


**ADDIS ABABA UNIVERSITY**

**SCHOOL OF COMMERCE DEPARTMENT OF**

**MARKETING MANAGEMENT**

# THE EFFECT OF INTERNAL ORGANIZATIONAL DETERMINANTS ON SALES PERFORMANCE: EVIDENCE FROM SELECTED BEVERAGE COMPANIES IN ADDIS ABABA, ETHIOPIA

**A THESIS SUBMITTED TO DEPARTMENT OF MARKETING MANAGEMENT IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR DEGREE OF MASTERS IN ART OF MARKETING MANAGEMENT**

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# “THE EFFECT OF INTERNAL ORGANIZATIONAL DETERMINANTS ON SALES PERFORMANCE:

# EVIDENCE FROM SELECTED BEVERAGE COMPANIES IN

# ADDIS ABABA”

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**ACRONYM**

*PQ= Product quality*

*STD=Sales training and development*

*SIS= Sales incentive schemes*

*PMA= Promotional and Marketing Activity*

*PS= Pricing Strategy*

*DE= Distribution Efficiency*

*DS= Customer Satisfaction*

*BL= Brand Awareness*

*SP= Sales Performance*

*S.C.=Share Company*

*SPSS= Statistical Package for Social Science*

*VIF=Variance Inflation Factor*

*RBV=Resource-Based View (RBV) Theory*

*ECT=Expectation Confirmation Theory (ECT)*

*FNCG=Fast Moving Consumer Goods*

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## DECLARATION

I, the undersigned, declare that this thesis entitled: “The effect of internal organizational determinants of Sales Performance in selected beverage companies in Addis Ababa” is my original work. I have undertaken the research work independently with the guidance and support of the research supervisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis has been duly acknowledged.

Shegaw Marie _____ JUNE, 2026

Name of Student Signature Date

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## Abstract

*The main objective of this study was to examine Internal determinants of sales performance in selected beverage companies in Addis Ababa. Specifically, the study examined the effect of product quality, sales training and development, sales incentive scheme, promotional and marketing activities, pricing strategy, distribution efficiency, customer satisfaction and brand awareness on sales performance. The study employed a quantitative research approach using explanatory research design. The primary data were collected from structured questionnaire from a total population of 291 respondents including marketing manager, regional area manager, area sales manager, sales supervisor, sales representative, marketing officer and other personnel units of selected beverage companies. A total of 241 valid responses were collected and analyzed using SPSS version 26. Stratified sampling and proportionate random sampling technique was applied for the first two companies and census for Dega water S.C. Descriptive statistics, correlation analysis multiple regression including Sobel mediation test analysis were used to analyze the data. The regression model explained 48.8% of the variation in sales performance implying that that independent variables collectively affect the Sales Performance of Dashen beer, Dega water and Awash Wine by 48.8 percent. The study concludes that sales incentive, price and sales training contributed the strongest contribution to sales performance.*



***Key Words**: Sales Performance, Product Quality, Sales Training and Development, Sales Incentive, Promotion, Price, Distribution, Customer Satisfaction, Brand awareness*

# CHAPTER 1

# INTRODUCTION

## 1.1 Background of the Study

Sales performance is a critical indicator of competitive advantage and financial success for firms in the modern market. Many marketing scholars argue that internal organizational factor such as product quality, pricing strategy, promotional activities, and distribution efficiency are key components of manufacturing firm's marketing mix and influence sales performance outcomes by shaping customer perceptions and demand (Amantie & Endalkachew, 2023).

Cotemporary empirical research results demonstrate that product and brand management practices positively influence customer satisfaction outcomes including awareness and repurchase decisions by providing brand image and perceived value (Debebe & Zewdie, 2021). Similarly competitive pricing strategies affect sales performance by shaping how customer perceive value and influencing overall demand with empirical evidence pointing to price as a crucial driver of sales volume and profitability.

This study focuses on three beverage companies operating in Addis Ababa: Dashen brewery, Dega water and Awash wine share companies. Dashen brewery is one of dominant beer producer in Ethiopian established in 1995 and operates in alcoholic beverages under Castel group portfolio. The company has established wide distribution networks and sales channels across Addis Ababa and other regions of Ethiopia. Dega water S.C was established in 2004 E.C and operates in nonalcoholic segment of bottled water products specifically to urban consumers by providing quality products, packaging standards and distribution accessibility to maintain competitiveness within the beverage industry. Awash Wine Share Company was established in 1943 and has high brand recognition, wide distribution network and highest market share with developed product portfolio that made it leader of wine

market. The company focuses on maintaining product quality, customer trust, market expansion and pricing competitiveness.

In beverage industry particularly in Addis Ababa, internal organizational determinants of sales performance become even more significant due to dynamic consumer preferences and intense competition among both local and multinational brands. Even though some researchers such as Amantie & Endalkachew in 2023 and Debebe & Zewdie in 2021 have explored the role of marketing strategy in firm performance in other Ethiopian sectors, there remains limited empirical finding specifically focused on how internal organizational determinants like product quality, sales incentives, training and development, pricing strategy, promotions, and distribution effectiveness collectively affect sales performance in the beverage industry.

Therefore, this study proposed to address this gap by empirically investigating the internal determinants of sales performance in the beverage industry in Addis Ababa in order to provide both academic insights and practical guideline for enhancing sales outcomes in the local beverage market.

### 1.2 Statement of the Problem

In Ethiopia, prior research has mainly focused on the impact of marketing mix elements on sales performance with particular emphasis on product, price, promotion and place. For instance, Melese and Wondimkun (2022) examined the effect of marketing mix strategies on sales performance in brewery factories and proved that marketing mix components highly affect sales performance. Similarly, Bakalo and Amantie (2023) found that brand awareness and perceived product quality have a significant influence on purchase intention in the Ethiopian market.

Although these studies contribute significant understanding in marketing, they couldn’t address the combined effect of above variables discussed in this research. Existing studies also rarely examine the mediating roles of customer satisfaction and brand awareness and in investigating how internal determinants transformed into improved sales performance that indicates a clear empirical gap in the literature.

In practical perspective, beverage industries operating in Addis Ababa face increasing competitive pressure from domestic and multinational brands with changing

consumer preferences and high expectations regarding product quality, affordable price, and service delivery.

For instance, Euromonitor, (2024) in London reported that total consumption of beverage product experienced contractions and high market volatility. Local beverage manufacturers also faced operational challenges due to macroeconomic policy shifts and prohibition of broadcast advertising for alcoholic drinks (capital Newspaper, 2024). An industry investigation by Addis Fortune (2024) also reminded that domestic operations are consistently losing their market share that limits their ability to grow manufacturing components.

Industry professionals and practitioners often lack empirical evidence to decisions on which internal determinants such as pricing strategy, sales incentives, training programs or distribution efficiency—most effectively enhance sales performance and customer satisfaction within the local market. As stated by Endalkachew and Amantie (2023), inadequate alignment between internal marketing strategies and market performance remains a continued challenge for Ethiopian firms. Without a comprehensive investigation of how organizational practices influence sales performance through customer and brand related outcomes, beverage companies face inefficient resource allocation and non-optimal strategic decision-making.

During my organizational assessment and interactions with these beverage companies in Addis Ababa, I observed that despite continuous growth in the industry, many beverage companies experience inconsistent sales performance. Sales representatives receive different level of training and incentive which appears to affect their motivation and sales performance effectiveness. Pricing strategy also differs among companies, influencing customer purchase decisions. In addition, some products are consistently available in retail stores, while others frequently experience stock shortages due to distribution challenge. These problems in the selected beverage companies leads to the difficulty of sustaining and contraction of market share.

Therefore, there was a pushing factor that initiated the researcher to conduct empirical investigation that holistically examines the effect of internal organizational determinants on sales performance in the beverage industry in Addis Ababa. By integrating product quality, pricing strategy, promotional activities, sales training and

incentives and distribution efficiency and by examining the mediating roles of customer satisfaction and brand related outcomes, this research paper intended to address both the empirical gaps identified in previous research (Bakalo & Amantie, 2023; Melese & Wondimu, 2022) and the practical problems faced by beverage companies. The finding enhanced actionable insights for industry managers and contribute to the advancement of sales performance literature in emerging market contexts.

## 1.3. Research question

The research has main research question and sub research questions as follows.

### 1.3.1. Main research question

What is the effect of Internal organizational determinants on sales performance in Beverage industry in Addis Ababa?

### 1.3. 2. Sub Research Questions

1. What is the effect of product quality on sales performance in selected beverage companies?

2. What is the effect of product quality on sales performance through customer satisfaction in the beverage industry?

3. What is the influence of sales training programs on sales performance?

4. What is the influence of sales incentive schemes on sales performance?

5. What is the effect of promotional and marketing activities on sales performance?

6. What is the effect of promotional and marketing activities on sales performance through brand awareness?

7. what is the effect of pricing strategy on sales performance in beverage industry in Addis Ababa?

8. What is the influence of distribution efficiency on sales performance?

## 1.4. Objective of the Study

### 1.4.1. General Objective

The general objective of the study is to examine the effect of internal organizational determinants that affect the sales performance of beverage industries in Addis Ababa.

### 1.4.2 Specific Objectives

- To examine the effect of product quality on sales performance in selected beverage industry.
- To assess the effect of product quality on sales performance through mediation of customer satisfaction in the beverage industry in Addis Ababa.
- To examine the influence of sales training programs on sales performance in beverage companies operating in Addis Ababa.
- In order to analyze the effect of sales incentive schemes on sales performance in the beverage industry in Addis Ababa.
- To evaluate the impact of promotional and marketing activities on sales performance.
- To analyze the impact of promotional and marketing activities on sales performance through brand awareness as mediating variable in beverage industry in Addis Ababa.
- To determine the extent to which pricing strategy affects sales performance in beverage companies in Addis Ababa.
- To examine the influence of distribution efficiency on sales performance in beverage industry in Addis Ababa.

## 1.5. Significance of the Study

The primarily significance of this study is to the researcher for the partial fulfillment of the course of marketing research. In addition, the research can improve research skills to use as a reference or use as a means of bridge for other researcher those who want to conduct research further on internal organizational determinants of sales

performance in beverage industry and similar areas. Additionally, the research will help beverage companies to identify most important factors that affect sales performance in beverage industry. The industry may also be beneficial by providing quality products and take solutions to improve and maximize the customers satisfaction by means of recovering failures related to internal determinants.

## 1.6 Scope of the Study

This study is conceptually confined to examining internal organizational determinants that affect sales performance in the beverage industry. The independent variables considered in this study include product quality, sales training, sales incentive schemes, promotional and marketing activities, pricing strategy and distribution efficiency. These variables were selected because they are significant in representing key internal organizational and marketing factors that are easily controllable by firms and have been widely recognized in sales and marketing literature as critical drivers of sales performance (Ingram et al., 2020 & Kotler & Keller, 2016). The study also incorporated variables such as customer satisfaction and brand awareness as mediating variables, as these variables explain the mechanisms through which internal determinants translate into improved sales performance. Sales performance is presented as the dependent variable reflecting outcomes such as sales volume, market share and revenue achievement.

External factors such as economic conditions, government policy, and competitive intensity are deliberately excluded to maintain focus on internal organizational influences and to keep the complexity of the research even if these internal determinants might be affected by slight change in the external environment.

The geographical scope of this study is limited to selected beverage territories operating within Addis Ababa. The study focuses on sales managers and personnels working in selected beverage firms, as they are directly involved in sales planning, execution and performance evaluation activities. Addis Ababa is selected due to its role as the country's major commercial center, high concentration of beverage Salers and distributors and diverse consumer market trends. The finding of this study will be applied to beverage industries primarily in Addis Ababa and may not be generalized to other regions or industries.

Methodologically, the study mainly employed quantitative research approach using survey design even though qualitative research approach was needed as a compliment. The primary data has been collected using structured questionnaire distributed to sales and marketing employees of selected companies. Representativeness of the target population ensured by random sampling technique and sample size is determined using a standard statistical formula. Data analysis has been conducted using statistical software such as SPSS, descriptive statistics and inferential techniques, regression and correlation analysis including Sobel mediation test to measure the relationship between variables.

## 1.7. Limitation of the study

The research project has been conducted in three selected beverage companies in Addis Ababa. There are a number of alcoholic and non-alcoholic drinks including water in and out of Addis Ababa. But the study is delimited in Addis Ababa in ST. George brewery, Dega water S.C. and Awash wine S.C. So, the finding couldn't generalize to all alcoholic drinks and non-alcoholic beverages like juice, Whisky and other energy drinks with in Addis Ababa and it wouldn't address all internal factors that affect sales performance in selected companies and exclude regional area of the country side.

Scope limitation is another challenge the researcher has faced that confined within internal organizational variables and couldn't address key external variables such as, governmental policies, inflation, competition, changing consumer preference and other remaining factors are not included in the study. This is because of keeping the research from complication and to give specific and detail analysis about organizational determinants.

All required questionnaires couldn't return at the real time when the researcher wants. This limits the sample size of the study that results slight decline in response rate of respondents.

Methodological constraint was the other limiting factor of the study. The researcher made survey in three beverage companies. Ensuring the validity and consistency for different company cultures and sales models is difficult.

Even though the above limitations are determinant factors for validity of the study, the researcher tried to harmonized the limitation by applying time lined schedules, taking careful consideration and greater insightful dedication to get better result.

## 1.8 Organization of the Study

This research paper is organized in logical sequence for the sake of the readers to easily understand. The paper contains the following chapters: **Chapter one** deals about the introduction part, background of the study, background of the organization, statement of the problem, research questions, objective of the study, significance of the study, scope of the study and definition of terms were discussed. **Chapter two** discusses with review of related literature about sales performance, salesperson performance, factors affecting sales performance and methods and criteria for evaluation of salesperson performance and empirical review were done including conceptual framework.

**Chapter three** discusses about research design and methodology; this chapter tries to present about type of research design and approach, samples and population of the study is conducted, source of tools and procedures for data collection and methods of data analysis, reliability and validity and finally ethical consideration also take place in this chapter. **The fourth chapter** tries to discuss about results and discussion of the findings of the study and finally, **chapter five** is discussed based on the finding of the study summary, conclusion, recommendation and limitation of the study is presented.

## 1.9. Definition of Terms

**Sales Performance**

Sales performance refers to the extent to which a beverage company achieves its sales objectives in terms of sales volume, revenue growth, market share and target attainment (Jobber and Lancaster, 2015). In this study, sales performance is measured using respondents' perceptions of sales growth, achievement of sales targets, and overall sales effectiveness over a specified period.

**Product Quality:** Product quality refers to customers' and sales personnel's perception of the overall excellence of beverage products, including taste consistency, packaging, durability, and conformity to standards (Kotler and Keller, 2016). In this

study, product quality is measured through indicators such as perceived product reliability, consistency, and employee perception.

**Training and Development:** Sales training and development refers to organized programs and activities designed to enhance sales personnel's knowledge, skills, and competencies related to product knowledge, selling techniques, customer handling, and communication (Johnston & Marshal, 2016). It is measured by the frequency, relevance, and effectiveness of training programs provided by beverage companies.

**Incentive Schemes:** Sales incentive schemes refer to special programs designed to motivate sales force for higher performance (Griffin & Moorhead, 2013).

**Sales Promotion:** can be defined as a short-term strategy to drive demand and special marketing offer which provides more profit than what consumers receive from the sales position of a product and also have sharper influence on sales (Banerjee, 2009)

**Pricing:** Price is the amount of money that consumers are willing to exchange for the benefit associated with owning or using products and services (Kotler & keller, 2012)

**Distribution Efficiency:** According to Keller and Cotler (2016), Distribution efficiency refers to the ability of companies to ensure timely, reliable, and adequate availability of products at retail outlets. It is measured through indicators such as delivery timeliness, coverage, stock availability and distribution reliability.

**Customer Satisfaction:** Customer satisfaction refers to a person's feeling of pleasure or disappointments that result from comparing a products perceived performance or outcome with their expectations (WTO, 1985).

