. Moreover, the contribution of the five marketing mix elements towards the dependent variable, which is consumer buying decision, has clearly examined. As the aim of the study is to describe the characteristics of sample population in connection with the effect of these marketing mix elements on consumer buying decision and the researcher uses quantitative research approach, descriptive research design is suitable and appropriate. Moreover explanatory research design has been used and helps the researcher to find out the relationship between the independent variables, namely (product packaging, product quality, price, promotion and place/convenience) and the dependent variable, consumer buying decision.

3.4 Population and Sample Size

Sekeran (1990) reported that population refers to the entire group of people, events or things of interest that the researcher wishes to investigate. The target population for this study was consisting of all the customers of Awash wine S.C in Addis Ababa city. Quite often we select only a few items from the population for our study purposes. Determining sample size is very important issue because samples that are too large may waste time, resource and money. While samples that are too small may lead to inaccurate results. According to Saunders (2007) researchers normally work to a 95% level of certainty. According to Cochran (1977), for the population that are large to yield a representative sample for proportions which is valid; where N is a sample size, Z is the Abscissa of the normal curve that cuts off an area “ α ” at the tails, the tails are $(1 - \alpha)$ ” at the tails, the tails are $(1 - \alpha)$ ” at the tails, the tails are $(1 - \alpha)$) equals the desired confidence level i.e. 95%. “E” denotes the desired level of precision, “p” is the estimated probability of attribute that is present in the population. “q” is 1-p. The value for Z is found in the statistical tables which contain the area under the normal curve. The resulting sample in this study was determined as follows:

$$\begin{aligned} N &= Z^2 p * q / E^2 \\ &= 1.962 * 0.5 * 0.50 / 0.05^2 \\ &= 384.16 \end{aligned}$$

According to the above calculation, a sample size of 384 has been selected from the defined target population.

3.5 Sampling procedures

Considering the large population of the study, convenience and purposive non probability sampling techniques were used to collect data in view of time and cost constraints, and the study demands respondents to have knowledge of the subject under study. Convenience sampling has enabled the distribution and handling of the survey questionnaires effective and convenient to easily distribute for the customers located within Addis Ababa. The main reason to use judgmental sampling was, because the researcher believe that, it is possible to obtain a representative sample by using a sound judgment, which results in saving time and money, the subject under study needs the respondents to have knowledge of the study area and to distribute the questionnaires by asking them whether they are a customer of the company under the scope of the study area. In this case the researcher identifies the customers from non-customers by questioning them before the distribution of the questioner. Thus, to do so purposive sampling technique was most appropriate. Moreover it was easy and enables the researcher to judge the respondents know how regarding the study area and distribute questioners accordingly. Generally as the study is quantitative it was convincing to use convenience sampling technique; and as the subject under study needs the respondents to have knowledge of the study area it requires the researcher's judgment so that judgmental sampling was utilized.

3.6 Data source and types

Based on the research objectives, both primary and secondary sources were employed to collect the required data. According to Kothari (2004), primary data are those which are collected afresh and for the first time, and thus happen to be original in character. Secondary data, on the other hand, are those which have already been collected by someone else and which have already been passed through the statistical process.

The primary sources of data for this research were gathered from Awash wine product buyers in Addis Ababa city. As it is stated by Malhotra (2005), examination of available secondary data is a pre-requisite to the collection of primary data. Based on this, the study used secondary data obtained from the company under study and other relevant sources and then the primary data were analyzed with rationale of the secondary data. The primary data was collected from the field survey using questionnaires. Self-designed closed ended questionnaires were administered

to gauge the preferences of respondents. The questionnaires were rated on the 5 point likert scales with 1 for definitely not and 5 for definitely yes.

3.7 Validity and Reliability Test

3.7.1 Validity Test

Validity is concerned with whether the findings are really about what they appear to be about Saunders et al. (2003). Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure Saunders et al. (2003).

A number of different steps have been taken to ensure the validity of the study. First data was collected from reliable sources, from respondents who are customers of Awash winery through survey question based on literature review and frame of reference to ensure the validity of the result; questionnaire were pre-tested by pilot test before starting the survey. Questionnaires were tested by 22 persons and data was collected for one week, and the responses were valid.

3.7.2 Reliability Test

Cronbach's alpha was used in this study to assess the internal consistency of the research instrument which is the questionnaire the researcher developed. Cronbach's α at the tails, the tails are $(1 - \alpha)$ (alpha) is a coefficient of reliability used to measure the internal consistency of a test or scale; it resulted in a number between 0 and 1. As the result approaches to 1 the more the internal consistency of the items, which means all the items measure the same variable.

The result of the overall coefficient alpha for this study's instrument was found to be 0.818 as depicted in the table below. This can be seen as indication of acceptability of the scale for further analysis since all the five elements of marketing mix dimensions (product packaging, product quality, price, promotion and place) determine and measure the same variable which is consumer buying decision. The items under each of the five marketing mix dimensions are also tested to check if they measure the same dimension or not. All dimensions consistency results in aggregate and separately each dependent and independent variables were greater than 0.7. Cronbach's alpha values of greater than 0.7 indicate higher degrees of internal consistency (Henson, 2001). Since the results were deemed acceptable further analysis will be conducted.

3.8 Method of Data Analysis

After collecting data from primary sources, it was appropriately checked. In addition to that in-house editing was made by the researcher to detect errors committed by respondents during

completing the questionnaires. Then the edited data was coded and manually enter in to the statistical package for social science (SPSS) software.

In the study, quantitative methods of data analysis techniques were employed. Analysis of data in this research was done by using statistical tools like frequency, mean, standard deviation, correlation and multiple regressions. A descriptive analysis was also used for demographic factors such as gender, age, educational level, income of respondents and marital status.

