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**THE EFFECT OF PRODUCT DIFFERENTIATION ON SALES
PERFORMANCE: THE CASE OF HEINEKEN ETHIOPIA**

BY

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**A RESEARCH PAPER SUBMITTED TO THE DEPARTMENT OF
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DECLARATION

I, the undersigned hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted at any university for a degree.

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This is to clarify that the thesis prepared by Girum Endeshaw, entitled- effect of Product Differentiation submitted in partial fulfillment of the requirements for the Degree of Masters of Arts in Marketing Management complies with the regulation of the university and meets the accepted standards with respect to the originality and quality.

Signed by Examining Committee:

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Girum Endeshaw

LIST OF ABBREVIATIONS AND ACRONYM

PDS	Product Differentiation Strategy
PD	Product Differentiation
PQ	Product Quality
PV	Product Variety
PG	Product Guarantee
ASS	After Sales Service
SP	Sales performance

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ABSTRACT

Many businesses place a high premium on developing and implementing an effective diversification plan to capitalize on competition. The study's primary goal was to explore the effects of product differentiation strategy dimensions (product quality and product variety) with contributory roles of guarantee and after-sales service on the case company's sales performance. The study collected primary data by sending questionnaires to Heineken Ethiopia management, senior specialists, and distributors in Addis Ababa. The quantitative research analysis method was applied. Purposive sampling was used to choose a sample of 93 respondents. The data was examined using explanatory research design and descriptive statistics tools such as frequency, mean, standard deviation, tabulation, and regression. The research findings are relevant for firms that are using unique PDS to improve sales performance. According to the data, product quality, product variety, and after-sales services have a beneficial impact on sales performance, however product guarantee has no impact. As a result, the beer industries use the competitive advantage provided by the use of product differentiation strategy to improve their sales performance.

KEYWORDS: Product Differentiation, Product Quality, Product Variety, Product Guarantee, After Sales Services, Sales Performance

CHAPTER-ONE

1. INTRODUCTION

1.1 Background of the study

Every corporation needs to identify, predict, fulfill, and care for consumers in an increasingly competitive and dynamic business environment in order to maximize profit, meet the demands of stakeholders, and have a competitive advantage. Every sector of the economy has an underlying structure or a set of fundamental economic and technological traits that fuel competitive dynamics. It is obvious that a company's choice of strategy can either strengthen or weaken its position within a certain industry. Therefore, competitive strategy tries to influence the environment in addition to reacting to it (Porter, 2005). Therefore, the strategist must work to position his or her company so that it may thrive in its industry environment or shape that environment to work in the firm's favor.

Differentiation is a marketing strategy that offers a special good or service that is more valuable than its competitors' equivalents. Product differentiation strategy is viewed as a tool of competitive advantage used by businesses to provide client-driven and valuable products relative to their rivals that meet specific needs (Shammot, 2011).

The issue of core competency arises from the need to align consumer requirements (needs, wants, desires, preferences, and buying patterns) with the firm's capabilities, based on the talents and resources available to the corporate organization (Holmes and Hooper, 2000). Understanding the source of persistent competitive advantage has grown to be a key subject of research in the discipline of strategic management since the pursuit of competitive advantage is at the core of organizational performance (Porter, 2005, 2001; Barney, 2001). According to the resource-based view, resources and capabilities have important roles as fundamental sources and drivers of competitive advantage and superior performance (Barney, 2006; 2001).

A company's outcomes are related to its performance. Performance highlighted the accomplishments of business processes, the performance of companies, and the success of achieving predetermined goals (Zhang & McCullough, 2005). According to Jouirou and Kalika (2004), the ability to innovate, cost reduction, and customer happiness are all subjective

measures of organizational effectiveness. Wu (2001) measured business success using efficiency, sales performance, customer satisfaction, and relationship building.

The resource-based view also gives firms a way to plan and carry out their organizational strategy by looking at how their internal resources and competencies contribute to gaining a competitive edge. Many businesses employ the positioning strategy of product differentiation to set their products apart from those of rivals. (2004) Lamb, Hair, and McDaniel Differentiation of products are commonplace in markets. It is fundamental to structural empiricism as it smooth's out erratic behavior those results in contradictory results in a number of theoretical models. In order to prevent ruthless pricing competition, businesses differentiate their products. The efficacy of representative consumer, discrete choice, and location models does not necessarily depend on how much competition exists in a given location. Rents are often low and market diversity is close to ideal in an environment of (symmetric) global competition.

The physical products offered by a firm may be significantly different from those of rivals in the same industry in terms of characteristics. Some companies additionally differentiate their products based on performance, such as power, professional credibility, etc. On the other hand, businesses can distinguish their physical products based on qualities like inventiveness, consistency, toughness, dependability, and reparability. In addition to differentiating the actual product, it is also possible to differentiate the product's appearance. The established image should offer a clear, distinct message that highlights the key advantages and positioning of the product.

According to Pearce and Robinson (2005), differentiation strategies are built on offering customers something distinctive or different that sets apart the company's strategic posture, product, or service from those of its competitors. A product can have superior value if it is of higher quality, technically superior in some way, comes with superior service, or has a unique attraction. In practice, differentiation increases competitive advantage by increasing client loyalty to a certain firm's product or service and decreasing price sensitivity. Additionally, if customers are satisfied, they are less inclined to look for competing goods. Mikael, Thomas, and Hernant (2007).