**Brand Awareness**

Brand awareness refers to the ability of potential customers to recognize and recall a brand while categorizing a brand to a specific class (Aaker, 1991). It is measured by respondents' perceptions of brand recognition, recall, and visibility in the market (Keller, 2013).

# CHAPTER 2

# REVIEW OF RELATED LITERATURE

## Introduction

This chapter explains relevant literature review about internal organizational determinants of sales performance. The objective of this chapter is to enhancing theoretical and empirical foundation for the study by narrating with previous scholar works, theories and research findings related to main determinant variables of the study. Mainly, this chapter describes theories and concepts related to organizational factors such as product quality, sales training and development, sales incentive schemes, promotional activities, pricing strategy, and distribution efficiency that influence sales performance. In addition, the chapter reviews mediating variables including customer satisfaction and brand awareness, which may influence the relationship between internal determinants and sales performance. Empirical studies also addressed that has conducted in similar contexts to identify research gaps and justify the need for the present study. Finally, the conceptual framework of the study is presented to illustrate the relationship between the independent, mediating, and dependent variables.

## 2.1 Theoretical Review

The theoretical review provides the conceptual and analytical foundation for examining internal organizational determinants of sales performance in the beverage industry in Addis Ababa. Sales performance is a multidimensional organizational outcome influenced by internal resources, employee competency, managerial activities, marketing practices and supply and distribution system and other related factors. This study integrates theories from strategic management, marketing, organizational behavior and sales management literature. In addition to traditional theories and their contemporary extensions are considered to describe the volatile nature of competition and consumer preferences in the beverage industry.

### 2.1.1 Resource-Based View (RBV) Theory

Resource-Based View (RBV) theory developed by Barney (1991) argues that sustainable competitive advantage is achieved through firm-specific resources that are valuable, rare, inimitable and non-substitutable. The theory proved that internal organizational resources and capabilities are major sources of superior competitive advantage compared with relying only on external market conditions.

In the beverage sector, internal resources such as product quality, brand strength, distribution efficiency, pricing capability and salesperson competence represent strategic organizational resources that influence sales performance. Product quality enhances customer trust and differentiation, while effective supply and distribution capability provides product availability and high market coverage. Similarly, competent sales force improves customer relationships and enhance selling effectiveness.

However, traditional RBV has limitations because resources may lose their advantage when competitors imitate them or when market conditions change. Therefore, Dynamic Capability Theory developed by Teece, Pisano and Shuen (1997) extended RBV by explaining that organizations must continuously develop, adapt and rearrange resources to their sustainability and competitiveness. Contemporary strategic management studies emphasize that organizational flexibility and capability development are important for enhancing sustainable performance.

Therefore, combining RBV and dynamic capability perspectives enhances a strong theoretical foundation for examining internal organizational determinants of sales performance.

### 2.1.2 Human Capital Theory

Human Capital Theory developed by Becker (1964) explains that employees' knowledge, skills, experience and competencies are critical assets of organizations that improve productivity and performance. The theory suggests as investment in employee development is a strategic investment that creates future organizational benefits.

In sales management, sales training provides product knowledge, communication ability, negotiation skills and customer handling capacity and problem-solving ability that enhances sales outcome.

However, Human Capital Theory faced a challenge because trained employees may leave organizations and transfer their acquired skills to competitors which leads to reduction of the expected return from training investments. Modern knowledge-based perspectives improved this theory by emphasizing continuous learning and knowledge sharing as a source of competitive advantage.

Recent sales management studies confirm that sales training improves salesperson effectiveness and contributes to organizational sales performance. Therefore, Human Capital Theory supports examining sales training as an internal determinant of sales performance.

### 2.1.3 Agency Theory and Incentive Theory

Agency Theory developed by Jensen and Meckling (1976) describes the relationship between principals (owners/managers) and agents (employees). The theory argues that differences in organizational objectives and employee interests may reduce sales performance unless proper motivation and benefit mechanisms have to be applied.

In sales organizations, incentive systems such as bonuses, commissions and performance-based promotions help to align salesperson behavior with organizational goals. When employees believe that increased effort leads to valuable rewards, they eager and more motivated to achieve sales targets.

Similarly, Vroom's (1964) Expectancy Theory explains that motivation depends on employees' expectation and when these expectations are fulfilled, higher sales performance will be recorded that results reward. However, these theories mainly focus on external motivation and less attention to intrinsic motivation such as personal achievement and professional satisfaction.

Modern performance management approaches extend incentive theory by emphasizing balanced reward systems, employee engagement and long-term motivation. Therefore, Agency Theory and Incentive Theory provide a theoretical basis for examining the relationship between sales incentive and sales performance.

### 2.1.4 Marketing Mix Theory

Marketing Mix Theory introduced by McCarthy (1960) explains that sales companies improve market performance through effective management of product, price, promotion, and distribution decisions. Kotler and Keller (2016) further explored that marketing mix elements create customer value and influence organizational performance.

Product quality influences customer perception and purchasing decisions. Promotion communicates product benefits and strengthens brand awareness. Pricing strategy affects affordability and perceived value, while distribution efficiency determines product accessibility.

However, traditional marketing mix theory has been criticized for focusing mainly on organizational decisions rather than customer experience and long-term relationship building. Contemporary marketing approaches emphasize value creation, engagement, and long-term relationships with customers.

contemporary marketing studies support the idea that successful management of marketing activities contributes to improved sales outcomes. Therefore, marketing mix theory supports the inclusion of product quality, promotion, pricing strategy and distribution efficiency as determinants of sales performance.

### 2.1.5 Pricing and Perceived Value Theory

Perceived Value Theory developed by Zeithaml (1988) explains that customers evaluate products by comparing with perceived costs and perceived benefits from consumption. Price represents the main sacrifice, while quality and other product benefits represent perceived value.

Monroe (2003) argued that pricing strategy influences customer perceptions of fairness, affordability and willingness to purchase. In competitive beverage markets, companies must balance customer expectations with profitability through appropriate pricing decisions. However, the theory assumes rational consumer decision-making,

while actual buying behavior may also be influenced by habit, brand preference, emotional attachment and social influence.

Modern consumer value research extends perceived value theory by emphasizing customer experience and psychological value. Therefore, pricing theory provides a theoretical foundation for examining pricing strategy and sales performance.

### 2.1.6 Supply Chain and Distribution Theory

Supply Chain Management Theory developed and explained the importance of coordinating logistics, inventory, transportation and distribution activities to prove efficient product movement (Mentzer et al., 2001). In fast-moving consumer goods industries such as beverages products, distribution efficiency directly influences product availability and customer convenience. When products are available at the right place and time, customers are more likely to purchase continuously. In contrast, stock shortages may lead customers to switch to competing brands.

However, traditional supply chain theory focuses mainly on efficiency and cost reduction. Modern supply chain perspectives emphasize agility, responsiveness, and customer-oriented distribution systems. Recent supply chain studies indicate that distribution capability improves market coverage, customer satisfaction and organizational performance. Therefore, distribution efficiency is considered an important determining factor of sales performance.

### 2.1.7 Customer Satisfaction Theory

Expectation Confirmation Theory developed by Oliver (1980) shows that customer satisfaction occurs when perceived product performance meets or exceeds customer expectations. Satisfaction influences loyalty, repeat purchase and customer retention. Kotler and Keller (2016) also suggested that satisfaction enhances loyalty and repeat purchase behavior.

In beverage industries, satisfied customers may continue purchasing preferred brands and develop stronger relationships with these companies. However, satisfaction alone may not always directly increase sales because consumers may also consider price, availability, and convenience. Modern customer experience theories extend

satisfaction concepts by emphasizing the total customer journey, including emotional and relational experiences.

Therefore, customer satisfaction is considered as a potential mediating factor between organizational determinants and sales performance.

### 2.1.8 Brand Equity Theory

Brand Equity Theory developed by Aaker (1991) explains that brand awareness, perceived quality and brand associations create value for organizations. Keller (2013) further explained that Customer-Based Brand Equity Theory, emphasizing that customer knowledge and perception of a brand influence purchasing decisions.

Promotion increases customer awareness and strengthens brand image. However, awareness alone may not guarantee purchase unless supported by competitive price, product availability and perceived value. Today's branding studies demonstrates that strong brands influence customer preference and competitive advantage. Therefore, brand awareness is considered a possible mediating variable between promotion and sales performance for this study.

### 2.1.9 Churchill's Model of Sales Performance

Churchill et al. (1985) developed a comprehensive sales performance model explaining that salesperson performance is influenced by ability, skills, motivation, role perception, and organizational support.

The model supports the integration of sales training, sales incentives, and organizational factors in explaining sales performance. It provides a broader explanation of how internal organizational practices influence salesperson effectiveness and final sales outcomes.

### 2.1.10 Summary of Theoretical Review

The reviewed theories collectively demonstrate that sales performance is influenced by internal resources, employee competencies, motivation systems, marketing strategies, distribution capabilities and customer-based factors. These theories provide a comprehensive theoretical foundation for examining internal organizational determinants of sales performance in selected beverage companies in Addis Ababa.

## 2.2 Empirical review

The empirical review highlights prior research findings that related to internal organizational determinants of sales performance. Unlike the theoretical review, the empirical review focuses on what has been empirically examined, how it was examined and what results were obtained. This literature specifically reviews studies related to variables like product quality, sales training and development, sales incentive schemes, promotional and marketing activities, pricing strategy and distribution efficiency in relation to sales performance through customer satisfaction and brand awareness. This review clarifies empirical gaps that justify the current study supports this study for the development of research hypotheses and questionnaire items.

### 2.2.1 Product Quality, Customer Satisfaction, and Sales Performance

Empirical studies consistently researched that product quality is a critical determinant of sales performance specifically in consumer goods. Garvin (1987) empirically tested that perceived product quality significantly influences customer satisfaction and repeat purchase behavior. Anderson, Fornell and Lehmann (1994) found that high product quality leads to increased customer satisfaction which in turn positively affects market share and sales growth.

Product quality refers to product's ability to perform as aimed functions reliably and delight customer expectations (Garvin, 1987). Marketing theory states that higher product quality leads to customer satisfaction, repeat purchase behavior, and positive referral or word of mouth which collectively improve sales performance (Kotler & Keller, 2016). Empirical studies in fast moving consumer goods industries indicate that consistent taste, standard packaging quality, and safety issues are critical drivers of sales outcomes (Homburg, Schäfer & Schneider, 2012). Therefore, product quality empirically influences sales performance both directly and indirectly through customer satisfaction.

In the Ethiopian context, Melese (2020) studied about FMCG firms and found that product quality had a statistically positive effect on customer satisfaction which

subsequently improved sales performance. Similarly, Homburg et al. (2012) assured that quality consistency is especially important in beverage markets due to frequent consumption and brand switching nature of the business.

### 2.2.2 Sales Training and Development, Brand Awareness, and Sales Performance

Sales training and development have been widely studied as drivers of sales effectiveness. Ahearne et al. (2010) empirically examined that sales training improves salespersons' communication skills and product knowledge which enhances customer positive attitude of the brand and improves sales outcomes. Johnston and Marshall (2016) also reported that trained salesforce are more effective in creating brand awareness and influencing purchase decisions of the customer.

In Ethiopia, Bakalo (2019) found that firms investing in continuous sales training provides higher customer trust that results improved sales performance. Empirical evidence suggests that brand awareness and customer satisfaction mediate the relationship between sales training and sales performance (Yoo, Donthu & Lee, 2000).

### 2.2.3 Sales Incentive Schemes and Sales Performance

Empirical studies highly support the relationship between sales incentives and sales performance. Zoltners, Sinha and Lorimer (2012) found that performance related incentives significantly maximize sales effort and productivity. Gerhart and Fang (2015) further confirmed that fair and transparent incentive schemes positively increase employee motivation and performance sales outcome.

In the context of Ethiopian beverage sector, Melese and Bakalo (2021) reported that sales incentive structure had a direct and significant effect on sales performances. Unlike other variables, most studies insured those sales incentives as having a direct effect on sales performance rather than a mediation effect.

### 2.2.4 Promotional and Marketing Activities, Brand Equity, and Sales Performance

Promotional and marketing activities have been empirically linked to sales performance through brand-related mechanisms. Yoo et al. (2000) empirically examined that advertising and promotion have significant impact on brand awareness

which in turn improves sales performance. Keller (2016) further ensured that consistent and promotional communication strengthens brand equity and purchase intention.

According to Belch (2021), sales promotions and advertising are determinant factors in influencing consumer choice by increasing brand awareness in beverage industry. In Ethiopian context, Bakalo (2019) ensured that promotional activities highly affect brand awareness and sales volume which leads to high sales performance.

### 2.2.5 Pricing Strategy and Sales Performance

The significance of Pricing strategy on sales performance has been studied widely in abroad and within our country. Monroe (2003) found that perceived price fairness significantly influences purchase decisions and sales volume. Kotler and Keller (2016) empirically observed that fair and competitive pricing strategies improve market share in price sensitive industries. But they couldn't address the impact of pricing strategy on non-price sensitive or luxury drinking items.

In Ethiopia, Bakalo (2019) found that pricing strategy had statistically a significant effect on sales performance in FMCG industries including beverages. Most empirical studies report the direct relationship between pricing strategy and sales performance without mediation.

### 2.2.6 Distribution Efficiency, Customer Satisfaction and Sales Performance

Empirical studies highly support the relationship between distribution efficiency and sales performance directly. Mentzer et al. (2001) found that efficient distribution or less stock-outs in retail stocks provide improved sales performance. Homburg et al. (2012) confirmed that product availability and delivery reliability are critical influencers of sales continuity in the beverage industry. In Ethiopian context, Melese (2020) examined that distribution efficiency logically directly sales performance in manufacturing firms.

### 2.2.7 Summary of Empirical Review

The reviewed empirical finding generally indicates positive relationships between organizational marketing activities and sales performance. Nevertheless, the

magnitude and significance of these relationships vary between industries, organizational conditions and market settings suggest the existence of contextual and methodological variations.

The empirical review reveals that internal organizational determinants such as product quality, sales training, sales incentives, promotional activities, pricing strategy, and distribution efficiency have been empirically proven to influence sales performance across different contexts. Prior studies also indicate that customer satisfaction and brand related associations serve as important mediating mechanisms. Although previous studies examined selected determinants of sales performance, many of them focused on isolated variables and reported inconsistent findings across industries. Moreover, limited empirical evidence exists on the combined influence of internal organizational determinants and mediating mechanisms with in Ethiopian beverage companies.

## 2.3 Conceptual Framework

A conceptual framework signifies a sound relationship among variables under investigation and provides a visual and pictural explanation of impact of independent variables on dependent variable either directly or indirectly (Miles, Huberman & Saldaña, 2014). In marketing and sales research, conceptual frameworks are developed in emerged theories such as the Resource-Based View, Marketing Mix Theory, Human Capital Theory and Brand Equity Theory which collectively explain how organizational factors drive sales performance (Barney, 1991; Kotler & Keller, 2016).

Based on these theoretical foundations and reviewed empirical literature, this study conceptualizes sales performance as the dependent variable influenced by multiple organizational factors with mediating variables customer satisfaction and brand awareness.

### 2.3.1 Development of Research Hypotheses

Based on the empirical review, the following hypotheses are developed:

H1: Product quality has a significant effect on sales performance in selected beverage companies

H2: Product quality has a significant effect on sales performance through customer satisfaction in the beverage industry in Addis Ababa

H3: Sales training and development have a significant effect on sales performance.

H4: Sales incentive schemes have positive effect on sales performance in the beverage industry in Addis Ababa.