In the study five hypotheses were analyzed using methods of statistical inference. Pearson Correlation analysis was conducted to test the existence of significant relationship between the marketing mix factors and consumer buying decision in purchasing wine products. Then, the multiple regression analyses were also conducted to determine by how much percent the independent variables explain the dependent variable. Tables were employed to present the data and statistical package for social science (SPSS) version 20 were used to support the analysis.

3.9 Ethical procedures

In conducting this research, respondents were informed in advance that the data collection process is carried out whenever they are willing to cooperate. In addition to this, any information to be collected via the instruments would never be used for any other purpose other than its academic intent i.e. the data will be kept confidential. They were also informed before it is publicized; the copy of the research findings has offered.

Chapter Four

Data Analysis Presentation and Interpretation

In this chapter the data is presented following the relevant data processing, analysis and interpretation. The analysis and the interpretation were carried out based on the data collected through questionnaire from customers. The analysis is based on the information obtained from 380 customers. In order to get a representative data 384 questionnaires were prepared and distributed to customers of Awash wine located in Addis Ababa. Out of these 384 questionnaires distributed to customers, 353 questionnaires were collected back and properly filled. Thus, the analysis is based on the valid 353 questionnaires (with 91.93% response rate) response while the remaining 31 (8.07%) questionnaires were not returned back.

Table 4.1 Response rate of Questionnaires Administered

Particulars	Correctly filled and returned	Not returned	Total
Frequency	353	31	384
Percentage	91.93%	8.07%	100%

Source: own survey (September, 2018)

4.1 Reliability Test

Cronbach's alpha is used in this study to assess the internal consistency of the research instrument which is the questionnaire the researcher developed. Cronbach's α (alpha) is a coefficient of reliability used to measure the internal consistency of a test or scale; it resulted in a number between 0 and 1. As the result approaches to 1 the more the internal consistency of the items, which means all the items measure the same variable.

The result of the overall coefficient alpha for this study's instrument was found to be 0.818 as depicted in the table below. This can be seen as indication of acceptability of the scale for further analysis since all the five elements of marketing mix dimensions (product packaging, product quality, price, promotion and place) determine and measure the same variable which is consumer buying decision. The items under each of the five marketing mix dimensions are also tested to check if they measure the same dimension or not. All dimensions consistency results in aggregate and separately each dependent and independent variables were greater than 0.7. Cronbach's alpha values of greater than 0.7 indicate higher degrees of internal consistency (Henson, 2001). Since the results were deemed acceptable further analysis will be conducted.

Table 4.1: Cronbach's alpha test for dependent and independent variables

Dimensions	Cronbach's Alpha	N of items
Product Packaging	0.946	5
Product quality	0.960	5
Price	0.939	3
Promotion	0.710	5
Place	0.757	4
Consumer Buying decision	0.750	5
Over all reliability	0.818	27

Source: Survey result (September, 2018 n=353)

4.2 Demographic Information about the Respondents

A total of 384 questionnaires were distributed and 353 usable questionnaires were collected. The collected data were analyzed with the statistical package for social science (SPSS version 20). The following table presents frequency statistics of demographic variables.

Table 4.2: Frequency and percentages of Respondents Demographic Characteristics

No	Demographic Factors	Classification	Frequency	%age
1.	Gender	Male	230	65.2
		Female	123	34.8
2.	Age	18 - 27	62	17.6
		28 - 37	181	51.3
		38 - 47	100	28.3
		above 47	10	2.8
3.	Monthly Income	less than 5000	27	7.6
		5000 - 10000	170	48.2
		10000 - 15000	142	40.2
		above 15000	14	4.0
4.	Education Level	secondary	71	20.1
		bachelor	232	65.7
		post graduate	50	14.2
5.	Marital Status	married	193	54.7
		single	160	45.3

Source: Own survey (September 2018, n=353)

As depicted in the table above, of the 353 usable questionnaires returned, 230 were found to be male which are 65.2 % of the total respondents. Looking in to the age group of respondents, around 51.3% are between the age of 28 and 37, respondents above the age of 47 accounts for only 2.8%. The majority of the customer’s monthly income is in between birr 5,000.00 and 10,000.00 which accounts for 48.2% and respondents with a monthly income of above birr 15,000.00 accounts for only 4%. Most of the respondents had bachelor 65.7% and only 14.2% are post graduate. As far as the respondent’s marital status concerned, 54.7% of the respondents were married and the rest 45.3 % were single.

4.4 Descriptive Statistics Analysis

4.4.1 Consumer’s perception of the effect of marketing mix factors in their buying decision

In this section of the analysis, the customers “response were used to assess their perception level on marketing mix factors and buying decision in purchasing Awash wine products. From the collected data, mean scores and standard deviations were calculated for all Five-Point Likert

Scale items. Then to assess the effect of marketing mix on consumer buying decision, descriptive statistics, mean and standard deviation were considered

According to Al-Sayaad, Rabea, and Samrah (2006) the calculated mean score of an item were classified in ranges to fit the five-scaled Likert"s measure of responses (strongly disagree, disagree, neutral, agree, and strongly agree) as shown in the Table 4.2 below. In this case the researcher classified in ranges to fit the five-scaled Likert"s measure of responses as (definitely not, probably not, possibly, probably yes and definitely yes). Hence, in this study consumer"s buying decision on each marketing mix items for all variables were labeled according to its calculated mean score result and the classification presented in the following table.

Table 4.3: Mean Score Range for Five-Scale Likert's Response

Mean	Response	Response for the purpose of this study
From 1.00 to less than 1.80	Strongly Disagree	Definitely not
From 1.80 to less than 2.60	Disagree	Probably not
From 2.60 to less than 3.40	Neutral	Possibly
From 3.40 to less than 4.20	Agree	Probably yes
From 4.20 to less than 5.00	Strongly Agree	Definitely yes

Source: Al-Sayaad et al. (2006)

4.4.1.1 Product packaging level of influence on consumer buying decision

Product packaging is an extrinsic product dimension that may influence consumers in their buying decision through its attributes; like color, size, shape, design and the information depicted thereon.