Some of the differentiating tactics that businesses use to improve sales performance center on how different components of the retail mix interact with one another. These include providing high-quality goods, a large selection, an assortment, strategic positioning, after-sales care, quality service, a convenient location, parking, an inviting ambience, sales incentives, practical working hours, and a one-stop shop. Craftsman and Moore (2006). A company may be able to boost revenues, counter risks, and seize opportunities by using bases of product distinction that are economically beneficial.

In Ethiopia, the first brewery opened its doors in 1922, and six more were running by 1996. When BGI Ethiopia, the brewing division of France's Castel Group, joined the market in 1997, building the seventh brewery and purchasing the country's first, St George Brewery, a year later, private investment in the industry got underway. Local breweries were established as the industry expanded, and foreign investors—including large international brands like Heineken and Diageo—tapped into it through both acquisitions and new investments. 14 breweries currently dominate the market, offering a wide range of beers and non-alcoholic malt drinks.

The opening of new regional breweries and the entry of foreign investors into the sector have intensified competitiveness in Ethiopia's beer market. Since the middle of the 1990s, the brewery market has experienced a series of mergers and acquisitions as competitors compete for market share. Heineken, the current market leader in terms of production volumes, entered the industry in 2011 by spending \$163.4 million to buy the two regional breweries Bedele and Harar. With a capacity of 5.6 million hectoliters annually, it became the biggest producer in 2014 when it opened its third brewery, Kilinto.

The beer industry faces a number of challenges includes recent regulatory changes. In 2019, the Ethiopian government introduced new regulations banning alcohol advertising on television, radio and billboards, impacting marketing efforts of new and existing players alike. This was followed by the passage of a bill to increase the excise tax on beer in early 2020. These moves, along with the global pandemic, have created challenges for brewers as market demand has fallen amid rising prices and declining revenues. Market participants have adapted to new conditions by increasing efficiency and adapting their products to the changing tastes and needs of the market. This research work therefore, focused on how product differentiation strategy

affects the sales performance of the organization based on Heineken brewery S.C. as a study.

1.2 Statement of the Problem

Companies today confront a variety of uncertainties and hazards due to the unstable business climate. A business must run successfully and efficiently to survive and maintain its competence by implementing tried-and-true marketing tactics that enhance corporate operations. Organizational performance and management philosophies are also impacted by the rapid changes occurring around the world (Baines & Langfield-Smith, 2003). Due to a lack of methods for product differentiation, the majority of businesses have experienced market issues (Trethowan & Scullion, 1997).

Prior research on the relationship between differentiation tactics and organizational effectiveness produced a variety of findings by industry and country (Aqua and Isai, 2006). High quality, quick delivery, product design, and distinctive product features were employed by Abu- Aliqah (2012) to measure product differentiation methods. Similarly, organizational sales success is evaluated in relation to product differentiation using both financial (return on investment, sales growth, and cash flow) and non-financial (customer happiness, product quality, and market development) variables. Additionally, previous research has produced a variety of contradictory conclusions about the association between product diversification and corporate sales performance.

The effect of product differentiation on sales performance for Heineken beer in Ethiopia is a complex issue that warrants further investigation. Product differentiation is an important marketing strategy for many companies, as it can help to differentiate a company's products from those of its competitors. Heineken is no exception; it has employed product differentiation strategies in Ethiopia in order to gain a competitive edge in the market.

However, it is not yet clear how effective product differentiation is in terms of increasing sales performance in Ethiopia. Heineken may be creating products that are unique in some regards, but it is unclear how much this is actually increasing sales performance. A closer examination of the data is needed to determine if product differentiation is truly helping Heineken's sales performance in Ethiopia.

In addition, further research is needed to determine the most effective product differentiation strategies for the Ethiopian market. Different consumers in Ethiopia may have different preferences, and Heineken needs to understand these preferences in order to create products that appeal to them. Understanding the most effective product differentiation strategies in Ethiopia can help Heineken increase its sales performance in this market.

Finally, it is important to consider the effect that product differentiation has on customer loyalty in Ethiopia. It is possible that product differentiation may lead to increased customer loyalty, as customers may be drawn to the unique products that Heineken offers. However, it is difficult to predict the extent to which this will be true in the Ethiopian market.

In conclusion, the effect of product differentiation on sales performance in Ethiopia is an important issue that requires further research and analysis. Heineken needs to understand how effective product differentiation is in the Ethiopian market, what the most effective product differentiation strategies are, and how it impacts customer loyalty in the country. With this understanding, Heineken can make better informed decisions about how to improve its sales performance in Ethiopia.

1.3 Research Questions

1. How does product quality differentiation can affects sales performance?
2. Is product variety effective in improving sales performance?
3. How does product guarantee affect the competitive landscape of a market?
4. How does after sales service affects sales performance?

1.4 Objective of the Study

1.4.1 General Objectives

The primary goal of the study is to determine how Heineken Ethiopia's sales performance is impacted by its product differentiation strategy.

1.4.2 Specific Objective

Based on the general objective of the study, the specific objectives of the study are to:

1. Discover the effect of product quality on sales performance, in the case company.
2. Determine how product variety is effective on improving sales performance, in the case company.
3. Discover the effect of product guarantee on the competitive landscape of a market, in the case company.
4. Determine the effect of after sales service on sales performance improvement, in the case company.

1.5 Significance of the Study

This study describes the important information about how Heineken Ethiopia's sales performance might be affected by product differentiation methods. It is becoming more crucial for businesses to differentiate their products in order to be competitive in the market due to a growing competitive climate and more demanding customers. This study offer important insights into how businesses can employ product differentiation tactics to improve their sales performance by examining the effect of these methods on the sales performance of Heineken Ethiopia.