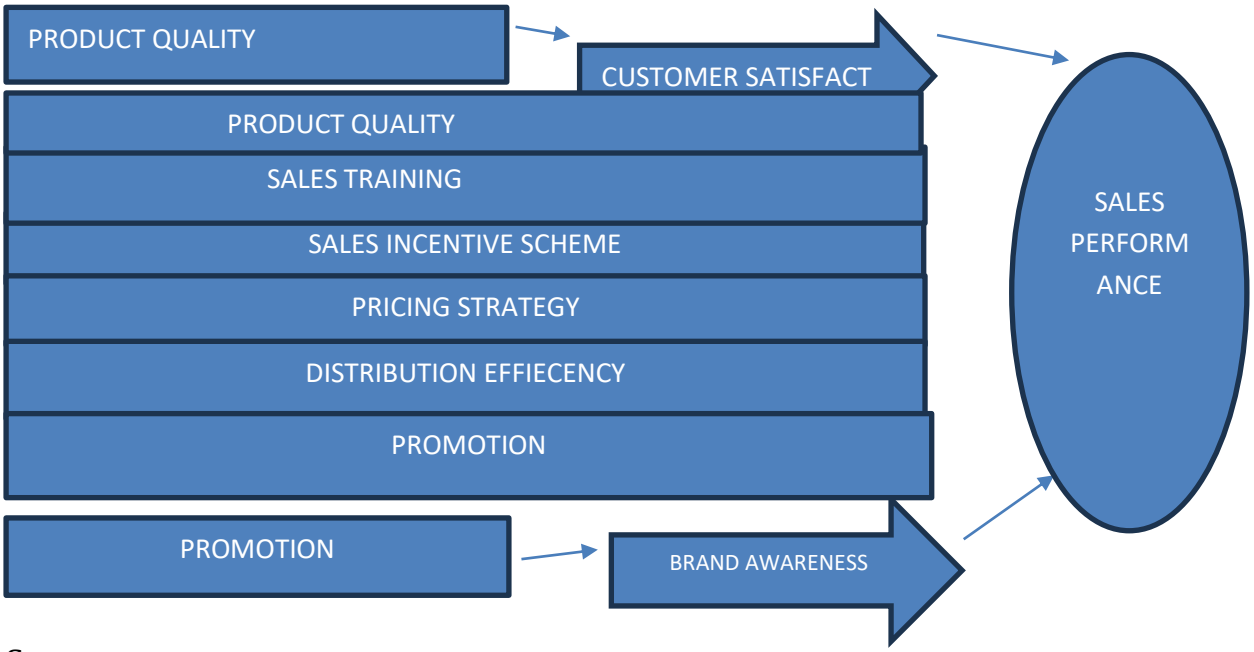
H5: Promotion has considerable effect on sales performance

H6: Promotion have considerable effect on sales performance through brand awareness.

H7: Pricing strategy has a significant effect on sales performance in the beverage industry in Addis Ababa.

H8: Distribution efficiency has a considerable effect on sales performance.

**FIGURE1 CONCEPTUAL FRAMEWORK**




**Sources**

Barney (1991), Becker G.S. (1964), Jenson, M.C. and Meckling, W.H (1976, Vroom, (1964), Mentzer, J.T. et al. (2001)

This structure reflects both direct and indirect relationships consistent with prior empirical findings.

# CHAPTER 3

# RESEARCH METHODOLOGY

## Introduction

This chapter presents the methodological framework employed to investigate internal organizational determinants of sales performance within the selected beverage manufacturing companies in Ethiopia: St. George Brewery, and Dega Water S.C. and Awash Wine S.C. It mainly includes research design and approach, sample and sampling techniques, types of data source and tools of data collection, procedures of data collection, method of data analysis were discussed, reliability and validity of the study is also included and finally ethical consideration also take place in this chapter. Given the nature of the research problem which examines organizational, operational, and strategic internal factors influencing sales outcomes. The study employed quantitative approach which measured relationships between organizational variables and sales performance

The beverage industry in Ethiopia particularly the formal beverage manufacturing and sales sector represented by companies like St. George beer, Dega water and Awash Wine operates under competitive and growing market initiated by urbanization, rising disposable incomes, and changing consumer usage trends.

## 3.1 Research Approach

This study adopts a quantitative research approach in order to investigate relationships between clearly defined variables and to test hypotheses derived from established theoretical frameworks. The independent variables includes that those presented earlier and the dependent variable sales performance are measurable constructs that can be operationalized using structured questionnaires. The use of numerical data enables statistical analysis to determine the strength and relationships among variables.

Furthermore, the study follows a cross-sectional design that collected in the same timeframe because it allows the researcher to assess the current practices and

perceptions within selected beverage companies in Addis Ababa without requiring longitudinal tracking. It provides a “snapshot” of the existing relationships among variables.

The research employed closed or structured questionnaire distributed to employees and managers within the selected beverage companies. The survey method is designed to ensure standardization of responses and facilitates comparison across respondents and supports the application of statistical techniques such as correlation analysis and multiple regression analysis.

Therefore, the research design of this study is quantitative, explanatory and cross-sectional survey design, which is well suited to research objectives, research questions, and conceptual framework.

### 3.2 Research Design

This study is suited for explanatory research design. An explanatory Design is appropriate when the objective of the study is to examine causal relationships between independent and dependent variables in order to test hypotheses derived from theories developed in the second chapter. The primary purpose of this study is to investigate how internal organizational determinants including product quality, sales training, sales incentive schemes, promotional and marketing activities, pricing strategy and distribution efficiency—affect sales performance in the beverage industry in Addis Ababa.

The explanatory research design is appropriate because the study needs to move beyond just description of organizational practices and rather to explore the extent to which variations in internal determinants explain variations in sales performance. The research questions are logical and hypothesis-driven focusing on cause-and-effect relationships among clearly defined independent and dependent variables. Therefore, the study is designed to test theoretically established assumptions using empirical data.

Furthermore, the explanatory design aligns with the study’s conceptual framework which is obtained from established theories such as Human Capital Theory, Resource-Based View Agency Theory and pricing and perceived value theory. These theories

clarify structural relationships between variables, which this research aims to empirically validate within the context of the beverage industry in Addis Ababa.

### 3.3. Data Types and Source of the Data

The study applied significant consideration on primary quantitative data of primary and secondary data with

**Primary Data:** the primary data includes original and firsthand information collected through structured survey questionnaire specifically for the purposes of this research project. This method is the core dataset for the study. Source of the data are employees and managerial staff of St. George Brewery, and Dega Water S.C and Awash Wine S.C. Data Collection Method includes self-administered structured questionnaire that designed to get respondents' perceptions, assessments and knowledge regarding the internal determinants of their company's sales performance. The data was quantitative, consisting mainly of ordinal data from Likert-scale responses and categorical data from demographic questions.

**Secondary Data:** in this study, the secondary data refers to existing data that was previously collected for the purpose of other research but is relevant to the current study. Secondary source of data includes, internal Company Documents:, sales performance dashboards, internal audit reports, strategic documents (where accessible and permitted), industry Publications, reports from the Ethiopian Manufacturing Industries Association (EMIA), sector analyses from consulting firms and market research briefs relevant to the beverage industry, academic and institutional sources, Published journal articles, previous theses on related topics and macroeconomic or industrial data from the Central Statistical Agency.

**Purpose**: Secondary data used to provide context for the primary survey findings to gain a better understanding of the companies' historical performance and market positioning by narrating with primary data. This helps to inform the development of the questionnaire by providing background on industry-specific challenges and metrics and to strengthen the literature review and discussion sections with relevant empirical context.

The strategic use of both data types provides the study's validity through methodological triangulation by providing a completer and more credible picture of the phenomenon under investigation.

### 3.4. Population of the Study

The target population of this study included personnels who engaged in sales activities who have different authorities and positions of the three selected beverage companies. To get diverse and relevant perspectives the population is conceptually stratified into two key subgroups:

**Operational or Tactical Staff:** This subgroup incorporates the larger number of the population and includes individuals directly engaged in the execution of sales and marketing strategies. Specifically, these includes: sales representatives and field officers, sales Supervisors and team leaders, marketing officers and agent salespersons, distribution and logistics personnel and customer service staff units.

These individuals are engaged at frontline of the business at daily operations specifically sales and logistics or distribution activities. They provide significant insights into the operational realities of product distribution, pricing execution at the market place, promotional activity effectiveness and the practical support from organizational systems.

**Managerial or Strategic Staff**: This subgroup includes small number of individuals responsible for planning, decision-making and oversight of the commercial functions. Specifically, this includes sales Managers, marketing managers and general managers and senior officials responsible for marketing and sales strategic decisions of the business.

This group offers a strategic advantage by providing holistic view of how internal resources are efficiently allocated, how policies are formulated and how organizational capabilities are built to drive sales.

**Defining the Population Frame:** The accurate list of all individuals in these groups across the three companies constitutes the sampling frame. In reality, obtaining a perfect and updated list from all companies may be challenging. Therefore, the

researcher worked with the Human Resources or related department heads in each company to establish a reliable sampling frame.

Based on the information, the number of target population of Dashen brewery S.C. has 274 population in Addis Ababa including district managers, area sales managers, territorial sales and distribution personnels, agent sales persons or sales representatives and marketing officers. The total number of populations for Dega water S.C. is about 210 including sales persons and logistics personnel agents, sales representatives and about 72 number of populations for Awash wine sales and distribution human power in Addis Ababa plants. Therefore, the total number of the population for this study is about 555. But for the purpose of computing the sample size of the population, the researcher used the sum of Dashen brewery and Dega water S.C because the population of Awash Wine S.C. is below 100 which is 72. So, all population of Awash Wine S.C. has taken as a census to get representative data set.

### 3.5. Sampling Procedure, Sample Size, and Sampling Technique

To select a representative sampling unit of the target population for data collection, a systematic and procedural sampling plan is necessary. This section describes the techniques for selecting participants and determining the appropriate number of respondents.

#### 3.5.1. Sample Size Determination

Selecting sufficient number of sample size is important to ensure statistical power and reliability of the finding. The sample size for the employee survey is calculated using Yamane formula because it provides simplified and widely accepted method for determining sample size of finite populations under precision level. The total population of the study includes sales and distribution personnels for each stratum. So, using Yamane’s formula the sample size of the total population is calculated as follows.

**Yamane's Sample Size Formula for a Finite Population**

The sample size formula for a finite population is described as the following

**Formula (typed)**

$n = \frac{N}{1+N(e\ ^2)}$ n = $\frac{484}{1+484(0.05^2)}$ n= 219

Where

n = required sample size

N = total population size

e = margin of error (in proportion, e.g., 0.05 for 5% margin of error)

The formula to take sample size from the first beverage company, the researcher has taken a proportional sample size from both beverage company using the formula

$n! = \frac{N!}{N} \times \boldsymbol{n}$ **where**

n! =sample size for each stratum

n=sample size for the total population

N =population of the study

N!=population of each stratum

Based on the above formula, the sample size of Dashen brewery is 124, Dega Water S.C. is about 95 and Awash wine S.C. has 72 population as sample size. From these sample units, only 90 respondents from Dashen brewery S.C., 87 respondents from Dega Water S.C. and 64 respondents from Awash Wine S.C. returned the distributed questionnaire to the researcher. Therefore, the total number of sample size applied for data analysis purpose from the selected beverage companies are 241.

### 3.5.2. Sampling Technique

Based on the structure of the population and the research objectives, stratified sampling and proportionate random sampling for the first two companies and census for Dega water S.C. were applied for the quantitative survey component of the study because perception of ordinary sales persons might differ from management level personnels and to generalize the finding for both functional areas by improving sales representation and to reduce sampling bias.

**Stratification:** first the population divided into non-overlapping subgroups, or strata. The primary strata included three companies: Strata 1 (Dashen brewery), Strata 2 (Dega water S.C.), and Strata 3 (Awash Wine).

**Random Selection:** After defining the strata, a simple random sampling has been employed to select operational and Managerial level respondents from each stratum.

This Stratified Random Sampling technique enhanced the representativeness of the sample compared to simple random sampling alone as it guarantees that key subgroups are included in the sample in proportion to their presence in the population. It minimizes sample bias and increases the precision of representation for each subgroup.

### 3.6. Data Gathering Instruments, Variables, and Measures

This study adopted closed ended and structured questionnaire as the primary data collection instrument to carefully design and address these eight research questions concerning internal organizational determinants of sales performance in the beverage industry in Addis Ababa. The questionnaire was specifically designed to capture data on the key variables identified in the research questions and administered in scale of strongly agree, agree, neutral, disagree and strongly disagree using both English and Amharic that ensured clarity and accessibility for all respondents of Dashen beer, Dega Water S.C. and Awash wine.

The questionnaire is organized into sections that directly correspond sequentially to the variables derived from the research questions. The variables in this study are carefully operationalized based on the research questions.

### 3.7. Data Analysis Technique

After collecting the necessary data from all respondents, the researcher analyzed it using quantitative data analysis technique. For this purpose, the researcher used statistical package for the social science (SPSS) by aligning with descriptive statistics such as frequency, percentage and mean by using predefined stages as follows.

**Stage 1**: **Data Preparation**: This stage ensures quality of data before data analysis has been conducted. All returned responses of the questionnaires were coded and entered into SPSS with numerical values assigned to closed-ended responses.

**Stage 2: Descriptive and Preliminary Analysis:** This stage explains the characteristics of the sample and offers early insights into data patterns relevant to research question. The reliability of the study analyzed using Cronbach's Alpha coefficient and measured correlations between each variable to ensure items are appropriately aligned with their constructs.

**Stage 3: statistical Analysis and Hypothesis Testing**: At this stage, the data has analyzed by statistical methods by addressing each research question. Pearson correlation analysis technique was applied because the study aimed to examine whether a linear relationship exists between each determinants and sales performance by providing first hand responses to research questions. Correlations among the independent variables were examined to test potential multicollinearity with correlation coefficients.

The suited analytical method is Multiple Linear Regression which tested simultaneous effects of sales determinants on sales performance. The full regression model is specified as:

$Y= \beta_0 + \beta_1X1+ \beta_2X2+ \beta_3X3+ \beta_4X4+ \beta_5X5+ \beta6X6$

Where

Y=Sales Performance

$\beta_0$=Constant term

X1= Product Quality (PQ)

X2= Training & Development (TD)

X3= Sales Incentive (SI)

X4=Promotional Activities (PA)

X5=Pricing Strategy (PS)

X6= Distribution Efficiency (DE)

$\varepsilon$ = Error term

To add a deep and comprehensive analysis, Comparative Analysis and cross tabulation was conducted with One-way ANOVA to examines significant variations across the three beverage companies.

**Stage 4: Presentation of Results**: this final stage ensured the finding are clearly and logically presented based on the research question. The result shared through narrative explanations and statistical finding in context supported by comprehensive summary tables including demographic profiles, reliability test, descriptive statistics for all key variables, correlation matrices showing relationships among variables, and detailed regression outputs. Visual aids such as bar charts for mean comparisons across company's line graphs showing relationships between determinants and performance.

These statistical analysis approach ensured that each of research questions should be focused, data-driven attention and enhancing an integrated understanding of how these internal determinants influenced sales performance in collectively in beverage industry of Addis Ababa.

### 3.8. Reliability and Validity

This section outlines the measures taken to ensure the trustworthiness and accuracy of the research instruments and findings.

#### 3.8.1. Reliability

Reliability refers to the consistency of measurement in a specific topic. For quantitative survey, internal consistency has ensured using Cronbach's Alpha (α) for each multi-item scale measurements. According to Hair et al. (2019), Scales that have Cronbach's alpha value above 0.70 indicates acceptable internal consistency reliability. A coefficient alpha between 0.8 and 0.95 are considered to have very good reliability, scales with coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability (Zikmund et al., 2013). A pilot test from few non-participating respondents in beverage firm provided first hand reliability estimates and followed regular measure of each variables using Cronbach's alpha for comparison of the instrument.

**TABLE 3.1 RELIABILITY STATISTICS**

| Variables | Number of items | Cronbach's |
|---|---|---|
| Product quality | 4 | 0.823 |
| Sales training | 4 | 0.790 |
| Sales incentive | 4 | 0.811 |
| Promotion and marketing activities | 4 | 0.796 |
| Price | 4 | 0.867 |
| Distribution efficiency | 4 | 0.924 |
| Customer satisfaction | 3 | 0.793 |
| Brand awareness | 3 | 0.922 |
| Sales performance | 3 | 0.774 |

Source: SPSS result, 2026

Since the value of Cronbach alpha for this study is above 0.7 for all variables, the data collected from respondents is reliable and consistent with the scale. So, the result is confirmed the reliability and consistency of questionnaire.