Table 4.4: Mean and Standard Deviation Results of product packaging

Questionnaires' Items	N	Mean	Std. deviation	Over all response
Materials used for packaging, affects you in purchasing awash wine products.	353	3.97	.612	Probably yes
Color of packaging matters you in purchasing of Awash wine products.	353	3.96	.600	Probably yes
You prefer wine product packaging having attractive shape.	353	3.88	.614	Probably yes
You purchase awash wine drinks that have adequate size.	353	3.89	.616	Probably yes
Labeling is an important part of packaging in wine products	353	4.00	.637	Probably yes
Overall	353	3.94	.492	Probably yes
Valid N (list wise)	353			

Source: Own Survey (September, 2018) n=353

As shown in Table 4.4 above, product packaging was assessed by five measurement items. According to the mean score of the items that describes the influence of product packaging on wine consumers buying decision, the overall mean score with (mean = 3.94 & standard deviation = .492) implies that, consumers probably influenced by product packaging in purchasing wine products, as there is no as such a significance difference between the mean of the five measurement items and all the items overall response falls under the probability yes category. As the statistical results on Table 4.4 above depicts, consumers agree with the influence of product packaging on their buying decision in purchasing awash wine products.

4.4.1.2 Product quality level of influence on consumer buying decision

Product quality is an intrinsic wine product dimension that may influence consumers in their buying decision through its attributes; pleasure, test, aroma, and drinkability.

Table 4.5: Mean and Standard Deviation Results of product quality

Questionnaires' Items	N	Mean	Std. deviation	Over all response
You prefer Awash wine product because it tastes better.	353	3.99	1.053	Probably yes
You purchase Awash wine product because of the pleasure you get out of it/ for enjoyment.	353	3.03	1.261	Probably not
Smoothness/flavor/acid balance matters you in purchasing Awash wine.	353	4.13	.833	Probably yes
You prefer Awash wine because it is drinkable.	353	4.05	.916	Probably yes
Reflection of origin affects you in deciding to purchase wine products.	353	4.37	.511	definitely yes
Overall	353	3.92	.512	Probably yes
Valid N (list wise)	353			

Source: Own Survey (September, 2018) n=353

As shown in Table 4.5 above, product quality was assessed by five measurement items. According to the overall mean score of the items that describes the influence of product quality on wine consumers buying decision, product quality has influenced consumers buying decision in purchasing wine products with (mean = 3.92, standard deviation = .512). As the statistical results on Table 4.5 above depicts, consumers agree with the influence of product quality on their buying decision in purchasing awash wine products.

4.4.1.3 The influence of price on consumer buying decision

Price is an important marketing mix that may influence consumers in their buying decision through offering a competitive and reasonable price.

Table 4.6: Mean and Standard Deviation Results of price

Questionnaires' Items	N	Mean	Std. deviation	Over all response
You prefer Awash wine product for its competitive price	353	3.83	1.145	Probably yes
Having fair price related with the quality of the product matters you in purchasing wine products.	353	3.60	1.075	Possibly
You are decided to purchase Awash wine products because of low price as compared to the competitors.	353	3.76	.956	Possibly
Overall	353	3.73	.609	Possibly
Valid N (list wise)	353			

Source: Own Survey (September, 2018) n=353

As shown in Table 4.6 above, price was assessed by three measurement items. According to the overall mean score of the items that describes the influence of price on wine consumers buying decision, price possibly influences consumers buying decision in purchasing wine products with (mean = 3.73 & standard deviation = .609). The influence of price is less as compared to product quality and packaging as the overall mean score falls under possibly influences consumers buying decision.

4.4.1.4 The influence of promotion on consumer buying decision

Promotion is an important marketing mix that has a significance influence on consumers in their buying decision through its different promotional mix.

Table 4.7: Mean and Standard Deviation Results of promotion

Questionnaires' Items	N	Mean	Std. deviation	Over all response
Advertisement affects you to purchase wine products.	353	3.74	1.206	Possibly
Availability of free gifts and incentives affects you in deciding to purchase wine products.	353	3.75	1.168	Possibly
You are influenced to purchase wine products by the companies' activities, to carry out their social responsibility.	353	3.65	1.080	Possibly
Publicity affects you in deciding to purchase wine products.	353	3.46	1.175	Possibly
Face to face interaction with sales persons affects you in purchasing wine products.	353	3.57	1.423	Possibly
Overall	353	3.63	.791	Possibly
Valid N (list wise)	353			

Source: Own Survey (September, 2018) n=353

As shown in Table 4.7 above, promotion was assessed by five measurement items. According to the overall mean score of the items that describes the influence of promotion on wine consumers buying decision, it may possibly influences consumers buying decision in purchasing wine products with (mean = 3.63 & standard deviation = .791). By the same token, the influence of promotion is also less as price as compared to product quality and packaging as the overall mean score falls under possibly influences consumers buying decision.

4.4.1.5 The influence of accessibility on consumer buying decision

Availability of products or place is an important marketing mix that has a significance influence on consumers buying decision in purchasing wine products.