Additionally, this study can serve as a point of reference for upcoming investigations on product differentiation tactics. Companies may find it simpler to spot areas for improvement and make wise judgments if they comprehend how product diversification tactics affect sales performance.

1.6 Scope of the Study

For the purposes of this study, the researcher confined the use of the factors of product quality and product variety differentiation by aligning the contributory role of manufacturing error product guarantee and after sales services. Product differentiation has a wide range of characteristics. The conceptual goal of the study is to determine how they affect sales performance. Even though the example company operates in one of the major cities in Ethiopia, the research will solely focus on its managers, senior experts, important clients, and distributors who are all based in Addis Ababa. Methodologically, the research used quantitative methods. Questionnaires distributed to the targeted groups to collect quantitative data.

1.7 Limitation of the Study

The research's biggest flaw is that it didn't examine how the example company's marketing mix strategy affected its sales performance, which would have been relevant to the study's goals. Other inherent constraints of the research include the company's credit sales policy for its distributors and significant business clients, which were not included for analysis but may have an impact on the example company's sales performance.

The company sells its goods in all of Ethiopia's major cities, but due to difficulties in gathering data due to distance; it only included significant business clients and distributors in Addis Ababa, which may have given responders an unfair portrayal. Additionally, the researcher employed purposive sampling procedures, which typically yield fewer representative samples than random selection, making it impossible for the researcher to manage the sample's level of representativeness. The research's conclusions could therefore be poorly generalized.

Finally, given few explanatory variables, this study simply looks at how product differentiation affects sales performance. Other aspects of internal and external elements, such as the product's price, promotion, economic, technological, political, and credit facility considerations, which are related to sales performance, are not taken into account.

1.8 Organization of the Study

The research has five chapters. Chapter one covers the introductory chapter that comprises the background of the study, problem statement and objectives of the study, scope and limitation of the study. It would introduce and focus upon delivering the reader an overview of the study's development. The second chapter includes the related literature review that covers concepts, theoretical framework and empirical literature of performance and conceptual framework of the research. Chapter three covers research methodology, it begins with a discussion of the research approach and design, population of the study, sampling techniques, sample size, data collection instruments, the data collection procedures and ends with data analysis approach. The fourth chapter shows the presentation, analysis, and data interpretation. The fifth and final chapter covers a conclusion and recommendation.

1.9 Operational Definition of Terms

Differentiation Strategy

By offering useful benefits to the majority of the market, businesses may differentiate themselves for their most valuable clients and achieve exceptional performance (Kotler, 2009). In his book, Edward Chamberlin (1933) also defined differentiation strategy as the art of marketing a certain good or service in a way that makes it stand out against similar goods or services offered by other companies as well as by the firm itself.

1.9.1 Product Differentiation Strategy (PDS)

Product distinction PDS, or product differentiation strategy, includes differentiating items from competitors' products as well as from the company's own product or service offerings. PDS is defined by Johnson and Scholes (2002) as a specific marketing competency of a company's commercial capabilities in deploying competitive advantages over competitors. Product differentiation is also characterized as a company's positioning techniques to keep its products from competing (Lamb, Hair, and McDaniel 2004). According to prior definitions, PDS is the process of developing consumer-valued qualities that make a product unique and superior, creating a competitive advantage in the eyes of consumers.

1.9.2 Product Quality

Product quality is defined as items that fulfill the diverse demands and needs of individual consumers who prefer the best quality. In other words, product quality is the precise combination of product qualities that provides the most satisfaction to a certain buyer. Product quality, on the other hand, is a measure of design and manufacturing practice that is declared as "conformance to requirements"; that is, greater quality corresponds to conformance with its standards (Coutler, 2002).

1.9.3 Product Variety

The number and range of brands or items offered by the supplier is referred to as product variety. The degree of market segmentation and the sorts of items offered by rivals are determined by product variety diversity (Huffman, 1998).

1.9.4 Product Guarantee /Warranty

A guarantee or warranty refers to the conditions and circumstances under which repairs or exchanges are given if the product does not function as claimed or intended (Choi, 2006).

1.9.5 After-sales Service

After-sales service is a service that is provided to a consumer after they have purchased a product. Customers are served by retailers, manufacturers, or third-party service providers. Warranty service, training or repair, and upgrades are examples of services. After-sales service was also included as part of the company's overall marketing plan. Some clients may seek for a company's product depending on the quality and breadth of its after-sales services (Selden, 2000).

1.9.6 Sales Performance

Sales performance is the consequence of sales actions performed by sales employees in touch with clients and colleagues in order to translate available items to fulfill client needs (Kaario et al. 2003). The performance of a sales metric seen as crucial to the success of any firm, ranging from selling items to selling services (Storbacka et al. 2009).

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter includes earlier research on differentiation tactics that has been conducted and hypotheses that have been created. Theoretical literature, empirical literature, and a summary make up this chapter. The chapter review focuses on the body of research that has been done on the connection between sales performance and product differentiation. The perspectives and findings of earlier investigations have been evaluated.

2.2 Theoretical Lens

2.2.1 Models/Theories of Product Differentiation Strategy

The common theories and models on the topic should be discussed in order to effectively portray a product differentiation strategy as a tool for competitive advantage and a favorable impact on a company's sales performance. The following are the most significant ones:

Porter Value Creation Model (1985) – According to this approach, a company's ability to provide value for its customers that is greater than the cost of bringing them to the company is what gives it a competitive advantage. Based on how they are used, the theory also clearly distinguishes between vertical and horizontal differentiation (Porter, 1986).