### 3.8.2. Validity

Validity refers to how accurately a method measures what it is intended to measure. While reliability measures consistency, validity measures accuracy that the result gained from the instrument actually show the correct standing of respondents on the constructs. This study addressed different ways of validity measures by addressing multiple forms of evidence.

### Content Validity

For this study, content validity ensured by careful development and adaptation of questionnaire items from previously published literatures related to organizational determinants and sales performance. The questionnaire items were reviewed to confirm that they adequately represented the variables including product quality, sales training, sales incentive, promotion, pricing strategy, distribution, customer satisfaction, brand awareness and sales performance. Additionally, the questionnaire was evaluated by the research advisor and academic professionals to ensure clarity, relevance, content consistency and appropriateness of items based on the research objective. Based on the feedback collected from these specialists, necessary modifications and improvements were made to improve the comprehensiveness and applicability of the instrument before final data collection process has been conducted.

### Face Validity

Face validity was detected by assessing the questionnaire items for clarity, readability and appropriateness before the actual data collection process. The instrument was reviewed by the research advisor, senior academicians and selected respondents to assess whether the questions qualified to measure the intended concepts of sales performance and organizational determinants effectively. Based on the comments and suggestions obtained from reviewers, necessary corrections and modifications were token to improve the overall suitability of the instrument for the study.

### Construct Validity

Construct validity was addressed through careful adaptation of measurement items from previously validated studies and expert review of questionnaire items.

### Convergent Validity

Due to methodological limitations and use of SPSS rather than Smart PLS 4 and SEM-based techniques convergent validity was indirectly addressed through internal consistency reliability and inter-item correlations.

**Discriminant Validity**

Discriminant validity was assessed based on the correlation analysis results presented in Chapter Four. The findings revealed that the correlation coefficients of most independent and mediating variables were below the critical threshold level of 0.85 indicating that the constructs were not highly overlapping. Although variables like sales training and sales incentive indicated relatively strong relationships, the result remained under acceptable limits for behavioral and marketing research. In addition, the multicollinearity diagnostic test supported discriminant validity because tolerance values were above the minimum acceptable level of 0.10 and VIF were less than the critical point of 10. Therefore, the measurement constructs fulfilled acceptable discriminant validity and they were sufficiently distinct from one another for regression and mediation analysis.

## 3.9. Ethical Considerations

In the context of research, ethics is defined as the appropriateness of the researcher's behavior in relation to the rights of the participants or subjects of the research work (Saunders, Lewis, & Thornhill, 2009). The researcher considers the significant of ethics to the respondents to enhance their confidence and participation in the study. Respondents of the of the study are not required to write their names and any other related confidential information. In any way, the respondent's data kept secretly. The purpose the research is disclosed at the introductory section of the questionnaire. In addition, the researcher avoided misleading or deceptive statements in the questionnaire. Lastly, only volunteered customers filled the questionnaire

# CHAPTER 4

# DATA ANALYSIS AND INTERPRETATIONS

## 4.1. INTRODUCTION

This chapter presents the analysis, interpretation and discussion of the data collected from employees of the target beverage companies selected in Addis Ababa, Ethiopia. The analysis was conducted using descriptive statistics, correlation analysis, multiple regression analysis and Sobel mediation test analyses using SPSS version 26. The finding is interpreted aligned with the objective and hypothesis. The data gathered through the distribution of questionnaires is evaluated and interpreted in this chapter. The quantitative data is displayed in a table and analyzed based on the information in the table. As a result, the chapter has three primary sections. Section one contains data on the respondents' response rate and demographic information of respondents. Section two examines descriptive analysis of the respondents and part three the analysis inferential statistics including correlation and integration analysis.

## 4.2. Response Rate

Descriptive statistics was used to describe the characteristics and responses of the respondents as it is presented below. A total of 291 questionnaires were distributed to the employees of three selected beverage companies. Out of 291 distributed questionnaires, 50 were not returned. The total number of returned questionnaires was 241, resulted an 83% response rate, which is considered adequate for quantitative survey research and enhances representativeness of the result. According to methodological literature, the response rate greater than 70% are generally sufficient for analysis.

## 4.3. Demographic profile of Respondents

The first portion of the questionnaire contained demographic information of the participants. This part includes only limited information related to personal and professional characteristics of the respondents. Consequently, the demographic variables were summarized and described in the below Table 4.1. These include gender, age, and education level, number of service years, current job position of the

respondents and the company they belong. The summary of descriptive statistics that was intended to give general descriptions about the data is presented below. The total number of respondents for each variable are 241. Accordingly, frequency and percent values of each variable were used so as to show the overall trend of the data.

**TABLE 4.1 DEMOGRAPHIC PROFILE OF RESPONDENTS**

| **Items** | | **F** | **%** |
|---|---|---|---|
| **Targeted company** | **Dashen beer** | **90** | **37%** |
| | **Dega water S.C** | **87** | **36%** |
| | **Awash Wine S.C** | **64** | **27%** |
| **Sex** | Female | 79 | 33% |
| | Male | 162 | 67% |
| **Age group** | 18_25 | 51 | 21% |
| | 26 – 35 | 138 | 57% |
| | 36 – 45 | 44 | 18% |
| | 46_55 | 4 | 2% |
| | =>56 | 4 | 2% |
| **Education level** | Diploma and below | 52 | 22% |
| | BA/BSC degree | 169 | 70% |
| | Master's degree | 20 | 8% |
| | | | |
| **Year of** | 0_5 | 62 | 26% |

| | | | |
|---|---|---|---|
| **experience** | 6-10 | 123 | 51% |
| | 11_15 | 28 | 12% |
| | 16_20 | 23 | 9% |
| | Above 20 | 5 | 2% |
| | | | |
| **Current position** | Marketing manager | 3 | 1% |
| | Reginal area manager | 6 | 3% |
| | Area sales manager | 17 | 7% |
| | Sales supervisor | 37 | 15% |
| | Sales representative | 150 | 62% |
| | Marketing officer | 24 | 10% |
| | Other | 4 | 2% |
| **Total** | | **241** | **100%** |

Source- SPSS output, 2026

As shown in the above 4.1 table, the finding indicated that respondents were fairly distributed among the selected beverage brands with Dashen beer accounting for highest proportion (37%) followed by Dega water (36) and Awash Wine S.C. (27%). This reveals that the study obtained balanced responses from different beverage industries which improves the representativeness of the study.

Based on the finding of gender, 67% of the respondents are male and the remaining 33% of the respondents are female. This suggests that male employees dominate the workforce in beverage companies and they are willing and cooperative to fill questionnaires.

Regarding the age group of respondents, the first group 21% of respondents are between the age category of 18-25 years of age. The second group had 57% within the age category of 26-35 years. And the third group are 19% of respondents within the age category of 36-45 years. The fourth age group represent 2% and the remaining group above 56 years old also represent 2% of the respondents. In total, the majority 62% of the respondents were within the age category of 26-35 years implies that the majority of the respondents were young and economically active employees who are expected to contribute effectively to sales performance.

With regard to academic qualification of the respondents, the majority 70% of the respondents are BA /BSC degree holders. The second higher group represents 22% that are below diploma and diploma holders. And the least portion represents 8% of the respondents that are master's degree holders. This shows that, most employees selected in these beverage brands have adequate educational background to understand and perform sales and marketing activities.

Regarding the work experience of the respondents, the first group of respondent's weights 26% that had a working experience up to 5 years, 51% of respondents served the organization between 6-10 years, followed by 12% have worked for 11-15 years and 7% of respondents had experience of 16-20 years in the organization and the remaining group 2%, which represents more than 20 years. This result implies that most respondents had sufficient and were capable of providing reliable information about sale performance.

Based on the finding of the above table, most respondents were sales representatives (62%), followed by marketing officers (10%) and area sales manager (7%). This shows that the researcher gathered information from employees who are directly engaged in sales and customer interaction.

## 4.4 Descriptive Analysis

This section discus about the descriptive statistics for data which was gathered through questionnaire to analyze internal organizational determinants of sales performance in selected beverage companies in Addis Ababa. According to Cochran (1977), the mean value 3.00 and below is considered as low, the mean value from 3.10 up to 3.49 considered as moderate and mean value 3.5 and above is considered as high. In order to see the general perception of respondents regarding to product quality, sales training, sales incentive, sales promotion, price, distribution, brand awareness and customer satisfaction have been analyzed in the following table.

**TABLE 4.2 DESCRIPTIVE ANALYSIS**

| Descriptive Statistics | | | |
|---|---|---|---|
| Variables | N | Mean | Std. deviation |
| Sales performance | 241 | 3.38 | 0.94 |
| Product quality | 241 | 3.08 | 0.94 |
| Sales training | 241 | 3.64 | 0.81 |
| Sales incentive | 241 | 3.53 | 0.68 |
| Promotion | 241 | 3.15 | 0.89 |
| Price | 241 | 3.41 | 0.92 |
| Distribution | 241 | 3.32 | 1.09 |
| Customer satisfaction | 241 | 3.34 | 0.95 |
| Brand awareness | 241 | 3.39 | 1.15 |

Source- SPSS output, 2026

Sales performance had a mean value of 3.38 with a standard deviation of 0.94. This shows that respondents generally had moderate and positive perception regarding the sales performance of their companies. The standard deviation shows a moderate variation in responses among participants. The beverage companies included in the

study demonstrated relatively satisfactory sales performance although some inconsistencies in performance perceptions still exist among respondents.

Product quality recorded a mean score of 3.08 and a standard deviation of 0.94. This implies that respondents perceived the quality of products at an average level. The moderate standard deviation indicates differences in respondent opinions regarding product quality. It is perceived as acceptable but not highly outstanding that shows companies still need improvements in maintaining consistent product standards.

Sales training obtained a mean score of 3.64 with a standard deviation of 0.81. This reveals that respondents positively evaluated the training practices provided by their organizations. The relatively lower standard deviation suggests more agreement among respondents.

Sales incentive scored a mean of 3.53 and a standard deviation of 0.68. The high mean score of sales incentive shows that respondents perceive incentive mechanisms are important motivating tools influencing employee's commitment towards sales achievement. The low standard deviation demonstrates a high level of consistency in respondents' opinions. To conclude, incentive system is relatively effective and plays an important role in motivating employees to achieve better sales performance.

Promotion had a mean score of 3.15 with a standard deviation of 0.89. This suggests that promotional activities are moderately practiced and perceived positively by respondents. This reveals that promotional strategies still requires improvement for stronger market impact on sales performance.

On the other way, Price recorded a mean value of 3.41 and a standard deviation of 0.92. This implies that Pricing strategies of the companies are fairly acceptable and have a positive influence on sales performance. The standard deviation indicates moderate variability in responses.

Distribution had a mean score of 3.32 and standard deviation of 1.09. This shows moderate weight of perception regarding product availability and distribution efficiency. The standard deviation indicates greater differences in respondent opinions. Distribution systems are moderately effective. However, inconsistencies in product

accessibility and delivery efficiency may still exist across different areas and companies should consider untapped market areas for better results.

Customer satisfaction obtained a mean value of 3.34 and a standard deviation of 0.95. This demonstrated that respondents believe that customers are satisfied with the products and services provided even though companies still need to improve customer experience and relationship management. The moderate standard deviation indicates moderate variation in responses.

Brand awareness recorded a mean score of 3.39 with a standard deviation of 1.15. This indicates that respondents generally agreed that customers are aware of the brands. However, the relatively higher standard deviation reflects diverse opinions among respondents that may be the result of difference in creation of awareness in different sale areas. This needs stronger branding and communication strategies to improve customer recognition and brand awareness.

### 4.4.1 Descriptive Statistics of Variables

**Sales Performance**

TABLE 4.3 PERCEPTION OF EMPLOYEES ON SALES PERFORMANCE

| **Items** | | **F** | **N %** | **Mean** | **Standard Deviation** |
|---|---|---|---|---|---|
| The aggregate sales volume of the company is satisfactory | Strongly disagree | 21 | 8.7% | 3.25 | 1.13 |
| | Disagree | 39 | 16.2% | | |
| | Neutral | 68 | 28.2% | | |
| | Agree | 84 | 34.9% | | |
| | Strongly agree | 29 | 12% | | |
| | Total | 241 | 100 | | |
| The sales volume of the | Strongly disagree | 9 | 3.7% | 3.55 | 1.04 |

| | | | | | |
|---|---|---|---|---|---|
| company has grown over the past year | Disagree | 37 | 15.4% | | |
| | Neutral | 45 | 18.7% | | |
| | Agree | 113 | 46.9% | | |
| | Strongly agree | 37 | 15.4% | | |
| | Total | 241 | 100 | | |
| Employees consistently meet my annual sales target | Strongly disagree | 23 | 9.5% | | |
| | Disagree | 44 | 18.3% | | |
| | Neutral | 41 | 17% | | |
| | Agree | 91 | 37.8% | 3.35 | 1.23 |
| | Strongly agree | 42 | 17.4% | | |
| | Total | 241 | 100 | | |

Source- SPSS output, 2026

Table 4.3 presents the perceptions of respondents on sales performance beverage sector. Items were measured in terms of the calculation of their frequency distribution, percent, mean and standard deviation. Based on the results, each item has discussed in detail as follows.

As indicated in Table 4.3, the majority 84(34.9%) of the respondents about sales performance position answered agree, 68(28.8%) of them answered neutral which indicated they are in neither agreement nor disagreement, 39(16.2%) of them disagree and 29(12%) of the respondents strongly agree, the rest 21(8.7%) of the respondent strongly disagree. As well, the mean value (± SD) of the questionnaire "aggregate sales volume of the company is satisfactory" was 3.25 (±1.132). This result implies that respondents are agreed perception on the position of sales performance and neutral central perception.

As shown in Table 4.3, for "the sales volume of the company has grown over the past year", the majority of the respondent 113(46.9%) of the respondents are agreed,

45(18.7%) of the respondent neutral,37(15.4%) of the respondent answered both disagree and strongly agree and the rest 9 (3.7%) of the respondent strongly disagreed. In addition, the mean (± SD) of "sales volume of the company has grown over the past year" was 3.55 (±1.044). From this result, the researcher understood that the sales volume of the company has grown over the past year.

On the next item that asked whether they consistently meet annual sales target, the majority of the respondent 91.8(37.8%) choose to agree, 44(25%) choose to disagree, 42(17.4%) of the respondent choose to strongly agree, 41(17%) respondents answered to neutral and the remaining 23 (9.5%) strongly disagree. This shows most of the respondents meet annual sales target as enough. The mean and standard deviation in the table shows that 3.35(±1.233) which tells us most of respondents achieved as expected.

**Product Quality**

**TABLE 4.4 PERCEPTION OF RESPONDENTS ON PRODUCT QUALITY**

| **Items** | | **F** | **N %** | **Mean** | **Standard Deviation** |
|---|---|---|---|---|---|
| The product quality affects the sales performance of the company | Strongly disagree | 39 | 16.2% | 3.18 | 1.26 |
| | Disagree | 24 | 10% | | |
| | Neutral | 66 | 27.4% | | |
| | Agree | 79 | 32.8% | | |
| | Strongly agree | 33 | 13.7% | | |
| | Total | 241 | 100 | | |
| Our products meet customers health standards | Strongly disagree | 39 | 16.7% | 2.92 | 1.182 |
| | Disagree | 45 | 18.7% | | |
| | Neutral | 69 | 28.6% | | |

| | | | | | |
|---|---|---|---|---|---|
| | Agree | 72 | 29.9% | | |
| | Strongly agree | 16 | 6.6% | | |
| | Total | 241 | 100 | | |
| The company products consistently meet quality standards | Strongly disagree | 19 | 7.9% | 3.13 | 1.059 |
| | Disagree | 47 | 19.5% | | |
| | Neutral | 76 | 31.5% | | |
| | Agree | 82 | 34% | | |
| | Strongly agree | 17 | 7.1% | | |
| | Total | 241 | 100 | | |
| The quality of this company product is better than competitors | Strongly disagree | 26 | 10.8% | 3.11 | 1.160 |
| | Disagree | 47 | 19.5% | | |
| | Neutral | 68 | 28.2% | | |
| | Agree | 75 | 31.5% | | |
| | Strongly agree | 25 | 10.4% | | |
| | Total | 241 | 100 | | |

Source- SPSS output, 2026

The product quality construct also shows average agreement tendency with means of 3.18, 2.92, 3.13, and 3.11. For “The product quality affects the sales performance of the company,” the largest frequency is Agree (32.8%) with a mean of 3.18 and SD 1.264. This suggests respondents slightly lean toward agreement, but the perception is not strong. “Our products meet customers’ health standards” has a mean of 2.92 and SD 1.182, signifies disagreement. “The company products consistently meet quality standards” also has a mean of 3.13 with SD 1.059.