Table 4.8: Mean and Standard Deviation Results of place

Questionnaires' Items	N	Mean	Std. deviation	Over all response
You purchase Awash wine product because it is accessible where you want.	353	3.03	1.261	Possibly
Availability of wine products with nearby wholesalers and retailers affects you in your buying decision.	353	4.13	.833	Probably not
The convenience of the place where you found wine products affects you in your buying decision.	353	4.05	.916	Probably yes
Availability of wine products in hotels, restaurants, groceries or supermarkets affects your decision for purchase.	353	4.37	.511	Definitely yes
Overall	353	3.89	.492	Probably yes
Valid N (list wise)	353			

Source: Own Survey (September, 2018) n=353

As shown in Table 4.8 above, accessibility was assessed by four measurement items. According to the overall mean score of the items that describes the influence of product quality on wine consumers buying decision, product quality has influenced consumers buying decision in purchasing wine products with (mean = 3.89, standard deviation = .492). As the statistical results on Table 4.8 above depicts, consumers agree with the influence of accessibility/availability of wine products on their buying decision in purchasing awash wine products.

4.4.1.6 Consumer buying decision level of influence by marketing mix factors

Promotion is the dependent variable which is influenced by the above listed marketing mix elements which are considered as independent variables.

Table 4.9: Mean and Standard Deviation Results of consumer buying decision

Questionnaires' Items	N	Mean	Std. deviation	Over all response
You prefer awash wine because of its package	353	3.87	.502	Probably yes
Wine product quality influences your buying decision to purchase awash wine	353	4.14	.360	Probably yes
You decided to purchase awash wine because of its competitive price.	353	3.68	.655	Possibly
You purchase awash wine products because of its promotional activities	353	3.62	.767	Possibly
You purchase awash wine because it is easily accessible	353	3.95	.557	Probably yes
Overall	353	3.85	.284	Probably yes
Valid N (list wise)	353			

Source: Own Survey (September, 2018) n=353

As shown in Table 4.7 above, consumer buying decision was assessed by five measurement items, which are the five marketing mix factors and are considered as independent variables. According to the overall mean score of the items that describes the level of influence of marketing mix elements on wine consumers buying decision, consumer buying decision possibly influenced by marketing mix with score of (mean = 3.85 & standard deviation = .284). this implies that consumer buying decision is influenced by marketing mix.

Correlations Analysis

In this study, to process the correlation analysis, data from the scale typed questionnaires were entered in to the SPSS software version 20. Pearson correlation coefficient is used to specify the strength and the direction of the relationship between the independent variable (Product Packaging, Product Quality, Price, Promotion and Place) and the dependent variable i.e. Consumer buying decision. The results of the correlation between these variables are shown in Table 4.9 below.

Table 4.9: Correlations between Marketing mix and consumer buying decision

		Consumer buying decision
Product Packaging	Pearson Correlation	.362**
	Sig. (2-tailed)	.000
	N	353
Product Quality	Pearson Correlation	.591**
	Sig. (2-tailed)	.000
	N	353
Price	Pearson Correlation	.530**
	Sig. (2-tailed)	.000
	N	353
Promotion	Pearson Correlation	.563**
	Sig. (2-tailed)	.000
	N	353
Place	Pearson Correlation	.544**
	Sig. (2-tailed)	.000
	N	353

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

Correlation is significant at the 0.05 level (2-tailed).*

Source: Survey questioner (2018)

As it is indicated in the Table 4.9 above, generally there is a positive, strong and statistically significant correlation between marketing mix elements and consumer buying decision at 1% level of significance ($P < 0.000$) which signifies the effect of marketing mix on Awash wine consumers buying decision.

To be specific for each determinants, from presented correlation matrix table again we observe that there is a positive, strong and statistically significant correlation between marketing mix elements (Product packaging, product quality, price, promotion and place) and consumer buying decision, as the correlation coefficient between each factors and consumer buying decision described as 0.362, 0.591, 0.530, 0.563 and 0.544 respectively and in all cases at 1% significance level ($p < 0.000$).

4.5 Assumptions Testing in Linear Multiple Regressions

4.5.1 *Multicollinearity Test*

The basic assumptions should be satisfied in order to maintain data validity and robustness of the regressed result of the research under the multiple regression models. Hence, this study has conducted the assumption tests such as, multi-collinearity, and normality.

This regression is conducted to know how much the independent variable explains the dependent variable. It is also used to understand by how much each independent variable (Product Packaging, Product Quality, Price, Promotion and Place) explains the dependent variable, which is Consumer Buying Decision. The results of the regression analysis are presented as follows.

To have good results, the independent variables should not be highly correlated with each other. In multiple regression analysis, collinearity refers to the correlation among the independent variables (Pallant, 2007).

Therefore, to make sure that there is low collinearity, the values of Tolerance and VIF (Variance Inflation Factor) should be checked. According to Pallant (2007), tolerance indicates to what extent the independent variables do not explain much of the variability of a specified independent variable and the value should not be small (more than 0.10) to indicate the absence of collinearity. In addition to that, VIF, the inverse of tolerance value, should have a value of less than 10 to avoid any concerns of collinearity (Pallant, 2007).

Hence, the values in the Table below indicate low collinearity because all Tolerance values are above 0.1 and all VIF values are less than 10. Therefore, these tests reflect that the variables used in the study are free from multicollinearity.

Table 4.10: Multicollinearity test result

Model	Unstandardized Coefficients	Collinearity Statistics	
	B	Tolerance	VIF
(Constant)	1.078		
Product Packaging	.163	.974	1.026
Product Quality	.132	.137	7.319
Price	.165	.828	1.208
Promotion	.184	.976	1.025
Place	.084	.143	6.974

Source: Own survey (2018)

4.5.2 Normal distribution/normality test

Normal distribution is one of the most important assumed statistical procedures. A standard normal distribution is one with a mean of zero and a standard deviation of one (Garson, 2012). A common test for normality is to run descriptive statistics to get skewness and kurtosis. Skewness should be within -2 and +2 range if the data is normally distributed. Kurtosis shows the peakness or flatness of distribution and the distribution shall commonly fall between -2 and +2,

although a few other authors like (Garson, 2012), are more lenient and allow kurtosis to fall within -3 and +3.