Resource Based View (Barney, 1991/2002) – The resource-based perspective has its roots in Penrose, who suggested in 1959 that an organization's resources must be deployed and exploited in connection to the structure of the industry in order to compete successfully. According to the theory, an organization's primary sources and drivers of competitive advantage are tied to superior performance in accordance with the characteristics of its resources, including all of its assets, skills, processes, information, and knowledge (Barney, 1991; 2001; 2006).

According to the notion, businesses need to establish a competitive edge in order to successfully create and implement a value creation strategy based on limitless and difficult-to-replace resources. Such a company enjoys a monopoly that results in surplus earnings and a long-term competitive advantage (Barney, 2001; 2006)

Despite the literature's acceptance of the resource-based paradigm growing both philosophically and empirically, it is nevertheless questioned. The theory is rigid, overly abstract, and lacks operational validity, according to some critics (Priem & Butler, 2001), and it also fails to explain how organizations generate sustainable superior competitive advantage (Miller, 2006).

Knowledge Based Theory (Ludwig and Pemberton, 2011) – According to the notion, knowledge is the most strategically important resource a firm may have because it is extremely difficult to duplicate and a source of long-term competitive advantage and company performance (Ludwig and Pemberton, 2011). This perspective, which derives from the literature on strategic management, builds upon and broadens the resource-based view of the company first advanced by Penrose (1959) and later developed by Barney (1991).

Meilich Contingency Theory (2003) - According to the notion, competitive strategies utilized by businesses are occasionally contextual and not "one-size-fits-all" (Meilich, 2003). Therefore, there is no one method for managing organizations. "Contingency theory continues to be the strongest, research-based body of knowledge relevant to the practical concerns of organizational design," writes Lawrence (1993) in his study. Fit between an organization's structural and contextual (contingency) qualities is a key idea in contingency theory. The contingency determines how strongly the structural variable will affect overall performance, depending on its shape. Formalization, administrative intensity, decentralization, and structural differentiation are examples of common organizational structural traits that were taken into account in the contingency concept study (Donaldson, 1994).

Strategic Management Approach (Joy and et al, 2013) – The types, stages, and effects of diversification on corporate performance have been studied in strategic management literature. It is crucial to stress that the majority of the literature on strategic management deals with resource-based theory, which is focused on the relatedness in diversification (Wan et al., 2011). While unrelated diversification forces businesses to work together on exclusive types of services or products that differ from each other in the resources or expertise used, related diversification involves corporations allocating factors of production to activities requiring similar expertise or resources (Galvan et al, 2007).

Strategy of Diversification (Ansoff, 1957) - Due to the need for both product and market development, it is by far the most unstable strategy. Ansoff separated into two broad categories. The first type is related/concentric or vertical diversifications, which have a connection for the possible creation of synergy between the businesses in the existing market and the new product or market sector. The second is the diversification of conglomerate expansion, which is unconnected. It is a business expansion strategy that involves establishing or acquiring firms that are unrelated to the company's current goods and markets. The Ansoff Matrix is a helpful tool for businesses trying to identify and learn about their alternatives for growth while lowering portfolio risk (Ansoff, 1957).

The criticism of the strategy is that it involves isolation projects that run the risk of being misled by the matrix. The task of logical consistency is the second obstacle. If one considers that a new product is actually new to the company, then frequently a new product will also introduce the company to a brand-new, unanticipated market. The Ansoff quadrant of diversification, which no longer continuously connects to diversification, is therefore redundant in this situation.

2.3 Summary on Theories of Product differentiation:

Many theoretical stances cautioned against attempting to explain why business groupings want diversification. The majority of hypotheses that have been investigated attempt to compare related and unrelated diversification are various outcomes (Osorio, 2012).

According to Markides and Williamson (1996), relatedness is measured in accordance with the enterprises' non-tradable, non-substitutable, and difficult-to-build-up assets in specialized market environments. They refer to strategic assets as being precious, difficult to trade, and expensive to imitate, and the level of a strategic asset determines the relatedness. Additionally, they explain the value of strategic assets and show how related diversification ensures an increase in profitability if a corporation may share and switch strategic resources to its new areas. Tanrverdi and Venkatraman's (2005) work, however, has unique ramifications. They contend that segment-specific resource complementarities lead to higher profitability rather than relatedness of product knowledge, managerial knowledge, or customer knowledge improving business success.

According to Gomes and Livdan (2004), resource-based theory is crucial because when a

company's current business suffers or no longer offers prospects for growth, it must look for new market niches. This notion is supported by Zhao's (2008) research. He divides companies into two groups based only on their pre-diversification conditions and finds that below industry median companies' values rise with unrelated diversification.

Given the aforementioned arguments, it is clear that a company has a competitive advantage over its rivals by offering a good or service that the client perceives as having more advantages and value than the rivals' offerings. One cannot claim which perspective is more effective for illustrating how product diversity affects firms' performance, yet the resource-based perspective predominates in most studies. Production, marketing, managerial, and distribution skills are justified from a resource-based perspective as valuable organizational resources (Zhao, 2008).

2.3.1 Product Differentiation Strategy (PDS)

Coutler (2002) asserts that better product design, technology, customer service, or other factors that affect product quality are among the key aspects of the product differentiation, strategy source.

In order to connect product dimensions as closely as possible, the product differentiation strategy anticipates opportunities from the technical foundation of product quality, from consumer variables, and from markets. Making judgments regarding how to divide things when businesses separate them is crucial for their customers (Coulter, 2002).