## Sales Training

**TABLE 4.5 EMPLOYEES PERCEPTION ON SALES TRAINING**

| **Items** | | **F** | **N %** | **Mean** | **Standard Deviation** |
|---|---|---|---|---|---|
| There is well designed training policy in the company | Strongly disagree | 24 | 10% | 3.43 | 1.18 |
| | Disagree | 31 | 12.9% | | |
| | Neutral | 39 | 16.2% | | |
| | Agree | 112 | 46.5% | | |
| | Strongly agree | 35 | 14.5% | | |
| | Total | 241 | 100 | | |
| Training programs effectively improve skills of sales person | Strongly disagree | 0 | 0% | 3.68 | 0.96 |
| | Disagree | 40 | 16.6% | | |
| | Neutral | 41 | 17% | | |
| | Agree | 115 | 47.7% | | |
| | Strongly agree | 45 | 18.7% | | |
| | **Total** | 241 | 100 | | |
| Sales training helps to handle customer complaints professionally. | Strongly disagree | 0 | 0% | 3.71 | 0.94 |
| | Disagree | 42 | 17.4% | | |
| | Neutral | 26 | 10.8% | | |
| | Agree | 134 | 55.6% | | |

| | | | | | |
|---|---|---|---|---|---|
| | Strongly agree | 39 | 16.2% | | |
| | **Total** | 241 | 100 | | |
| performance of our sales team shows improvement after training | Strongly disagree | 11 | 4.6% | 3.75 | 1.07 |
| | Disagree | 21 | 8.7% | | |
| | Neutral | 47 | 19.5% | | |
| | Agree | 100 | 41.5% | | |
| | Strongly agree | 62 | 25.7% | | |
| | **Total** | 241 | 100 | | |

Source- SPSS output, (2026)

Sales training and development had a mean value of more than 3.4 for each questionnaire. For the questionnaire "there is well-designed training policy at this company," the largest response is agreed (46.5%), with a mean of 3.43 and SD 1.181. "Training programs effectively improve skills of sales person" has a mean of 3.68 and SD 0.962, again showing higher positive view. "Sales training helps to handle customer complaints professionally" has a mean of 3.71 and SD 0.94, and "performance of our sales team shows improvement after training" has a mean of 3.75 and SD 1.074. These results indicate that respondent's higher agreement with the usefulness of training.

Overall, the aggregate mean score of 3.64 across all statements indicates a generally highest and positive perception of the respondents. The results suggest that the selected companies have strong and positive attitude or customer perception. This information could be valuable for beverage companies continue their better effort in training and refining its strategies to strengthen its position as stronger.

**Sales Incentive**

**TABLE 4.6 SALE INCENTIVE SCHEMES**

| **Items** | | **F** | **N %** | **Mean** | **Standard Deviation** |
|---|---|---|---|---|---|
| The sales incentive paid by for the sales force is attractive | Strongly disagree | 2S | 10.4% | 3.24 | 1.26 |
| | Disagree | 47 | 19.5% | | |
| | Neutral | 34 | 14.1% | | |
| | Agree | 91 | 37.8% | | |
| | Strongly agree | 44 | 13.3% | | |
| | | 241 | 100 | | |
| The incentive paid by this company is better than competitors. | Strongly disagree | 24 | 10% | 3.43 | 1.84 |
| | Disagree | 31 | 12.9% | | |
| | Neutral | 39 | 16.2% | | |
| | Agree | 112 | 46.5% | | |
| | Strongly agree | 35 | 14.5% | | |
| | **Total** | 241 | 100 | | |
| Incentives are clearly linked to individual sales targets | Strongly disagree | 0 | 0% | 3.68 | 0.96 |
| | Disagree | 40 | 16.6% | | |
| | Neutral | 41 | 17% | | |
| | Agree | 115 | 47.7% | | |
| | Strongly agree | 45 | 18.7% | | |

| | | | | | |
|---|---|---|---|---|---|
| | **Total** | 241 | 100 | | |
| The criteria for incentive in this company is interesting | Strongly disagree | 0 | 0% | 3.71 | 0.94 |
| | Disagree | 42 | 13.4% | | |
| | Neutral | 26 | 10.8% | | |
| | Agree | 134 | 55.6% | | |
| | Strongly agree | 39 | 16.2% | | |
| | **Total** | **241** | **100** | | |

Source- SPSS output, 2026

Sales incentive has means of 3.24, 3.43, 3.68, and 3.71 respectively for each question. For the question, “Sales incentive paid for the sales force is attractive has largest share is agreed (37.8%) and mean value of 3.24 and SD.1.268, followed by disagree (19.5) “The incentive paid by this company is better than competitors” had mean value of 3.43 with SD 1.181, showing higher agreement (46.5%) followed by neutral (16.2%) and least number of strongly disagree weight (10%). “Incentives are clearly linked to individual sales targets” and “The criteria for incentive in this company is interesting” have means of 3.71 and 0.940 standard deviation indicating high agreement and none of strongly disagree weight for both questions. This suggests that incentive schemes exist with attractive benefit than competitors. Benefit based on individual target is also attractive criteria of the package. Overall, incentive is perceived as strongly effective.

**Sales Promotion**

TABLE 4.7 PROMOTIONAL PERCEPTION OF RESPONDENTS

| **Items** | | **F** | **N %** | **Mean** | **Standard Deviation** |
|---|---|---|---|---|---|
| Promotional campaigns effectively reach our target customers | Strongly disagree | 33 | 13.7% | 2.99 | 1.187 |
| | Disagree | 56 | 20.7% | | |
| | Neutral | 65 | 27% | | |
| | Agree | 72 | 29.9% | | |
| | Strongly agree | 21 | 8.7% | | |
| | **Total** | 241 | 100 | | |
| Advertising activities positively influence customer awareness | Strongly disagree | 20 | 8.3% | 2.94 | 0.969 |
| | Disagree | 47 | 19.5% | | |
| | Neutral | 62 | 25.7% | | |
| | Agree | 94 | 39% | | |
| | Strongly agree | 18 | 7.5% | | |
| | Total | 241 | 100 | | |
| Advertising activities of this company are well-coordinated | Strongly disagree | 16 | 6.6% | 3.18 | 1.090 |
| | Disagree | 54 | 22.4% | | |
| | Neutral | 60 | 24.9% | | |
| | Agree | 83 | 34.4% | | |

| | | | | | |
|---|---|---|---|---|---|
| | Strongly agree | 28 | 11.6% | | |
| | **Total** | 241 | 100 | | |
| Promotional campaigns generate high engagement on social media | Strongly disagree | 16 | 6.6% | 3.22 | 1.121 |
| | Disagree | 60 | 24.9% | | |
| | Neutral | 34 | 14.1% | | |
| | Agree | 110 | 45.6% | | |
| | Strongly agree | 21 | 8.7% | | |
| | **Total** | **141** | **100** | | |

Source- SPSS output, (2026)

Promotion and marketing items produce means of 2.99, 3.18, 3.22 and 3.25, which indicates mostly neutral perceptions. “Promotional campaigns effectively reach our target customers” has lowest mean of 2.99 and SD 1.187, while “Advertising activities positively influence customer awareness” has an average mean value 3.18, with SD 1.090. This suggests that respondents are slightly less convinced about the awareness effect of advertising. “Advertising activities of this company are well-coordinated” has a mean of 3.22 and SD 1.121, and “promotional campaigns generate high engagement on social media” has a mean of 3.02 and SD 1.124. Overall, promotion is perceived as moderately effective, but not strongly effective.

**Pricing Strategy**

**TABLE 4.8 EFFECT OF PRICE ON SALES PERFORMANCE**

| **Items** | | **F** | **N %** | **Mean** | **Standard Deviation** |
|---|---|---|---|---|---|
| Company products price is affordable than | Strongly disagree | 2 | 0.8% | 3.63 | 0.74 |
| | Disagree | 19 | 7.9% | | |

| | | | | | |
|---|---|---|---|---|---|
| other beverage brands | Neutral | 60 | 24.9% | | |
| | Agree | 146 | 60% | | |
| | Strongly agree | 14 | 5.8% | | |
| | Total | 241 | 100 | | |
| Customers perceive our products as offering good value for money | Strongly disagree | 16 | 6.6% | 3.44 | 1.139 |
| | Disagree | 46 | 19.1% | | |
| | Neutral | 27 | 11.2% | | |
| | Agree | 120 | 49.8% | | |
| | Strongly agree | 32 | 13.3% | | |
| | **Total** | 241 | 100 | | |
| The company pricing strategy is responsive to market changes | Strongly disagree | 35 | 14.5% | 3.20 | 1.30 |
| | Disagree | 42 | 17.4% | | |
| | Neutral | 43 | 17.8% | | |
| | Agree | 82 | 34% | | |
| | Strongly agree | 39 | 16.2% | | |
| | Total | 241 | 100 | | |
| We have different pricing options for different customer segments | Strongly disagree | 10 | 4.1% | 3.38 | 1.09 |
| | Disagree | 53 | 22% | | |
| | Neutral | 46 | 19.1% | | |
| | Agree | 99 | 41.1% | | |

| | | | | | |
|---|---|---|---|---|---|
| | Strongly agree | 33 | 13% | | |
| | **Total** | **241** | **100** | | |

Source- SPSS output, (2026)

Pricing strategy is also evaluated at around higher-level weights with means of 3.63, 3.44, 3.20 and 3.38. For "Company products price is affordable than other beverage brands" have highest weight of agreement (60.6) and mean value of 3.63 and SD 0.748. "Customers perceive our products as offering good value for money" has a mean of 3.44 and SD 1.139 and higher weight of agreed scale (49.8).

"The company pricing strategy is responsive to market changes" has a mean of 3.2 and SD 1.308 with high scale of agreement 34% and the remaining item "We have different pricing options for different customer segments" has mean of 3.38 and SD 1.097. This indicates pricing is seen as reasonably higher level of agreement.

**Distribution Strategy**

**TABLE 4.9 IMPACT OF DISTRIBUTION ON SALES PERFORMANCE**

| **Items** | | **F** | **N %** | **Mean** | **Standard Deviation** |
|---|---|---|---|---|---|
| The company products are consistently available at retail outlets | Strongly disagree | 16 | 6.6% | 3.41 | 1.19 |
| | Disagree | 50 | 20.7% | | |
| | Neutral | 38 | 15.8% | | |
| | Agree | 93 | 38.6% | | |
| | Strongly agree | 44 | 18.3% | | |
| | **Total** | 241 | 100 | | |
| Product deliveries are | Strongly disagree | 18 | 7.5% | 3.33 | 1.19 |

| | | | | | |
|---|---|---|---|---|---|
| timely reliable | Disagree | 52 | 21.6% | | |
| | Neutral | 41 | 17% | | |
| | Agree | 92 | 38.2% | | |
| | Strongly agree | 38 | 15.8% | | |
| | Total | 241 | 100 | | |
| The distribution network covers key market areas effectively | Strongly disagree | 22 | 9.1% | 3.29 | 1.24 |
| | Disagree | 52 | 21.6% | | |
| | Neutral | 43 | 17.8% | | |
| | Agree | 82 | 34% | | |
| | Strongly agree | 42 | 17.4% | | |
| | **Total** | 241 | 100 | | |
| The company analyze customer needs before distributing products | Strongly disagree | 23 | 9.5% | 3.03 | 1.02 |
| | Disagree | 53 | 22% | | |
| | Neutral | 38 | 15.8% | | |
| | Agree | 88 | 36.5% | | |
| | Strongly agree | 39 | 16.2% | | |
| | **Total** | **241** | **100** | | |

Source- SPSS output, (2026)

The distribution efficiency at these selected beverage companies was evaluated based on the statements raised. The first statement raised was about the company products are consistently available at retail which received a mean response of 3.41. This suggests that respondent's slight

agreement with the idea, implying that products are available in each outlet leading to high sales volume.

Furthermore, the statement " Product deliveries are timely reliable " was moderately agreed upon by the respondents (38.2), indicating these beverage brands are there in a required time at 3.33 mean value.

The response regarding the distribution network covers key market areas effectively received a mean score of 3.29 with high weight of agreement (34%), signifying agreement among respondents. This implies that products have medium to higher coverage.

Finally, the response " The company analyze customer needs before distributing products " was also agreed upon by the respondents (36.5) with mean value of 3.29 indicating that usually companies analyzed customer needs before distributing beverage products.

The aggregate mean for customer satisfaction was calculated to be 3.32, indicating that respondent's medium agreement with the raised ideas about distribution efficiency. This suggests that, on average, the respondents expressed positive sentiments distribution efficiency of these beverage products.

**Customer Satisfaction**

TABLE 4.10 EMPLOYEES PERCEPTION OF CUSTOMER SATISFACTION

| **Items** | | **F** | **N %** | **Mean** | **Standard Deviation** |
|---|---|---|---|---|---|
| Customers are generally satisfied with the company products | Strongly disagree | 21 | 8.3% | 3.20 | 1.23 |
| | Disagree | 59 | 21.2% | | |
| | Neutral | 51 | 14.9% | | |
| | Agree | 70 | 29% | | |
| | Strongly agree | 40 | 16.6% | | |

| | | | | | |
|---|---|---|---|---|---|
| | **Total** | 241 | 100 | | |
| Customers frequently make repeat purchases of our beverages | Strongly disagree | 27 | 11.2% | 3.26 | 1.18 |
| | Disagree | 35 | 14.5% | | |
| | Neutral | 56 | 23.2% | | |
| | Agree | 95 | 39.4% | | |
| | Strongly agree | 28 | 11.6% | | |
| | **Total** | 241 | 100 | | |
| Customers recommend our products to others | Strongly disagree | 2 | 0.8% | 3.59 | 0.98 |
| | Disagree | 43 | 17.8% | | |
| | Neutral | 46 | 19.1% | | |
| | Agree | 111 | 46.1% | | |
| | Strongly agree | 39 | 16.2% | | |
| | **Total** | **241** | **100** | | |

Source- SPSS output, 2026

The customer satisfaction at Dashen Breweries, Dega water Awash Wine was evaluated based on three statements. The first questionnaire raised was weather Customers are generally satisfied with the company products which received a mean response of 3.20. This suggests that respondents have higher agreement (29%) followed by disagreement and neutral weight (24.5% and 21.2% implying that the average weight of scale.

Secondly, the statement " Customers frequently make repeat purchases of our beverages" had mean value of 3.26 and 39% of weight of agreement and 23.2 weight of neutrality by the respondents indicating that customers are intended to make repeat purchase of beverage products offered by the selected companies.

The last response regarding customers recommends our products to others gained a mean score of 3.59, signifying agreement among respondents. This implies that satisfied customers have recommends these beverage products to new customers. It has 46% of agreement scale and it is about half of respondents agreed in this view.

The aggregate mean for customer satisfaction was calculated to be 3.34 on average shows the respondents expressed positive sentiments about satisfaction with the products provided by selected beverage companies.