Following the above justification, the normality test was done for five variables on SPSS software version 20, which resulted in all the variables skewness fall within -2 and +2 range and all the variables kurtosis fall within -3 and +3 range. Therefore it is observed that, the data used for the study is normally distributed.

Table 4.11: Skewness and kurtosis for normality of the data

	N	Mean	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Product packaging	353	3.9388	-1.646	.130	2.824	.259
Product quality	353	3.9150	-.516	.130	.445	.259
Price	353	3.7318	-.624	.130	.054	.259
Promotion	353	3.6323	-.982	.130	.302	.259
Place	353	3.8952	-.344	.130	.546	.259
Consumer buying decision	353	3.8516	-.433	.130	-.192	.259
Valid N (list wise)	353					

Source: own survey (2018)

4.6 Regression Analysis and Hypothesis Testing

Table 4.12: regression analysis model summery

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.893 ^a	.797	.794	.12893

a. Predictors: (Constant), Place, Product Packaging, Promotion, Price, Product Quality

Source: Own Survey (September, 2018) n=353

The results of regression analysis presented in Table above, indicate positive and significant relationship between consumer buying decision and independent variables. This means the predictive variables (independent variables) such as product packaging, product quality, price, promotion and place determine the dependent i.e. Consumer buying decision.

R-square measured the goodness of fit of the explanatory variables in explaining the variations in dependent variable. The adjusted R-Square ($R\ square = 0.794$) shows the explanatory power of all independent variables involved in the study. Hence product packaging, product quality, price, promotion and place jointly determine (explain) 79.4% of the variance in consumer buying

decision. Whereas 20.60% of consumer buying decision to purchase Awash wine, were determined by the variables which were not included in the study.

4.6.1 Regression-ANOVA

Table 4.13: regression ANOVA table

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	22.694	5	4.539	273.060	.000 ^b
Residual	5.768	347	.017		
Total	28.462	352			

a. Dependent Variable: Consumer buying decision

b. Predictors: (Constant), Place, Product Packaging, Promotion, Price, Product Quality

Source: Own Survey (September, 2018) n=353

4.6.2 Regression Coefficient Analysis of the Model and hypothesis testing

Table 4.14: regression coefficient table

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	1.078	.083		12.944	.000
	Product Packaging	.163	.014	.282	11.510	.000
	Product Quality	.132	.036	.238	3.638	.000
	Price	.165	.012	.354	13.317	.000
	Promotion	.184	.009	.512	20.927	.000
	Place	.084	.037	.146	2.287	.023

a. Dependent Variable: Consumer buying decision

Source: Own Survey (September, 2018) n=353

The values of the standardized Beta Coefficients (β) indicate the effects of each independent variable on dependent variable. Furthermore, the values of the standardized Beta Coefficients in the Beta column of the Table above, indicate which independent variable makes the strongest contribution to explain the dependent variable (consumer buying decision), when the variance explained by all other independent variables in the model is controlled.

The study's hypothesis testing was made based on β and P values. Hence using those coefficient results, the proposed hypotheses for this study were tested as follows:

Based on the above result and the formula of regression model previously generated, the result of regression could be written as follows

$$CBD = \beta_0 + \beta_1 (PP) + \beta_2 (PQ) + \beta_3 (P) + \beta_4 (PR) + \beta_5 (PL)$$

$$CBD = 1.078 + 0.163 (PP) + 0.132 (PQ) + 0.165 (P) + 0.184 (PR) + 0.084(PL)$$

To test the hypothesis multiple regression was run on SPSS which gives the overall fitness of the model which was presented in the previous paragraphs and the significance of each independent variable in affecting the dependent variable.

H1. Product packaging significantly and positively affects customers buying decision in purchasing wine products.

The results of multiple regressions, as presented in Table above, revealed that product packaging had a significant and positive effect on consumer buying decision in purchasing wine products ($\beta = 0.282$, $t = 11.510$ & $p=000$). In this case the beta coefficient explains that, a one percent change in product packaging results consumers buying decision will be influenced by 28.2 % to purchase awash wine products. Thus, the proposed hypothesis is accepted. Previous literatures also conclude that packaging has a better reach than advertising does, and can set a brand apart from its competitors Louw and Kimber's (2006). It implies that they confirm that packaging has positive influence on consumer buying decision. Therefore the finding supports previous researchers' conclusion that, packaging has positive and significant relationship with consumers buying decision.

H2. Quality of wine products significantly and positively affects consumers buying decision.

The results of linear multiple regressions, as presented in the Table above, revealed that product quality had a significant and positive effect on consumer buying decision ($\beta = 0.238$, $t = 3.638$, $p < 0.01$). Thus, the proposed hypothesis is accepted. In this case the beta coefficient describe that keeping the other variables constant , in a one percent improvement in wine product quality, the consequence would be the buying decision of consumers influenced by 23.8%. Therefore, product quality had a positive and significant effect on consumers buying decision.

Previous literatures suggest that, product quality shapes retailers' reputation and influences consumer buying decision at stores Pan and Zinkhan (2006). Chaudhuri and Ligas (2009) suggest that product value is positively correlated to purchase behavior and customer loyalty in the retail sector. The finding has also support previous researchers suggestion that product quality has positive and significant influence on consumers buying decision.

H3. Competitive price has positive effect on wine consumers buying decision.

Based on a multiple regression table above, price has significant and positive effect on consumer buying decision with ($\beta = 0.354$, $t = 13.317$, $p < 0.01$). In this case the beta coefficient explains that, a one percent change in price results consumers buying decision will be influenced by 35.4% to purchase awash wine products. Therefore the proposed hypothesis, competitive price has significant and positive effect on consumer buying decision in purchasing awash wine products.