Carpenter and Moore (2006) list standard products, a broad selection and assortment, strategic positioning, after-sales service, quality service, a convenient location, parking, appealing, favorable operating hours, owning branding or extra value, and a one-stop-shop offer as the organizations' sources of differentiation strategies that drive sales performance. Economically advantageous product differentiation principles can help a business boost sales, reduce risk, and seize opportunities. Both Pearce and Robinson (2005) and Hernant (2007) provide product differentiation tactics that generate high levels of value through the supply of highly appealing product qualities and superior customer service.

2.3.2 Product Differentiation Enablers

Companies have come to understand that their key assets are their product differentiation strategies as a result of the quick change in current conditions, where the market is becoming more competitive and innovation is becoming more expensive, as well as the strain of the emergence of a global knowledge-based economic system (Snyman & Kruger, 2004). In order to achieve this, the researcher will attempt to examine the four product differentiation enablers—product quality, product variety, product guarantee or warranty, and after sales service—as independent variables that have the most significant influence on the dependent variable, sales performance of the subject under study, based on the experience of the case company.

Product Quality: Regarding the product's quality According to Coutler (2002), the considered main qualities of a differentiation strategy include product quality. This might be accomplished through technologically superior product design or customer service features. Quality has emerged as a key differentiator among items in order to suit the wants of each unique customer (Shammot, 2011).

Product Variety: According to Huffman (1998), defining the appropriate variation versions with the product attributes in accordance with the needs and replies of customers' desire are significant and vital for enterprises. Although managing diversity can be difficult, there is a chance to expand markets, increase sales volume, and increase revenues.

Product Guarantee: as a gauge for sales effectiveness, Customers view warranties as proof of a product's superiority, according to Choi (2006), since they understand how expensive it is for businesses to offer warranties. Longer warranties encourage buyers to apply and will improve the likelihood that they will choose the goods.

After Sales Services: Stalk (1992) further highlights the significance of after-sales service on sales performance, stating that in order to increase corporate profitability, firms must engage in these services as a way to increase revenue and client loyalty while also ensuring that customers are satisfied. According to Selden (2000), a company's capacity to turn a profit and bring in money depends heavily on the quality of its after-sale services.

2.3.3 Sales Performance

According to Sashi & Stern's (1995) research, there is a significant link between the effectiveness of a product differentiation strategy and sales results. Measurements of sales performance might be quantitative or qualitative. Input and output measures are the two primary categories of quantitative performance metrics, according to Lancaster (2003). Sales revenue realized, sales per active account, order volume, sales to new customers, and new customer volume are output metrics. Additionally, the quantity of calls made, calls made per potential account, calls made per active account, and calls made on prospects are related to input quantitative performance criteria. Sales abilities, client relationships, self-organization, product knowledge, cooperation, and attitudes are all considered qualitative performance indicators.

2.4 Empirical Literature Review

Several studies conducted in recent years have looked into various aspects of how differentiating a product affects sales performance. It is crucial to provide a brief assessment of prior research on the subject in order to outline the problem scientifically and to stress the importance of carrying out this investigation. Even though the review covers a lot of research, only a few of those studies have an impact on the research under evaluation, both directly and indirectly.

Felista (2013) used NMB Plc in Songea, Tanzania as a case study to empirically analyze the impact of product differentiation strategy on sales performance in the banking business. The study measured the impact of product differentiation on sales performance using preference, product knowledge perception, and cost of differing items variables. The study's goal was to determine how much of a role the product played Impact of differentiating tactics on sales results. The study employed a qualitative research methodology that included interviews, observation, and questioning. The study's findings demonstrate that a product differentiation approach contributes favorably to sales performance. In order to compete in the growing market, the study advises NMB management to take into account network issues, pensions, customers, security for customers' accounts, and consistency in service offering.

A study on the impact of differentiation strategy on the performance of water bottling enterprises in Mombasa, Kenya, was undertaken by another researcher, Tuva (2015). In order to gauge their

impact on performance, the study looked at how the differentiation strategy for branded bottled water interacted with the variables of service and product differentiation. According to the study's findings, product differentiation strategy has a greater impact on water bottling companies' success than service differentiation strategy.

Anthony (2018) looked at the connection between organizational performance and product differentiation methods at Sameer Africa Limited in Nairobi, Kenya. The goal of the study was to investigate the relationship between organizational success and product distinctiveness. The study measured the company's sales performance and profitability using the quality and diversity of its products. The study discovered a beneficial association between product differentiation and organizational effectiveness.

Hana (2019) did research on the retail market for goods made by the Addis Ababa, Ethiopia-based Unilever Company. The impact of product diversity on sales performance was examined using the variables of product breadth, product diversification, and product. According to the study's findings, product variety and the success of retailers selling cosmetics and personal care products are related.

Shafiwu and Mohammed (2013) looked at how product differentiation affected Ghana's petroleum industry's profitability. The goal of the study was to understand how Effimax products' differentiation and profitability relate to one another in the petroleum sector. A correlation research strategy was used in the study. The population sample was chosen using the cluster sampling technique. According to the study's findings, there is no correlation between profitability and differentiated products.

Ethinanwo and Zaki (1996) evaluate the top after-sales service procedures at four of Germany's largest automakers: Ford, Toyota, Nissan, and Fiat. The study found that these four businesses utilize both open-ended and closed-ended surveys, and that after-sales service is a source of revenue, a way to keep customers happy, and a way to differentiate products. They advise automakers to redesign their after-sales service procedures by making substantial changes to their corporate culture.