**Brand awareness**

**TABLE 4.11 EMPLOYEES PERCEPTION ABOUT BRAND AWARENESS**

| **Items** | | **F** | **N %** | **Mean** | **Standard Deviation** |
|---|---|---|---|---|---|
| Customers have awareness about the company products | Strongly disagree | 13 | 5% | 3.00 | 1.02 |
| | Disagree | 64 | 27% | | |
| | Neutral | 92 | 38% | | |
| | Agree | 54 | 22% | | |
| | Strongly agree | 18 | 8% | | |
| | **Total** | 241 | 100 | | |
| New customers have high level of awareness about product | Strongly disagree | 17 | 7% | 3.03 | 1.02 |
| | Disagree | 53 | 22% | | |
| | Neutral | 96 | 40% | | |
| | Agree | 56 | 23% | | |
| | Strongly agree | 19 | 8% | | |
| | **Total** | 241 | 100 | | |

| | | | | | |
|---|---|---|---|---|---|
| Customers can easily identify the logo of the product | Strongly disagree | 15 | 6% | 3.00 | 0.97 |
| | Disagree | 56 | 23% | | |
| | Neutral | 98 | 41% | | |
| | Agree | 58 | 24% | | |
| | Strongly agree | 14 | 6% | | |
| | **Total** | **241** | **100** | | |

Source- SPSS output, 2026

Brand awareness items have mean value of 3.40, 3.39 and 3.40 in each questionnaire. "Customers have awareness about the company products" has a mean of 3.40 and 33.6% of agreed weights indicating higher positive agreement.

"New customers have a high level of awareness about our brand" has 3.39 mean value and 39.4% for agree scale in this group showing slightly better perception of awareness. "Customers can easily identify the logo of the product" has a mean of 3.40 the same the first item in this group.

The aggregate mean of brand awareness is 3.39 which indicates customers have higher awareness for Dashen beer, Dega water and Awash Wine beverage products. The aggregate mean suggests that, on average, customers have positive sentiment of brand awareness in Addis Ababa. This suggests that there is room for improvement in fostering stronger customer brand awareness towards the brand.

### 4.4.2 Cross Tabulation

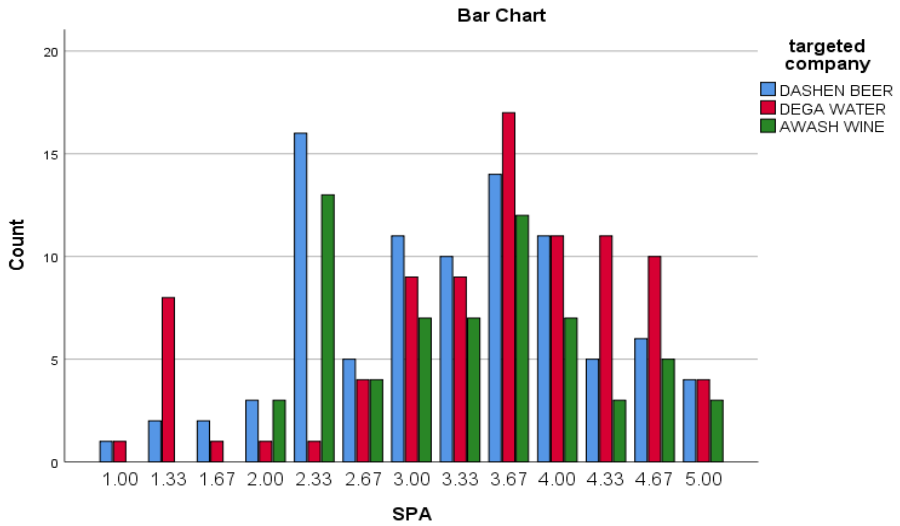
The analysis consists cross-tabulations that compare sales performance (SPA) across the three targeted companies: Dashen Beer, Dega Water and Awash Wine. Below is an interpretation and discussion of the results.

TABLE 4.12 CROSS TABULATION RESULT OF SALES PERFORMANCE

| SPA * targeted company Crosstabulation | | | | | |
|---|---|---|---|---|---|
| Count | | | | | |
| | | targeted company | | | |
| | | DASHEN BEER | DEGA WATER | AWASH WINE | Total |
| SPA | 1.00 | 1 | 1 | 0 | 2 |
| | 1.33 | 2 | 8 | 0 | 10 |
| | 1.67 | 2 | 1 | 0 | 3 |
| | 2.00 | 3 | 1 | 3 | 7 |
| | 2.33 | 16 | 1 | 13 | 30 |
| | 2.67 | 5 | 4 | 4 | 13 |
| | 3.00 | 11 | 9 | 7 | 27 |
| | 3.33 | 10 | 9 | 7 | 26 |
| | 3.67 | 14 | 17 | 12 | 43 |
| | 4.00 | 11 | 11 | 7 | 29 |
| | 4.33 | 5 | 11 | 3 | 19 |
| | 4.67 | 6 | 10 | 5 | 21 |
| | 5.00 | 4 | 4 | 3 | 11 |
| Total | | 90 | 87 | 64 | 241 |

Source: SPSS result, 2026

Figure 2 Bar Chart of Sales Performance cross Tabulation




Source:SPSS result, (2026)

**Sales Performance for each Company**

The cross tabulation was conducted to examine the distribution of sales performance scores in selected beverage companies: Dashen beer, Deda Water and Awash Wine share companies. The result indicated that the majority of respondents from all three companies responded moderate to high level of sales performance. The highest frequency was recorded at the SPA score of 3.67, where a total of 43 respondents were participated. Among these respondents, 17 were from Dega water, 14 from Dashen beer and the remaining 12 from Awash wine. This finding reveals that the largest proportion of employees from three selected beverage companies rated their sales performance above the average level.

Based on companies' specific observation:

**Dashen beer** recorded largest number of respondents (90) and showed relatively higher concentration in the SPA categories of 2.33 (16 respondents) and 3.67 (14 respondents). This indicates generally moderate to high sales performance perception among its employees

**Dega water** recorded 87 respondents and demonstrated the highest frequency in the highest frequency in the higher SPA categories particularly 3.67 (17 respondents), 4.00 (11 respondents) and 4.33 (11 respondents). This suggests that Dega water employees tend to responded comparatively stronger sales performance than other companies.

**Awash wine** has 64 respondents and reported around 2.33 (13 respondents) 3.67 (12 respondents) and 4.00 (7 respondents). Although the result showed positive sale performance perceptions, the frequency distribution is slightly lower than Dashen beer and Dega water share companies.

The bar chart further investigated that the majority of responses cluster around the middle and upper sales performance categories rather than the lower categories (1-2). Very few respondents responded extremely low sale performance scores. Overall, the finding implies that selected beverage companies are achieving satisfactory sales performance level.

## 4.5. Correlation Analysis

**TABLE 4.13 CORRELATION ANALYSIS RESULT**

| | | PQA | STDA | SISA | PMAA | PSA | DEA | CSA | BAA | SPA |
|---|---|---|---|---|---|---|---|---|---|---|
| PQA | Pearson Correlation | 1 | .170** | .141* | .566** | -.143* | .298** | .005 | .162* | .189** |
| | Sig. (2-tailed) | | .008 | .028 | .000 | .027 | .000 | .934 | .012 | .003 |
| | N | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 |
| STDA | Pearson Correlation | .170** | 1 | .941** | .039 | .045 | .022 | -.037 | .068 | .627** |
| | Sig. (2-tailed) | .008 | | .000 | .545 | .490 | .729 | .570 | .290 | .000 |
| | N | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 |
| SISA | Pearson Correlation | .141* | .941** | 1 | -.014 | .013 | .002 | -.046 | .057 | .630** |
| | Sig. (2-tailed) | .028 | .000 | | .832 | .841 | .973 | .474 | .378 | .000 |
| | N | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 |
| PMAA | Pearson Correlation | .566** | .039 | -.014 | 1 | -.120 | .035 | -.035 | .103 | .076 |
| | Sig. (2-tailed) | .000 | .545 | .832 | | .064 | .587 | .590 | .110 | .240 |
| | N | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 |
| PSA | Pearson Correlation | -.143* | .045 | .013 | -.120 | 1 | .085 | .046 | .045 | .243** |
| | Sig. (2-tailed) | .027 | .490 | .841 | .064 | | .189 | .480 | .491 | .000 |
| | N | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| DEA | Pearson Correlation | .298** | .022 | .002 | .035 | .085 | 1 | .044 | .475** | .132* |
| | Sig. (2-tailed) | .000 | .729 | .973 | .587 | .189 | | .496 | .000 | .040 |
| | N | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 |
| CSA | Pearson Correlation | .005 | -.037 | -.046 | -.035 | .046 | .044 | 1 | -.002 | .013 |
| | Sig. (2-tailed) | .934 | .570 | .474 | .590 | .480 | .496 | | .973 | .842 |
| | N | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 |
| BAA | Pearson Correlation | .162* | .068 | .057 | .103 | .045 | .475** | -.002 | 1 | .169** |
| | Sig. (2-tailed) | .012 | .290 | .378 | .110 | .491 | .000 | .973 | | .009 |
| | N | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 |
| SPA | Pearson Correlation | .189** | .627** | .630** | .076 | .243** | .132* | .013 | .169** | 1 |
| | Sig. (2-tailed) | .003 | .000 | .000 | .240 | .000 | .040 | .842 | .009 | |
| | N | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 |

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

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

Source: SPSS result, 2026

Pearson correlation analysis was conducted to examine the relationship between each independent variables and sales performance in the selected beverage companies in Addis Ababa. The correlation coefficient (r) was used to detect the relationship, while the significance value (p-value) was used to examine statistical significance at 0.05 and 0.01 significance levels.

**Product Quality and Sales Performance**

The positive correlation between product quality and sales performance indicated that improvement in product quality standard contributed to high organizational sales performance. Product quality has statistical significance for sales performance ($r = 0.189$, $p = 0.003$). This implies that even if the relationship is relatively weak, increased product quality contributes to slight increase in sales performance.

**Sales Training and Development and Sales Performance**

The findings revealed that sales training and development has a strong positive relationship with sales performance ($r = 0.627$, $p = 0.000$). This mean employee who gains adequate training are more capable of improving customer interaction, product knowledge and sales effectiveness which contributes to higher organizational sales performance. The finding is consistent with motivational theories and previous empirical studies that emphasize the importance of training and reward systems in improving organizational performance.

**Sales Incentive System and Sales Performance**

The correlation result of sales incentive showed that sales incentive system has a strong positive and statistically significant relationship with sales performance ($r = 0.630$, $p = 0.000$). This indicated that higher benefit package significantly improves employee sales performance by motivating sales personnel to achieve higher sales targets and organizational objectives.

**Promotional and Marketing Activity and Sales Performance**

Promotional and marketing activity has weak and positive relationship with sales performance ($r = 0.076$, $p = 0.240$). This means that promotional activities haven't strong relationship with sales performance in the selected beverage companies. The result may happen because existing promotional practices are not sufficiently effective in influencing customer purchasing in Dega Water and restrict prohibition of promotional activities for alcoholic beverage products in Ethiopia.

**Pricing Strategy and Sales Performance**

The correlation analysis of pricing strategy shows positive moderate and statistically significant relationship with sales performance ($r = 0.243$, $p = 0.000$). This indicates that customers are

sensitive to pricing decisions and competitive pricing enhances higher market demand that increases sales performance.

**Distribution Efficiency and Sales Performance**

The correlation analysis of distribution efficiency and sales performance indicated that weak positive and statistically significant for sales performance ($r = 0.132$, $p = 0.040$). This suggests that improving distribution efficiency and availability contributes positively that leads slight increase in sales performance. This weak relationship might happen because of that beverage products of these companies are available and widely accessible. Product availability might not be a big concern for consumers rather than other highly determinant factors like price, brand familiarity and other additional benefits.

**Customer Satisfaction and Sales Performance**

The correlation result of customer satisfaction and sales performance ($r = 0.013$, $p = 0.842$) suggests weak positive relationship. This indicates that increase in customer satisfaction are linked with slightly positive relationship with sales performance. However, the relationship is not strong enough to suggest that customer satisfaction is a major determinant of organizational sales performance. This might because of purchasing decisions in the beverage market are strongly influenced by other factors such as habit, price, or brand familiarity rather than satisfaction alone.

**Brand Awareness and Sales Performance**

The analysis indicated that brand awareness has a positive and statistically significant relationship with sales performance ($r = 0.169$, $p = 0.009$). The result reveals that strong brand recognition enhance customer preference and purchasing intention.

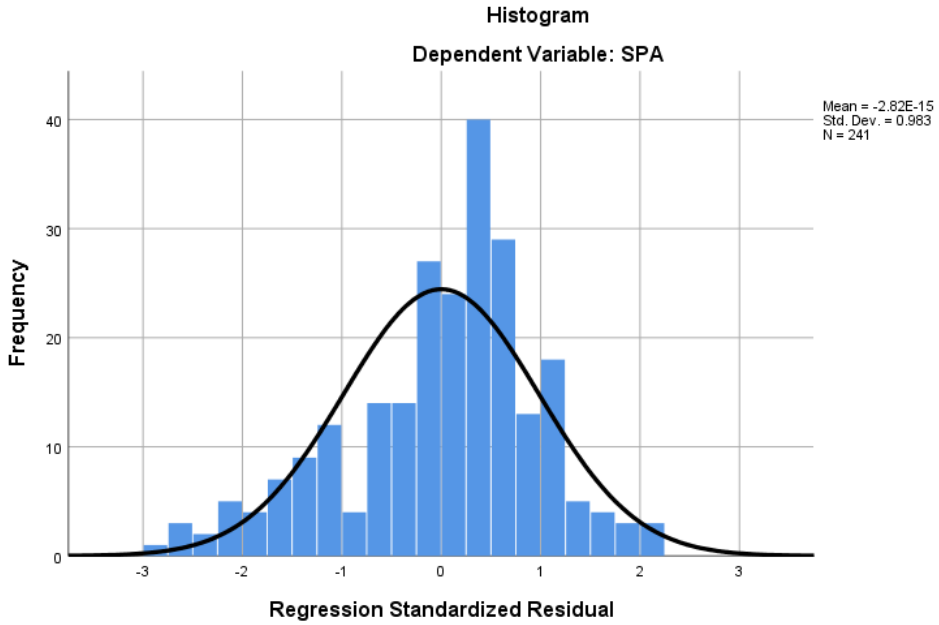
Although the relationship between sales training and sales incentive system has a very strong positive relationship is very high, the previously examined VIF and tolerance statistics confirmed that multicollinearity was not a serious problem in the regression analysis. Conversely, promotional and marketing activity and customer satisfaction did not show statistically significant relationships with sales performance in the selected beverage companies.

## 4.6. Regression Analysis

### 4.6.1 Assumption Test Analysis

**I. Normality Assumption Test**

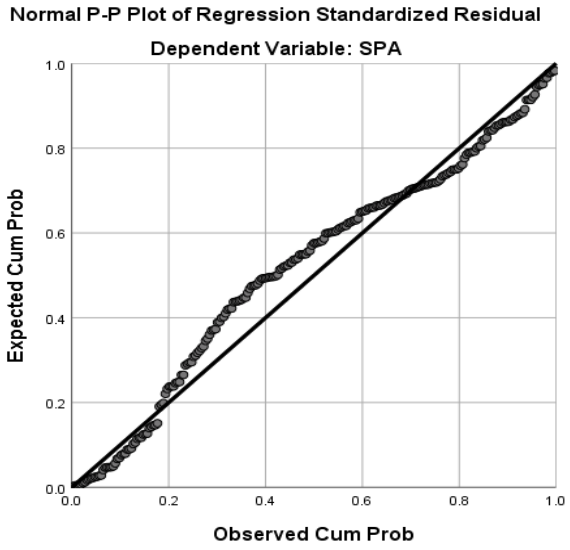
**FIGURE 3 NORMALITY TEST OF RESIDUALS**




Source- SPSS output, (2026)

Since, the histogram is approached to bell-shaped the residuals are normally distributed (Bryman,1988). Therefore, from the above figure, the Histogram is approached to bell-shaped; this implies that the residuals are normally distributed. Hence, the normality assumption is fulfilled.