Regarding the influence of price, previous researcher's findings were inconsistency. Some claims that price has positive influence (Barbara, Lois, & Bobby, 1996; Pan & Zinkhan, 2006) and others challenge this view and argue that consumers who seek to maximize expected quality are willing to pay for the highest-priced products (Dodds, Monroe, & Grewal, 1991; Kerin, Jain, & Howard, 1992). The finding supports the one that confirms, price has positive and significant influence on consumers buying decision.

H4. Promotion factor has a positive and significant effect on wine consumers buying decision.

The results of multiple regressions, as presented in the Table above, revealed that promotion has a positive and significant effect on consumer buying decision with values ($\beta = 0.512$, $t = 20.927$, $p < 0.01$). In this case the beta coefficient explains that, a one percent improvement in promotion results, consumers buying decision will be influenced by 51.2% to purchase awash wine products. Thus, the proposed hypothesis is accepted.

Previous researchers claim that, promotion can increase sales through sales switched from other stores and increase in consumption from existing consumers (Ailawadi, Harlam, Cesar, & Trounce, 2006). This implies that promotion has a positive and significant influence on consumer buying decision, the current findings has also confirmed the same.

H5. Availability of wine products significantly and positively affects consumer buying decision.

The results of multiple regressions, presented in the Table above, shows that accessibility had a positive significant effect on consumer buying decision with values ($\beta = 0.146$, $t = 2.287$, $p < 0.05$). In this case the beta coefficient explains that, a one percent improvement in product accessibility results, consumers buying decision will be influenced by 14.6% to purchase awash wine products. Thus, the proposed hypothesis is accepted.

Empirical evidence confirms that convenience significantly affects consumer purchase of food products (Jaravaza & Chitando, 2013; Maruyama & Trung, 2007). As such, it aims to provide

shopping convenience sought by consumers in modern retail channels Pan and Zinkhan (2006). Most researchers agree that a convenient location increase store patronage via reduced transaction costs (Berry, Seiders, & Grewal, 2002; Huddleston, Whipple, & VanAuken, 2004; Jabir et al., 2010). The findings also confirm that, accessibility has positive and significant influence on consumer buying decision.

Table 4.15: hypothesis testing result

	Statements	Result	Reason
H1	Product packaging significantly and positively affects customers buying decision in purchasing wine products.	Supported	$\beta=.163$, $P<0.01$
H2	Quality of wine products significantly and positively affects consumers buying decision.	Supported	$\beta=.132$, $P<0.01$
H3	Competitive price has positive effect on wine consumers buying decision.	Supported	$\beta=.165$, $P<0.01$
H4	Promotion factor has a positive and significant effect on wine consumers buying decision.	Supported	$\beta=.184$, $P<0.01$
H5	Availability of wine products significantly and positively affects consumer buying decision.	Supported	$\beta=.084$, $P<0.05$

Source: own survey (September 2018, n=353)

4.7 Results Discussion

This research is concerned on the effect of marketing mix factors on consumer buying decision, taking the case of Awash winery. The objective of the study is to explain the effects of marketing mix on consumer buying decision by analyzing each of the marketing mix elements relationship and influence on consumers buying decision in purchasing wine products.

Demographic factors such as gender, age, monthly income, level of education, and marital status have been taken into account to learn the general characteristics of the respondents. The research took 65.2% male and 34.8% of female respondents. In terms of age, the majority (51.3%) of the respondents are found to be between 28 – 37 years of age. Those who are between 38 – 47 constituted 28.3%. The majority of the respondents (48.2%), monthly income ranges from 5,000.00 to 10,000.00. With regard to the level of education, 65.7% of the respondents are Bachelors Degree holders whereas, 20.1% have completed secondary education and the rest 14.2% of the respondents are post graduates. Looking at the marital status, 54.7% of the

respondents are married and the rest 45.3% are singles. The result of Pearson correlation shows a positive and strong relationship between the independent variables (namely product packaging, product quality, price, promotion and place) and the dependent variable which is consumer buying decision.

Based on the results of Pearson correlation test product quality has positive and strongest relationship with consumer buying decision ($r = 0.591$). In other words if the company improves its product quality, consumers buying decision will be influenced in favor of its products. Therefore, product quality has power to determine consumers buying decision. Chaudhuri and Ligas (2009) suggest that product value/quality is positively correlated to purchase behavior and customer loyalty in the retail sector. So, the finding of this research in this aspect is in line with Chaudhuri and Ligas (2009) states. The regression analysis of product quality dimensions and consumer buying decision indicates that 13.2% of the variance R square in consumer buying decision has been significantly explained by product quality. The finding of Pan and Zinkhan (2006) showed that Product quality shapes retailers' reputation and influences consumer buying decision at stores. And also the finding of Spinks and Bose (2002) concluded that consumer decision is influenced by product characteristics of nutrition, taste, health benefit and ease of preparation. Therefore, the result of this study on product quality dimension is similar to the above findings that product quality has the power to influence consumers buying decision.

Product packaging is another element of marketing mix that is taken into account to explain consumers buying decision. Based on the correlation test result, product packaging is positively correlated with consumers buying decision, even if the level of correlation is medium. The correlation coefficient between product packaging and consumer buying decision is the lowest of all correlation results of marketing mix dimensions which is 0.362. Generally the finding suggests that, there is a positive and medium relationship between product packaging and consumer buying decision in purchasing wine products. Therefore, the company is expected to have attractive packaging since it have a positive relationship with consumers buying decision. This particular result is supported by the study different researchers. According to Kuvykaite (2009), package attracts a consumer's attention to a particular brand, enhances its image, and influences the consumer's perceptions about a product.