The majority of the study's findings demonstrate that product distinctiveness, especially when used in conjunction with product diversity, has an impact on an organization's sales performance. Therefore, by distributing shared flexible inputs of production (tangible and intangible assets along with financial resources and knowledge) throughout many industries, related diversified enterprises can benefit from economies of scope. In resource-based theory, as opposed to agency theory, managerial resources are the crucial indicator of business value (Wan et al., 2011).

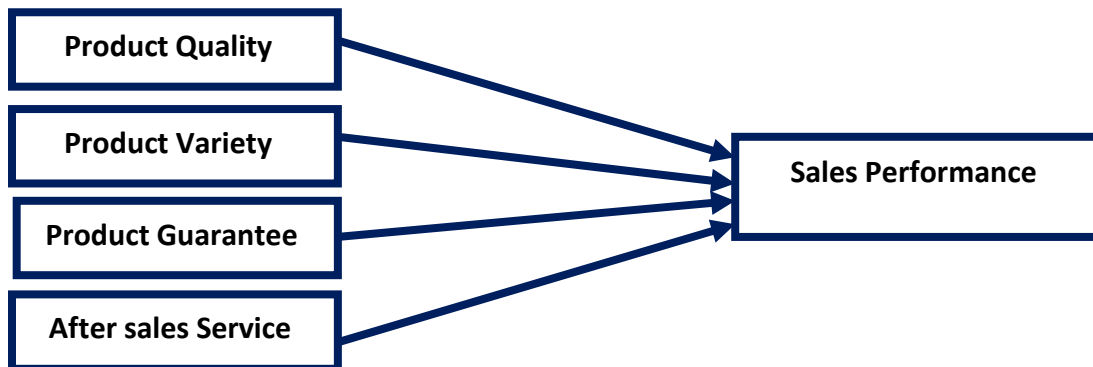
It is impossible to tell whether perspective is superior for illustrating how product diversity affects company performance, yet the resource-based perspective predominates in most studies. Production, marketing, managerial, and distribution abilities are valid sources for businesses that moved across products, according to the resource-based perspective (Zhao, 2008). (Ludwig and Pemberton, 2011).

A research model was built to demonstrate the relationship between the research variables and organizational sales performance in light of the aforementioned discussions as well as the stated difficulties and objectives. The relationship between product differentiation and the case company's sales success is illustrated in Figure 1 and can be predicted using it.

2.5 Conceptual Framework and Hypothesis of the study

A research model to show the relationship between the research variables and organizational sales performance was constructed from the conversations held thus far and the stated difficulties and objectives. The relationship between product differentiation and sales performance is depicted and predicted by Figure 1.

Figure 1: Conceptual Framework



Source: Anthony Achayo Adimo (2018)

Since the case company makes extensive use of product variety and product quality, the variables have a favorable impact on how well businesses succeed in terms of sales.

In order to do this, the researcher modified PDS by adding other contributing elements like the guarantee and after-sales service, which are exclusively used by Heineken Ethiopia. The conceptual framework describes Heineken Ethiopia's sales performance as a dependent variable assessed by sales growth and the product differentiation strategies as independent measured by product differentiation variables.

Hypothesis: In the case of Heineken Ethiopia, the researcher looks into the best-fit variable for sales performance. By harmonizing the contributory roles of guarantee and after sales service for PDS on sales performance, the best-fit variables for this study are product quality and product variety. The following hypotheses were investigated in light of the study's goals and a review of relevant literature:

H1: Product quality is positively and significantly associated with sales performance.

H2: Product variety is positively and significantly associated with sales performance.

H3: Product guarantee is positively & significantly associated with sales performance.

H4: After sales service, is positively & significantly associated with sales performance

CHAPTER THREE

3. METHODOLOGY

3.1 Overview of the Chapter

The chapter starts with defining different paradigm and the selection of appropriate philosophical research paradigm. Then, subsequent decisions are made with regard to the research approach and design issues, in line with the theoretical stance taken. Other relevant research methodology issues of sampling design, instrumentation, validity and reliability are also discussed and settled for, with good level of justifications. And finally, in its method of data analysis part the chapter has discussed the data analysis technique employed to empirically test the hypotheses.

3.2 Research Approach

A research design is a blueprint or plan for the collection, measurement, and analysis of data, created to answer your research questions. The quality of a research design depends on how carefully you choose the appropriate design alternatives, taking into consideration the specific objectives, research questions, and constraints of the project, such as access to data, time, and/or money (Sekaran and Bougie 2016).

Most research is best understood as being either quantitative or qualitative in nature. In general, quantitative research specifies numerical assignment to the phenomena under study, whereas qualitative research produces narrative or textual descriptions of the phenomena under study. The advantage of quantitative research is that the findings from the sample under study was more accurately reflect the overall population from which the sample was drawn. The main advantage of qualitative research is that it provides a richer and more in - depth understanding of the population under study. Techniques such as interviews and focus groups allow the research participants to give very detailed and specific answers (Scott W. Vanderstoep and Deirdre D. Johnston 2009).

Cresswell (2009) stated that mixed quantitative and qualitative research are connected between a data analysis of the first phase of research and the data collection of the second phase of research. In this study, the researcher was be using mixed methods by presenting a

questionnaire with qualitative and quantitative questions, which are close and open questions. Furthermore, an interview was conducted with both the manager and the companies' sales manager considered to take the samples from. The data interpretation was presented, combining the results collected from quantitative data.

Now the researcher have chosen the quantitative research method because the data which was collected is by using only questionnaires. Which research design to use for the study, next comes the purpose of the research design which other authors described as research approaches.