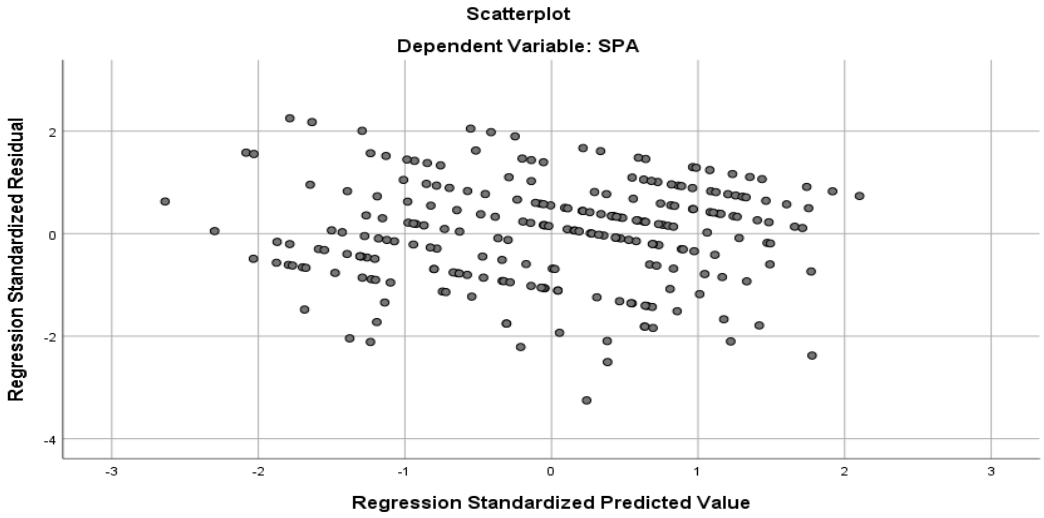
**FIGURE 4 NORMALITY P-P PLOT TEST**




Source- SPSS output, 2026

To confirm the acceptance of the above histogram, normal P-P plot regression standardized residual method used. That implies the small circles are closely around the diagonal line of 45-degree which indicates residuals are normally distributed.

**FIGURE 5 SCATTERPLOT TEST OF NORMALITY**




Source- SPSS output, 2026

In the above picture, the scatter plot of standardized predicted value against the dependent variable (SPA) serves as a diagnostic tool for regression model adequacy that shows evenly dispersed pattern around the horizontal axis that implies linearity, homoscedasticity and no significant outlier.

**II. Autocorrelation Assumptions Test**

The Durbin Watson statistic is a number that tests for autocorrelation in the residuals from a statistical regression analysis. The Durbin-Watson statistic is always between 0 and 4. The value 2 means that there is no autocorrelation in the sample of the study. Values approaching 0 indicate positive autocorrelation and values toward 4 indicate negative autocorrelation (Bryman, 1988)

**TABLE 4.14 AUTOCORRELATION ASSUMPTION TEST**

| Model | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|
| 1 | .68793 | 1.547 |
| a. Predictors: (Constant), BAA, CSA, DEA, PMAA, SISA, PSA, STDA, PQA | | |
| b. Dependent Variable: SPA | | |

Source- SPSS output, (2026)

From the above table 4.14 indicate that the value Durbin Watson statistic result is 1.547. Thus, this study has tested for assumption of Autocorrelation and as it can be seen there is no Auto correlation from the above result. Hence, the Autocorrelation assumption is fulfilled.

**III. Linearity Assumptions Test**

In linear regression analysis, it is assumed that there is a linear relation between the predictors and the dependent variable. This study measured the linearity by testing the goodness of fit of the model by conducting ANOVA test. The test hypothesis is: H0: The model is not a good fit and H1: The model is a good fit The alpha value is 0.05.

**TABLE 4.15 LINEARITY ASSUMPTION TEST**

| ANOVA | |
|---|---|
| Model | Sig |
| Regression | 0.000 |
| a. Dependent Variable: SPA | |
| b. Predictors: (Constant), BAA, CSA, DEA, PMAA, SISA, PSA, PQA, STDA | |

**Source:** SPSS result, 2026

From the above table 4.15, we concluded that the model is a good fit. Since, the p-value, 0.000 is less than Alpha = 0.05. This result indicates a linear relation between the dependent variable and the independent variables.

**IV. The Multi Collinearity Assumption Test**

According to (Cochran, 1977), presence of multi collinearity can be detected by just looking at variance inflation factor (VIF) value of each explanatory variable. That is, if VIF is more than 10, then, it signifies that there is interdependency among independent variables.

**TABLE 4.16 MULTI COLLINEARITY ASSUMPTION**

| Variables | Collinearity Statistics | |
|---|---|---|
| | Tolerance | VIF |
| Product quality | .950 | 1.053 |
| Training | .867 | 1.153 |
| Sales incentive | .843 | 1.186 |
| Promotion | .928 | 1.077 |

| | | |
|---|---|---|
| Price | .973 | 1.028 |
| Distribution | .960 | 1.041 |
| Customer satisfaction | .180 | 5.550 |
| Brand awareness | .179 | 5.589 |

Source: SPSS result, 2026

The above table 4.16 indicates that the VIF values for Product quality, sales training, sales incentive, promotion, Price, distribution, customer satisfaction and brand awareness are below 10. Hence, the multi collinearity assumption is fulfilled in this study.

### 4.6.2. ANOVA Test and Model Summary

Multiple linear regression (MLR) analysis applied to assess internal organizational determinants which affects the Sales Performance of selected beverage companies. Coefficient of determination-R2 is the measure of proportion of the variance of dependent variable, and the mean that is explained by the independent or predictor variables Gujirat, (2001). Higher value of R2 represents greater explanatory power of the regression equation.

**TABLE 4.17 MODEL SUMMARY**

| Model Summary | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of Estimate |
| 1 | .698 | .488 | .470 | .68793 |
| a. Dependent Variable: SPA | | | | |
| b. Predict7rs: (Constant), BAA, CSA, DEA, PMAA, SISA, PSA, STDA, PQA | | | | |

Source: SPSS result, 2026

Table 4.17 presents the model summary which states all internal organizational factors which affects the Sales Performance selected beverage companies. The Sales Performance of Dashen

beer, Dega water and Awash Wine as a function of product quality, Sales training, sales incentive, promotion, Price, distribution efficiency, customer satisfaction and brand awareness. Based on the above model summary, R square value indicated that the independent variables explained the dependent variable by 0.488.

This result implies that product quality, Sales training, sales incentive, promotion, Price, distribution efficiency, customer satisfaction and brand awareness collectively affect the Sales Performance of Dashen beer, Dega water and Awash Wine by 48.8 percent. The remaining 51.2% of variation in sales performance is affected by other factors that are not included in this study. These may include other organizational determinants and external environmental factors such as competition, economic conditions, customer purchasing power, government regulation, technological changes, political conditions and other behavioral and operational determinants.

### 4.6.3 Régression Coefficient Analyses

#### 4.6.3.1 Direct Régression Analyses

This section presents the Direct Regression analyses result of coefficients of selected beverage companies which affecting the Sales performance.

TABLE 4.18 DIRECT REGRESSION ANALYSES OF COEFFICIENT

| **Coefficients[a]** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. | Collinearity Statistics | |
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | -.577 | .328 | | -1.762 | .079 | | |
| | PQA | .069 | .062 | .069 | 1.109 | .269 | .569 | 1.757 |
| | STDA | .198 | .163 | .172 | 1.213 | .226 | .111 | 9.026 |
| | SISA | .492 | .152 | .456 | 3.230 | .001 | .111 | 9.003 |
| | PMAA | .066 | .062 | .062 | 1.056 | .292 | .640 | 1.563 |
| | PSA | .245 | .050 | .239 | 4.952 | .000 | .948 | 1.055 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | DEA | .072 | .044 | .084 | 1.666 | .097 | .865 | 1.156 |
| a. Dependent Variable: SPA | | | | | | | | |

Source: SPSS result, 2026

This multiple linear regression analysis was conducted to examine the direct effect of internal organizational determinants on sales performance in the selected beverage companies in Addis Ababa. The dependent variable is Sales Performance (SPA), while the independent variables included Product Quality (PQA), Sales Training and Development (STDA), Sales Incentive Scheme (SISA), Promotion and Marketing Activity (PMAA), Pricing Strategy (PSA) and Distribution Efficiency (DEA). The remaining mediating variables, customer service and brand awareness are analyzed by using Sobel Test mediation formula.

The regression output is interpreted based on the unstandardized coefficient (B), standardized coefficient (Beta), t-value, significance level (Sig.), tolerance value, and Variance Inflation Factor (VIF).

**1.Product Quality (PQA)**

Product quality has a beta coefficient and unstandardized coefficient of 0.069 and a significance value of 0.269 which shows that product quality and sales performance have weak but positive relationship and statistically insignificant. This indicates that one increase in pricing strategy increases sales performance by 0.069 unit while other variables remain constant. This finding suggests that product quality has not strong relationship with sales performance in beverage companies even if the relationship is positive. This might happen because of beverage quality is standardized and customers may not perceive differences between brands. The quality of these products is consistently stable because Ethiopia food and drug authority controls the standard and each companies had modern technology, standard purification tools brands unique qualities. For these reasons, product quality couldn't be a big concern for consumers and does not act as a daily differentiator of sales performance.

**2. Sales Training and Development (STDA)**

Sales training and development has a positive relationship with sales performance with standardized beta coefficient of 0.17 and unstandardized coefficient 0.198 approached to 0.20 which indicates that holding other variables constant, a one unit increase in sales training and development activities lead to a 0.20 unit increase in sales performance. However, the P value (0.23) is greater than the standard significance level 0.05 indicating statistically insignificant. In beverage sector, sales performance of companies highly depends on aggressive and market penetration to local and untaped territories. Class room training provides no unique statistical significance to sales performance because sales incentive completely dictates sales person behavior. Trained sales personnel without attractive commission will not generate higher sales and have high possibility of employee turnover for rival beverage companies. This explains why spending money on training and development couldn't automatically translate in to better sales performance for selected sales performance.

**3. Sales Incentive Scheme (SISA)**

The regression result for sales incentive scheme shows a beta coefficient of 0.416 and unstandardized coefficient 0.449 with a significance value of 0.003, which is below 0.05. This reveals that sales incentive schemes have statistically significant effect on sales performance. The beta coefficient 0.45 indicates that sales performance had positive and strong relationship and it is the most determinant factor of sales performance. The unstandardized coefficient 0.49 reveals that one unit increase in sales incentive leads to 0.49 unit increase in sales performance.

**4. Promotion and Marketing Activity (PMAA)**

Promotion and Marketing Activity has unstandardized coefficient of 0.06 indicates that one unit increase in promotion and marketing activity leads to a 0.06-unit increasement in sales performance, keeping other variables as constant. A positive but weak beta coefficient of 0.06 indicates that promotional activity had positive but not close relationship with sales performance. The P value of 0.292 greater than 0.05 which shows Promotion and Marketing Activity had statistically insignificance for sales performance. For most products, massive promotional investment build brand awareness that leads to higher sales performance. But, In Ethiopian beverage land scape, official advertisement in TV ads, billboard, public event and other methods

are strictly forbidden. These reasons proved why investing in promotion and marketing is statistically insignificant.

**5. Pricing Strategy (PSA)**

Pricing strategy has a beta coefficient of 0.239 and a significance value of 0.000 which shows that an optimized pricing strategy is a statistically guaranteed driver of higher sales. The unstandardized coefficient 0.245 indicates that one increase in pricing strategy increases sales performance by 0.245 unit while other variables remain constant. This finding suggests that competitive and affordable pricing strategy helps beverage companies to improve their sales performance. The application of this regression result would be applied differently for these distinct beverage companies accordingly.

In the intense competition of Ethiopian brewery sector positive regression result suggests that implementing flexible pricing such as promotional event pricing in Addis Ababa recreation spots or volume discounts for wholesale distributors directly increases sales volume. On the other hand, the positivity of these variables for Dega water shows that maintaining affordable and highly competitive penetration price helps to capture price sensitive daily consumers this enhances high volume of retail turnover. As a historic and premium brand, Awash Wine benefits from strategic pricing by using psychological value signaling that allows them to capture maximum value from high-end consumers.

**6. Distribution Efficiency (DEA)**

Distribution efficiency has a positive but small unstandardized coefficient of 0.072 indicates that improving product availability by 1-unit enhanced sales performance to increase by 0.072 unit indicated distribution system slightly increases sales performance. The P value of 0.097 is greater than 0.05 which shows distribution efficiency had statistically insignificance for sales performance. This finding proved that product availability and distribution system couldn't directly provide improvement in sales performance. Thsis insignificance has happened because of that products are available and not the problem of supply in Addis Ababa plant of the selected brands. High distribution efficiency could not be a guaranty for higher sales in leveraged and competitively intensified market.

### 4.6.3.2 Regression of Mediating Variables

**Sobel test formula**

The Sobel test is a statistical method used to examine whether the third variable significantly mediates or explains the relationship between independent variables and dependent variable. It tests if the indirect effect of an initial variable on the outcome by passing through a mediator is statistically significant.

**TABLE 4.18 SOBEL TEST INPUT PARAMETERS FOR MEDIATION ANALYSIS**

| Mediation model | Path | Regression model | Variable row used | Unstandardized coefficient (B) | Std. error | Purpose in Sobel test |
|---|---|---|---|---|---|---|
| PQA→CSA→SPA | Path a | CSA=f(PQA) | PQA row | 0.005 | 0.065 | Measure effect of PQA ON CSA |
| PQA→CSA→SPA | Path b | SPA=f (PQA, CSA | CSA row | 0.01 | 0.06 | To test CSA on SPA controlling PQA |
| PMAA→BAA→SPA | Path a | BAA=f(PMAA) | PMA row | 0.13 | 0.08 | Measures effect of PMAA TO BAA |
| PMAA→BAA→SPA | Path b | SPA=f (PMAA, BAA) | BAA row | 0.133 | 0.052 | Tests effect of BAA on SPA controlling PMAA |

Source: SPSS result, 2026

The Sobel mediation test inputs were obtained from separate regression of two models for each mediation pathway. Path a explains the effect of independent variables on mediating variable, whereas, path b represents the effect of mediator on sales performance, while controlling for the independent variable. Unstandardized coefficients and standard errors were token from SPSS regression table and used as an input in Sobel test equation.

Formula

$Z = (a \times b) / \sqrt{(b^2sa^2 + a^2sb^2)}$

Where:

a = Unstandardized coefficient for the relationship of independent variable and mediator

b = Unstandardized coefficient for the relationship between the mediator and dependent variable

Sa = Standard error of a

Sb = Standard error of b

**TABLE 4.20 SOBEL TEST RESULTS FOR MEDIATION ANALYSIS**

| Mediation path | Path a (B) | Sa | Path b (B) | Sb | Sobel z- value | P= value | Decision |
|---|---|---|---|---|---|---|---|
| PQA to CSA to SPA | 0.05 | 0.065 | 0.012 | 0.063 | 0.071 | 0.943 | No mediation |
| PMAA to BAA to SPA | 0.134 | 0.084 | 0.133 | 0.052 | 1.354 | 0.176 | No mediation |

Source: Sobel mediation test, 2026

Note:

Path a = effect of independent variable on mediator.

Path b = effect of mediator on dependent variable while controlling the independent variable.

Significance level = 0.05.

A Sobel z-value greater than ±1.96 indicates significant mediation.

**1. Product Quality (PQA) → Customer Satisfaction (CSA) → Sales Performance (SPA)**

Based on the above formula:

$Z = [(0.005)\ (0.012)] / \sqrt{[(0.012)^2\ (0.065)^2 + (0.005)^2\ (0.063)^2]}$

$Z = 0.071$

Decision: $Z = 0.071 < 1.96$ and $p = 0.943 > 0.05$

Conclusion: Customer Satisfaction does not significantly mediate the relationship between Product Quality and Sales Performance.