With regard to the regression analysis of product packaging dimension and consumer buying decision, 16.3% of the variance R square in consumer buying decision is significantly explained

by product packaging. The result of Louw and Kimber (2006) viewed packaging cues impact how a product is perceived. They stated that the packaging is perceived to be part of the product and it can be difficult for consumers to separate the two. Therefore, the result of this research, regarding, product packaging is similar to the above findings that product packaging has the power to influence consumers buying decision.

The other factor that is included in the dimensions of marketing mix is price. It was found to have positive and strong relationship with consumer buying decision. The correlation coefficient between these variables is 0.53. Price is one of the important factors to influences consumers in their buying decision. If this is the case, companies shall charge a competitive and affordable price so as to influence their customers buying decision in favor of them. As a result, price has power to influence consumers buying decision in purchasing wine products.

With regard to the regression analysis of price and consumer buying decision, 16.5% of the variance R square in consumer buying decision is significantly explained by price. The finding of (Barbara, Lois, & Bobby, 1996; Pan & Zinkhan, 2006) showed a high retail price which reflects immediate monetary costs are likely to hinder consumer purchase behavior while a low price or competitive price leads to an increase in store traffic and product sales. Even if some authors challenge this view and argue that consumers who seek to maximize expected quality are willing to pay for the highest-priced products (Dodds, Monroe, & Grewal, 1991; Kerin, Jain, & Howard, 1992), the result of this research on price dimension supports that price has power to influence consumers in their buying decision.

Promotion is another element of marketing mix that has considered for explaining consumers buying decision. Based on the correlation test result, promotion has a positive and strong correlation with consumer buying decision. The correlation coefficient between promotion and consumer buying decision is 0.563. Generally the finding suggests that, there is a positive and strong relationship between promotion and consumer buying decision in purchasing wine products. Therefore, the company is expected to conduct aggressive promotional activities since it have a strong and positive relationship with consumers buying decision. According to Ailawadi, Harlam, Cesar, & Trounce, (2006) promotion can increase sales through sales switched from other stores and increase in consumption from existing consumers.

With regard to the regression analysis of promotion dimension and consumer buying decision, 18.4% of the variance R square in consumer buying decision is significantly explained by

promotion. Maruyama and Trung (2007) find that in store advertising (e.g. panel, billboards, and flyers) has strong potential in affecting Vietnamese consumers' purchasing decision toward food products. Therefore, the result of this research, regarding, promotion is similar to the above findings that promotion has the power to influence consumers buying decision.

The last but not the least factor included in the marketing mix factor was place. As it is indicated in the correlation analysis, place or accessibility dimension has positive and strong relationship with consumer buying decision. The correlation coefficient between place and consumer buying decision is 0.544. When companies make easily available their products, consumers buying decision will be positively influenced. Generally, availability of products have a strong and positive relationship with consumers buying decision. Most researchers agree that a convenient location increase store patronage via reduced transaction costs (Berry, Seiders, & Grewal, 2002; Huddleston, Whipple, & Van Auken, 2004; Jabir et al., 2010). There for the findings regarding place dimension supports the above researcher's conclusion.

The regression analysis result for place and consumer buying decision is 8.4% of the variance R square in consumer buying decision has been explained by accessibility. It is the least of all the independent variables in influencing consumer buying decision. The result (Jabir et al., 2010) show that food consumers prefer supermarkets which have longer opening hours, sufficient parking, product availability and accessibility. Therefore, the result of this research on accessibility dimension is similar with the above results in indicating that availability of products can positively influence consumers buying decision.

Chapter Five

Summary, Conclusion and Recommendations

This chapter deals with summary conclusion and recommendations. In this chapter first, the findings which is made from chapter four is summarized then conclusions of the major findings are drawn. Lastly, some possible recommendations are forwarded on the basis of the major findings of the study.

5.4 Summary of Major Findings

The general objective of this research is to provide a better understanding regarding the effect of marketing mix on consumer's buying decision in purchasing wine products and to determine the relationship between marketing mix factors considered in this study namely; product packaging, product quality, price, promotion and place/accessibility and wine consumers buying decision. More specifically, to determine the effect of marketing mix and consumer buying decision as well as to assess the relationship between these marketing mix factors which are considered as independent variables and the dependent variable which is consumer buying decision, mainly regression and correlation analysis were used. To this end, non-probability sampling specifically a combination of convenience and purposive sampling techniques were used to distribute the questionnaires and to collect the primary data accordingly.

Cronbach alpha that assess the internal consistency of the research instrument shows that there is high internal consistency (.818). The frequency statistics shows that majority of the respondents were male (65.2%) and most of the respondents were in the age group between 28 and 37 (51.3%). Most of the respondents monthly income is between 5,000.00 up to 10,000.00 (48.2) and most of the respondents had bachelor (65.7). 54.7% of the respondents are married.

Pearson correlation coefficient of the five variables indicates that, there is strong relationship between the five independent variables the dependent variable. The correlation between product quality and consumer buying decision indicated that there is strong and positive relationship (.591) than the relationship between the other four variables and the dependent variable, which is consumer buying decision. In contrary, there is medium and positive relationship between product packaging and consumer buying decision.

The summary made based on the findings of the study with the objectives of determining the effect of marketing mix factors on wine consumers buying decision, implies that the factors

namely, product packaging, product quality, price, promotion, and place have a great influence on consumers buying decision in purchasing wine products.

The regression analysis by the same token shows that there is a positive and significant relationship between marketing mix and consumer buying decision. R-square measured the goodness of fit of the explanatory variables in explaining the variations in dependent variable. The adjusted R-Square ($R\ square = 0.794$) shows the explanatory power of all independent variables involved in the study. Hence product packaging, product quality, price, promotion and place jointly determine (explain) 79.4% of the variance in consumer buying decision.

The finding also validates the hypothesis initially formulated by the researcher that, there is a positive and significance relationship between marketing mix and consumer buying decision.