3.3 Research Design

A road plan that directs researchers to carry out their work correctly is known as research design. It provides guidance on the critical actions and instructions to follow in order to gather the data required to frame the studied out problems and the study's organizational structure. In order to achieve this, the researcher used an explanatory research design while maintaining the study's goal. Investigating how the case company's product differentiation strategy affects sales results as well as the causal connections between each independent and dependent variable are essential components of the research design. Roger B. and Uma S. (2016) advise using an explanatory research design to identify and describe the correlations that existed among the elements on the study's focus.

The purpose of this research is to investigate the effect of product differentiation strategy on Sales Performance of Heineken Ethiopia and provide a better insight that can be used to leverage the opportunities presented. Thus, the researcher used a descriptive and an explanatory research design. These enabled the researcher to describe characteristics of the population and phenomenon that is studied and identify the impact of independent variable (sales performance) on the dependent variable (product quality and product variety). Quantitative methods have been used; questionnaire survey as a means of collecting data that used as input to explore and understand the impact of product differentiation strategy on the sales performance of Heineken Ethiopia. Using these multiple methods, provided better opportunities to answer the research questions and to evaluate the extent to which findings may be trusted and conclusions made (Saunders, Lewis & Thornhill, 2009).

The study was built on selected characteristics of the product differentiation strategy in order to generalize the case company's sales performance, and it used a deductive technique to generalize the effects of the product differentiation strategy on sales performance.

3.4 Data Type

Primary and secondary data were employed in the investigation. Primary data are unique in that they are fresh and new. Primary data are gathered to provide knowledge about a certain issue, whereas secondary data are gathered and examined before (Kothari, 2004). To achieve the research objectives, this study will use both primary and secondary data sources. Furthermore, the product differentiation strategy procedures of the case companies were analyzed through document analysis and structured questionnaires.

3.4.1 Primary Data Source

Primary data sources will be classified as observation, survey method, experimental, and unpublished written and recorded documents in general. The major data for this study came from Heineken Ethiopia's strategic plan, assessment report for the quality award, and sales performance. Surveys and relevant datasets are both employed. Furthermore, data collecting procedures and documents were analyzed in order to determine the impact of the company's sales performance and product differentiation linkages. Finally, unreleased papers are being used to investigate the case company's sales performance trend.

3.4.2 Secondary Data Source

Published and reputable reviews and audited financial statements have been utilized as data sources. More prominently, authentic strategic and performance reports from the case company was used to supplement data sources. Here, the employment of secondary data attributed particularly in providing the practice of product differentiation on the selected variables to improve the overall sales performance of the company under study.

3.5 Target Population and Sample

3.5.1 The Target Population

The population is the entire set of instances from which a sample is drawn. Because the population is small enough, it is possible to obtain data from the complete population for some research questions. For all study issues where collecting data from the full population would be unfeasible, a sample will be chosen (Saunders, Lewis, & Thornhill, 2009). This study's demographic consisted of Heineken Ethiopia product distributors and corporate customers. According to Heineken Ethiopia's strategy plan (2022) document and yearly performance report (2020/2021), the country has more than 100 distributors and important commercial customers. Addis Abeba is home to eight distributors and important commercial customers. According to the document, these corporations have spent more than nine trillion birr on beer in the last few years. This would make these companies an excellent choice for analyzing the example company's sales performance. As a result, the overall population for this study was defined as distributors, major business clients, and Heineken Ethiopia managers and senior specialists based in Addis Abeba who have a direct relationship with the subject of the study.

3.5.2 Sampling technique and procedure

The sample size is determined by the nature of the research design, the availability of resources, the level of confidence, and the type of the target population that the researcher wants to study (Kothari, 2004).

According to Uma S. and Roger B. (2016), Judgmental sampling is the selection of the target group based on the best-required information to obtain the intended advantage. The number and category of respondents with the required information limit the adoption of a *judgmental* sampling design. As a result, the total sample size for the study is 93 (ninety three) respondents.

3.5.2.1 Sample technique

In order to choose a representative sample from the target population, purposive sampling technique used. The total number of respondent who respond to the questionnaire prepared for the study is 79 (seventy nine) out of 93 (ninety three). The researcher tried to distribute the questionnaires by being free from any bias and the samples taken were representatives of the

whole population. Therefore, the technique helped the researcher to draw a conclusion from the results of the research.

3.6 Data Collection Tools

There are several methods for acquiring information, which are all classed as either primary or secondary data (Douglas, 2015). As the name implies, primary data is data received for the first time by the researcher, and secondary data is data collected or developed by others. For this investigation, the researcher used both primary and secondary data collection approaches. The primary data was acquired by distributing questionnaires to real estate company personnel. Secondary data was acquired from books, articles, and journals on the topic of the study.

A questionnaire is a sort of research instrument that consists of a sequence of questions or prompts designed to collect information from a respondent. A research questionnaire is frequently made up of both closed-ended and open-ended questions. Respondents can elaborate on their thoughts when asked open-ended, long-form questions; however, the questionnaire in this study only comprises closed-ended questions.

3.6.1 Structured Questionnaire

According to Johnson and Christensen (2008), questionnaires provide respondents confidence that they will be truthful because they are filled out in private, and they are less expensive than interviews. Furthermore, it is capable of requesting information from multiple replies in a short amount of time. According to McMillan and Schumacher (2010), the scaled items allow responders to choose. The questionnaire will include information about the respondents' personal backgrounds as well as their opinions on product distinctiveness and sales determining variables for the example company.