To examine whether customer satisfaction mediates the relationship between product quality and sales performance, the Sobel test was conducted. The result revealed a Sobel test statistic of z=0.071 with a corresponding p=0.943, which is greater than the standard significance level of 0.05. This finding indicates that customer satisfaction does not significantly mediate the relationship between product quality and sales performance and the relationship between product quality and customer satisfaction was extremely weak and statistically insignificant (B=0.005, p>0.05). Similarly, customer satisfaction did not significantly influence sales performance after controlling product quality (B=0.012, p>0.05).

**Interpretation**

This confirms that improvements in product quality do not necessarily provide increased customer satisfaction within the selected beverage companies. One possible explanation is that product quality among beverage companies may already be standardized and relatively similar in the market. As a result, customers may consider product quality as a basic expectation rather than a factor that strongly determines satisfaction or purchasing behavior. This finding leads to reject the mediation hypothesis of the study.

**2. Promotion (PMAA) → Brand Awareness (BAA) → Sales Performance (SPA)**

$Z = (a \times b) / \sqrt{(b^2sa^2 + a^2sb^2)}$

$Z = [(0.134)\ (0.133)] / \sqrt{[(0.133)^2\ (0.084)^2 + (0.134)^2\ (0.052)^2]}$

$Z = 1.354$

Decision: $Z = 1.354 < 1.96$ and $p = 0.176 > 0.05$

Conclusion: Brand Awareness does not significantly mediate the relationship between Promotion and Sales Performance.

The study also examined whether brand awareness mediates the relationship between promotion and sales performance using the Sobel test. The result produced a Sobel test statistic of z=1.354 and a p=0.176, which is greater than 0.05. This result demonstrates that brand awareness does not significantly mediate the relationship between promotion and sales performance.

Although brand awareness showed a positive relationship with sales performance (B=0.133), the relationship between promotion and brand awareness was relatively weak (B=0.134), leading to an insignificant indirect effect.

The finding implies that beverage products in Addis Ababa are already recognized in the market, reducing the additional contribution of promotional activities toward increasing awareness. Customers may already possess prior knowledge of the brands and their purchasing decisions may depend more on: product availability, price, distribution efficiency and sales incentives than promotional exposure alone. The insignificant mediation effect may also indicate that promotional activities directly influence sales performance rather than passing through brand awareness. Thus, the mediation hypothesis was rejected.

**Conclusion of the Regression Analysis**

The regression analysis ensured that among the eight independent and mediating variables included in the model, only Sales incentive and price have positive and statistically significant effect on sales performance. Distribution and brand awareness have relative significance on sales performance.

## 4.7 Discussion of Findings

### Product Quality and Sales Performance

The study found that product quality had a positive but statistically insignificant effect on sales performance. This implies that although maintaining product quality is important, it does not independently determine sales performance in the selected beverage companies. This finding differs from the findings of Zeithaml (1988) and Kotler and Keller (2016), who emphasized that perceived quality improves customer value and purchasing decisions. The possible explanation is that beverage products have relatively standardized quality, making customers more influenced by other factors such as price, availability, and brand preference.

### Sales Training and Sales Performance

The finding revealed that sales training had a positive relationship with sales performance. This finding supports the study of Noe (2017), who founded that employee training and development improves knowledge and job effectiveness. Similarly, Churchill et al. (1985) found that salesperson training enhances salesforce performance. In this study, trained sales employees were expected to have better product knowledge, customer handling ability, and target achievement. However, its unique effect reduced when other factors were considered together in regression.

### Sales Incentive and Sales Performance

Sales incentive was found to have a positive and statistically significant effect on sales performance. This finding supports Vroom's Expectancy Theory (1964), which explains that employees increase effort when they expect valuable rewards. It also agrees supports the theory of Churchill et al. (1985) who discovered motivation and compensation as significant determinants of salesperson performance.

### Promotion and Sales Performance

The study found that promotion had a positive but statistically insignificant relationship with sales performance. This result contradicts with Kotler and Armstrong (2018) who explained that promotion generates product value and influences consumer purchasing decisions. The reason for this finding might be beverage consumers may already be aware with existing brands and

promotional activities alone may not immediately translate into higher sales without supporting factors such as price and distribution effectiveness.

**Pricing Strategy and Sales Performance**

The study found that price had a positive and statistically significant effect on sales performance. This finding is the same as Kotler and Keller (2016) who discovered price as a critical marketing mix element influencing demand and purchasing decisions. Since beverages are frequently purchased products, consumers are sensitive to affordability and differences in competitors pricing. Therefore, effective pricing strategies contribute to higher sales performance.

**Distribution Efficiency and Sales Performance**

The finding of distribution efficiency showed positively influences on sales performance. This finding is aligned with Christopher (2016) who explored that efficient distribution and supply chain activities improve product availability and customer satisfaction. In the beverage industry, consumers often purchase products that are easily available that is why effective distribution channels improve market coverage and sales outcomes.

**Customer Satisfaction as a Mediating Variable**

The Sobel test result implied that customer satisfaction could not significantly mediate the relationship between product quality and sales performance. This differs from the finding of Kotler and Keller (2016) those suggested that satisfaction enhances loyalty and repurchase decision. So, this study revealed that beverage purchasing decisions are also strongly influenced by availability, price and habitual consumption patterns.

**Brand Awareness as a Mediating Variable**

The mediation result indicated that brand awareness did not significantly mediate the relationship between promotion and sales performance. Although Aaker (1991) explained that brand awareness influences consumer choice, this paper found that awareness alone may not guarantee purchase behavior. In the selected beverage companies, customers may require additional initiators like affordability, availability and perceived value before purchasing products.

Overall, the findings demonstrates that sales incentive, pricing strategy, sales training and distribution efficiency are the major internal organizational determinants of sales performance, whereas; product quality, promotion, customer satisfaction and brand awareness showed weaker and insignificant direct or mediating effects in the selected beverage companies.

# CHAPTER 5

# SUMMARY, CONCLUSION AND RECOMMENDATIONS

## 5.1 Summary of Findings

This study examined the effects of internal organizational determinants on sales performance in selected beverage companies in Addis Ababa using descriptive, correlation and regression analysis techniques.

The descriptive analysis provided that respondents generally agreed on sales incentives, pricing strategies, distribution efficiency, and brand awareness contribute positively to sales performance. The correlation analysis showed that sales training and development, sales incentive scheme, pricing strategy, distribution efficiency, product quality, and brand awareness have positive influence on sales performance. Specifically, incentive schemes, price and sales training proved strongest relationship with sales performance.

The regression analysis demonstrated that sales incentive scheme and pricing strategy have strong relationship and statistically significant with sales performance. Distribution efficiency was not statistically significant at 95% confidence interval. If confidence interval is 90% distribution efficiency will be statistically significant for sales performance. Product quality and brand awareness have significant and positive impact on sales performance. Particularly, sales incentive and sales training had the highest effect on sales performance.

The mediation analysis using Sobel mediation test analysis proved that both mediating variables, customer satisfaction and brand awareness are statistically insignificant. Customer satisfaction couldn’t significantly mediate the relationship between product quality and sales performance, whereas, brand awareness did not significantly mediate the relationship of sales promotion and sales performance. This result suggests that independent variables influence sales performance than mediators.

The model summary result revealed that the independent and mediating variables collectively explained 48.8% of the variation in sales performance, while the remaining 51.2% is explained by other remaining internal variables and untapped external factors in this study.

## 5.2 Conclusion

The study concludes that internal organizational determinants play an important role in influencing sales performance in the selected beverage companies in Addis Ababa. Specifically, sales incentive schemes and pricing strategy have high significant effect on sales performance. Distribution efficiency, product quality and brand awareness have positive but less significant impact to improve sales performance.

Among the determinants factors examined in this study, sales incentive scheme seen as the strongest predictor of sales performance indicating that motivating sales employees through attractive incentive schemes parallelly enhance organizational sales outcomes. Pricing strategy and distribution efficiency also contribute positively by improving customer accessibility and market competitiveness.

The findings also concludes that product quality has better significance value to affects sales performance than customer satisfaction that failed to mediate this relationship. Similarly, promotion and marketing activities did not significantly influence sales performance through brand awareness.

Overall, the study confirms that improving internal operational and marketing-related factors can enhance sales performance in beverage companies. Since the model explained in this study supports only 48.8% of sales performance variation, other remaining organizational factors as well as external environmental factors such as competition, government regulation and policy, political conditions and monetary policy may also contribute significantly to organizational sales outcomes.

### 5.3 Recommendations

Based on the findings of this study, the following recommendations are suggested for each targeted company.

#### 5.3.1 Recommendations for Targeted Companies

**1. Dashen Beer Share Company**

Based on the finding that sales incentive and pricing strategy have significant influence on sales performance. Dashen Beer should strengthen its performance-based reward system for sales employees. The company should design transparent incentive packages linked with achievable sales targets, market coverage and customer relationship activities to increase salesperson motivation. Since pricing strategy significantly affects sales performance, Dashen Beer should continuously evaluate competitors' prices and customer affordability to maintain a competitive pricing position. The company advised to balance its profit with customer value perception to get higher competitive advantage.

Although product quality is crucial element, its insignificant effect suggests that quality alone may not guarantee strong competitive advantage because beer products are standardized. Therefore, Dashen beer should give more focus on differentiation through better customer experience, distribution strength and effective market positioning.

**2. Dega Water S.C.**

The finding indicates that distribution efficiency has a positive contribution to sales performance. Therefore, Dega Water should have to strengthen its distribution network by improving availability of products at retail outlets and un taped area of sales and by reducing stock-out problems and improving delivery responsiveness. Because bottled water customers usually prioritize accessibility and convenience, Dega should expand outlet coverage and maintain consistent supply across markets. It should improve customer handling, outlet relationships, and market coverage. Training should focus on customer communication, negotiation, and market intelligence collection activities.

**3. Awash Wine Share Company**

The finding shows that pricing strategy and sales incentives are important determinants of sales performance. Awash Wine should maintain competitive pricing strategies considering customer purchasing power and competitor activities.

The company should improve its sales incentive mechanisms to motivate sales representatives and distributors. Incentives should be linked not only with sales volume but also with market expansion and customer retention.

Since promotion and brand awareness mediation effects were insignificant, Awash Wine should avoid depending only on promotional activities. Instead, promotional campaigns should be integrated with strong distribution, customer engagement, and value communication.

**General Recommendation for All Beverage Companies**

The selected beverage companies should focus on internal organizational capabilities rather than relying only on external marketing activities. Improving salesperson motivation, pricing decisions, distribution capability and employee competence will create stronger effects on sales performance. Since customer satisfaction and brand awareness did not significantly mediate the relationship, companies should understand that customer loyalty is influenced by practical factors such as affordability, availability and consistent service delivery.

### 5.3.2 Recommendation for Future Researchers

Future researches can expand the domain of sales volume by considering additional other variables which are affects the sales volume of the company. Future researchers are recommended to include additional variables and wider geographical areas to improve understanding of determinants affecting sales performance in the beverage industry. When future researchers want to analyze complex models and mediating variables, the researcher recommend to apply Smart PLS and structural equation modeling.

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# APPENDIX

## ADDIS ABABA UNIVERSITY

## SCHOOL OF COMMERCE

## DEPARTMENT OF MARKETING MANAGEMENT

**Questionnaire**

**Dear respondents:**

This Questionnaire is prepared to assess" Internal organizational determinants of sales performance in beverage industry in Addis Ababa" and distribute to sales persons and management members of beverage companies. This questionnaire is prepared by Shegaw Marie Alemu for the partial fulfillment of the marketing research in order to award MA degree in marketing management. Therefore; the information which is expected from the respondents/you have a great role only for the success of the research. Please assist me in giving correct and complete information to present a representative finding on the study. Your participation is entirely voluntary and the questionnaire is completely anonymous.

Finally, I confirm you that the information that you share me will be kept confidentially and only used for the academic purpose. No individual's response will be identifying as such and the identity of persons responding will not be published and released to anyone. All information will be used for academic purpose only.

**Thank you on advance for your kindness and cooperation and dedicating your time**

**Part 1.**

**Personal information**

**1. Gender**: Female ☐ Male ☐

**2. Age:** 18__ 25 ☐ 26__35 ☐ 36__45 ☐46__55☐ above 56 ☐

**3. Educational level:** below certificate ☐ Certificate ☐ Diploma ☐ Degree ☐ Masters ☐ above ☐

**4. Work experience:** 0-5 years ☐ 6-10 years ☐ 11-15years ☐ 16-20 years ☐ above 20 years ☐

**5. Your current position**: Sales Manager ☐ Marketing Manager ☐ Sales Representative ☐ Team leader ☐ Other: ☐

**Part 2 Basic questions of the study**

In this section the questions concern how internal factors affect the sales performance.

Instruction: Please read each statement carefully and show your level of agreement on the statement by Putting a tick mark ("√") in the boxes by using the following 5- Likert scales ranging from 5= strongly agree (SA), 4=Agree (A), 3= Neutral (N), 2=Disagree (DA), 1= Strongly disagree (SDA).

Note- Product quality= PQ, Sales training and development= STD, Sales incentive schemes= SIS, Promotional and Marketing Activity= PMA, Pricing Strategy= PS, Distribution Efficiency = DE, Customer Satisfaction = CS, Brand Awareness = BA, Sales Performance = SP

**TABLE 4.21 RESEARCH QUESTIONNAIRES**

| Code | | SA | A | N | D | SDA |
|---|---|---|---|---|---|---|
| | | 5 | 4 | 3 | 2 | 1 |
| *PQ1* | The product quality affects the sales performance of the company | | | | | |
| *PQ2* | Our products meet customers health standards | | | | | |
| *PQ3* | The company products consistently meet quality standards | | | | | |
| *PQ4* | The quality of this company product is better than competitors | | | | | |
| | | | | | | |
| *STD1* | There is well designed training policy at this company | | | | | |
| *STD2* | Training programs effectively improve skills of sales person | | | | | |
| *STD3* | Sales training helps to handle customer complaints professionally. | | | | | |
| *STD4* | performance of our sales team shows improvement after training | | | | | |
| | | | | | | |
| *SIS1* | The sales incentive paid by for the sales force is attractive. | | | | | |
| *SIS2* | The incentive paid by this company is better than competitors | | | | | |
| *SIS3* | Incentives are clearly linked to individual sales targets | | | | | |
| *SIS4* | The criteria for incentive in this company is interesting | | | | | |
| | | | | | | |
| *PMA1* | Promotional campaigns effectively reach our target customers | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| *PMA 2* | Advertising activities positively influence customer awareness | | | | | |
| *PMA3* | Advertising activities of this company are well-coordinated | | | | | |
| *PMA4* | promotional campaigns generate high engagement on social media | | | | | |
| | | | | | | |
| *PS1* | Company products price is affordable than other beverage brands | | | | | |
| *PS2* | Customers perceive our products as offering good value for money | | | | | |
| *PS3* | The company pricing strategy is responsive to market changes | | | | | |
| *PS4* | We have different pricing options for different customer segments | | | | | |
| | | | | | | |
| *DE1* | The company products are consistently available at retail outlets | | | | | |
| *DE2* | Product deliveries are timely reliable | | | | | |
| *DE3* | The distribution network covers key market areas effectively | | | | | |
| *DE4* | The company analyze customer needs before distributing products | | | | | |
| | | | | | | |
| *CS1* | Customers are generally satisfied with the company products | | | | | |
| *CS2* | Customers frequently make repeat purchases of our beverages | | | | | |
| *CS3* | Customers recommend our products to others | | | | | |
| | | | | | | |
| *BL1* | Customers have awareness about the company products | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| *BL2* | New customers have a high level of awareness about our brand | | | | | |
| *BL3* | Customers can easily identify the logo of the product | | | | | |
| | | | | | | |
| *SP1* | The aggregate sales volume of the company is satisfactory | | | | | |
| *SP2* | The sales volume of the company has grown over the past year | | | | | |
| *SP3* | Employees consistently meet my annual sales target | | | | | |

**Thank you so much!**