5.5 Conclusion

According to the Pearson correlation coefficient of the five variables, there is strong relationship between the five independent variables of the study (product packaging, product quality, price, promotion and place) and the dependent variable (consumer buying decision). Accordingly product quality and promotion have the highest positive correlation which implies that consumers give more values for marketing mix factors in deciding to purchase awash wine products.

The ANOVA and coefficient of variation in the data analysis of this research indicate that, the independent variables can explain buying decision with significance level 0 .05 as follows:

- **Product packaging:** - 16.3% of the variation (increase/decrease) in consumer buying decision can be explained by a 1% change in product packaging attractiveness. Therefore, the company can increase the level of buying decision by increasing the packaging attractiveness.
- **Product quality:** - 13.2% of the variation (increase/decrease) in consumer buying decision can be explained by a 1% change in product quality that the company provides. Therefore the company can influence consumers buying decision to purchase awash wine products by improving its product quality.
- **Price:** - 16.5% of the variation (increase/decrease) in consumer buying decision can be explained by a 1% change in price that the company charges. Therefore the company can influence consumers buying decision to purchase awash wine products by charging a competitive price.

- **Promotion:** - 18.4% of the variation (increase/decrease) in consumer buying decision can be explained by a 1% change in the company's promotional activity. Therefore the company can influence consumers buying decision to purchase awash wine products by doing different aggressive promotional activities.
- **Place:** - 8.4% of the variation (increase/decrease) in consumer buying decision can be explained by a 1% change in product accessibility. Therefore the company can influence consumers buying decision to purchase awash wine products by making easily available it products for the consumers.

Generally, the results revealed that marketing mix has favorable effect on wine consumers buying decision since it the major factor that influence consumers in deciding wine products.

5.6 Recommendation

Based on the major findings of the study and the conclusions drawn above, the following recommendations are made.

- The company should produce its products by considering each of the marketing mix factors.
- The company should prioritize each of the marketing mix factors so that it enables to respond as per their level of influence.
- The company should create unique and attractive packaging design so that it enables to influence the consumers buying decision to purchase awash wine products.
- The company should develop a mechanism to test its product quality and improve it through different quality dimensions so that it enables to influence the consumers buying decision to purchase awash wine products.
- The company shall also try to charge a competitive price that can influence the consumers buying decision in favor of purchasing awash wine products.
- The company should conduct aggressive promotional activities so as to positively influence consumers buying decision towards its products.
- The company shall make its products easily available in order to influence consumers buying decision in favor of Awash wine.

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APPENDIX: I
QUESTIONNAIRE

I am a student of Marketing Management at Addis Ababa University School of commerce, and am conducting a survey on the effect of marketing mix on consumer buying decision in perspective of Awash wine products. I request you to kindly spare a few minutes and help me in the survey. Your co-operation will be highly obliged and appreciated. This questionnaire is particularly for the completion of academic research for the requirement of Masters of Marketing Management. Your survey responses will be strictly confidential and data from this research will be reported only in the aggregate.

Part I: Demographic factors

Sex

- 1. Male
- 2. Female

Your age group

- 1. 18 – 27
- 2. 28 – 37
- 3. 38 – 47
- 4. Above 47

Your monthly income

- 1. Less than birr 5,000.00
- 2. Birr 5,000.00 – 10,000.00
- 3. Birr 10,000.00 – 15,000.00
- 4. Above birr 15,000.00

Education level

- 1. Primary
- 2. Secondary
- 3. Bachelor
- 4. Post graduate

Marital status

- 1. Married
- 2. Single

Part II: Using the scale below, please indicate your responses to each of the item that follows, by marking (√) against the number that best describe your answers.

1 – Definitely not

3 – Possibly

5 – Definitely yes

2 - Probably not

4 - Probably yes

S. No	Description	1	2	3	4	5
Product Packaging						
1.	Materials used for packaging, affects you in purchasing awash wine products.					
2.	Color of packaging matters you in purchasing of Awash wine products.					
3.	You prefer wine product packaging having attractive shape.					
4.	You purchase awash wine drinks that have adequate size.					
5.	Labeling is an important part of packaging in wine products					
Product Quality						
1.	You prefer Awash wine product because it tastes better.					
2.	You purchase Awash wine product because of the pleasure you get out of it/ for enjoyment.					
3.	Smoothness/flavor/acid balance matters you in purchasing Awash wine.					
4.	You prefer Awash wine because it is drinkable.					
5.	Reflection of origin affects you in deciding to purchase wine products.					
Price						
1.	You prefer Awash wine product for its competitive price.					
2.	Having fair price related with the quality of the product matters you in purchasing wine products.					
3.	You are decided to purchase Awash wine products because of low price as compared to the competitors.					
Promotion						
1.	Advertisement affects you to purchase wine products.					

2.	Availability of free gifts and incentives affects you in deciding to purchase wine products.					
3.	You are influenced to purchase wine products by the companies' activities, to carry out their social responsibility.					
4.	Publicity affects you in deciding to purchase wine products.					
5.	Face to face interaction with sales persons affects you in purchasing wine products.					
Place/Accessibility						
1.	You purchase Awash wine product because it is accessible where you want.					
2.	Availability of wine products with nearby wholesalers and retailers affects you in your buying decision.					
3.	The convenience of the place where you found wine products affects you in your buying decision.					
4.	Availability of wine products in hotels, restaurants, groceries or supermarkets affects your decision for purchase.					
Consumer buying decision						
1.	You are decided to purchase awash wine due to its package.					
2.	You are decided to purchase awash wine due to its quality.					
3.	You are decided to purchase awash wine due to its competitive price.					
4.	You are decided to purchase awash wine due to its promotional activities.					
5.	You are decided to purchase awash wine due to its accessibility.					