3.7 Data Analysis

The collected data will be analyzed using a quantitative data analysis method. To analyze the direction and importance of the correlations between the variables in the data acquired from the top resources, descriptive analyses such as frequency distribution, the tabular technique of statistics, and tables were utilized. Each client's survey responses were tabulated question by question and suitably summarized.

Secondary source data was analyzed in light of the researcher's personal thoughts. The multiple regression model framework of the study is

$$SIs = \alpha + \beta_1PQ + \beta_2PV + \beta_3PG + \beta_4ASS + U_i$$

Where; SIs = Sales performance of Heineken beer

α = The Constant, or Y intercept

β_i = The coefficient of the independent variables

PQ= Product Quality

PV=Product Variety

PG= Product guarantee

ASS=after sales service

U_i = The Error term

Validity

The collected data will be analyzed using a quantitative data analysis method. To analyze the direction and importance of the correlations between the variables in the data acquired from the top resources, descriptive analyses such as frequency distribution, the tabular technique of statistics, and tables were utilized. Each client's survey responses were tabulated question by question and suitably summarized. Secondary source data was analyzed in light of the researcher's personal thoughts. The information gathered is reliable because it is directly related to the study.

Reliability

Reliability is defined as the degree to which a measurement of a phenomenon delivers stable and consistent results (Carmines and Zeller, 1979). Another facet of dependability is repeatability. Repeat measurements made under constant conditions, for example, provide the same result, making a scale or test trustworthy (Moser and Kalton, 1989). Testing for dependability is critical since it pertains to the consistency of the pieces of a measuring device (Huck, 2007). The scale is said to have high internal consistency dependability if the items on it hang together and measure the same construct (Huck, 2007, Robinson, 2009). The study is trustworthy because the questionnaires were kept anonymous and the information acquired from customers and company employees was only used for this study.

3.8 Ethical Consideration

The research participants that were involved in this study are properly informed about the aim of the research and their willingness and permissions asserted before distributing questionnaires. The privacy of respondents would not expose to harm in any way during this survey and their confidentiality of their responses. Therefore, the identity of every participant that maintained confidential. In all process of the study, names kept confidential, thus collective names like “respondents” was used.

CHAPTER FOUR

4 DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4.1 Introduction

This chapter discusses discovering and evaluating, interpreting, and explaining data findings. To acquire data on the effects of product differentiation on sales performance, 93 questionnaires were delivered to distributors, key business customers, and Heineken Ethiopia managers and senior specialists in Addis Abeba. 79 valid replies were obtained from the 93 surveys, yielding an 84% response rate. Data from valid questionnaires were coded and entered into the Statistical Package for Social Sciences (SPSS) IBM version 25 for analysis using descriptive statistics, as shown below. Discussions and analyses are conducted in accordance with the research objectives and research questions based on the findings of the investigation. The following chapter will give the data and its statistical analysis.

4.2 Demographic Information of Respondents

The findings are descriptive as well as explanatory. Data was collected from 15 managers (11 respondents), 30 senior experts (28 respondents), 8 distributors (5 respondents), and 40 other employees (35 respondents) based in Addis Abeba, with 79 (84%.) questionnaires returned. The frequencies were used to determine how frequently respondents responded to questions, allowing for a study of general knowledge about the acquired data. In Addis Abeba, questionnaires were delivered to all firm managers and senior specialists, distributors, and other workers. The tables that follow show respondents' educational status, department, employment experience, and yearly purchase quantity in birr. The section below summarizes the demographic information of the respondents in the sample. The respondents' demographic information did not answer the research questions but it presented to justify that there was no biasness in data collection.

Respondents' Type

Type and Number of Respondents'

Respondent Type					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Managers	11	13.9	13.9	13.9
	Senior Experts	28	35.4	35.4	49.3
	Distributors	5	6.3	6.3	55.6
	Other employees	35	44.4	44.4	100.0
	Total	93	100.0	100.0	

Source: Researcher, Survey Data (2023)

According to Table 4.2.1, the share of other employees was higher (35.4%), followed by managers and senior experts (39.3%), and distributors (5.3%). This demonstrates that many categories of employees participated in responding to the questionnaires.

Educational Status

Highest Education Level

Educational Status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Certificate	10	12.6	12.6	12.6
	College Diploma	17	21.5	21.5	34.1
	First Degree	32	40.5	40.5	74.6
	MA/MSC or Above	20	25.4	25.4	100.0
	Total	70	100.0	100.0	

Source: Researcher, Survey Data (2023)

According to the results, the highest 32 respondents (40.5%) possess a First Degree, followed by 20 respondents (25.4%) who hold a Master's Degree, and 17 respondents (21.5%) who hold a College Diploma. The remaining ten (12.6%) are Certificate level. This demonstrates that all responders understood and expressed their opinions on the presented questions.

Department

Department of Respondents'

Heineken Respondents Department					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		74	93.6	93.6	93.6
	Management	11	14.8	14.8	14.8
	Production	25	33.7	33.7	48.5
	Commercial	20	27.02	27.02	75.52
	Finance	8	10.8	10.8	86.32
	Others	10	13.52	13.52	100.0
	Total	74	100.0	100.0	

Source: Researcher, Survey Data (2023)

It is revealed that 33.7%, 27.02%, and 14.8% of the respondents were from the company's production, commercial, and management departments, respectively. Finance 8 (10.8%), as well as Other departments Ten (16.7%) responders were Deputy Plant Managers, Managers of Operations, and Store Managers who have direct interaction with customers and distributors. This demonstrates that responders understand the impact of the case company's product differentiation strategy on sales performance.

Yearly Selling or Purchasing Amount of beer in Birr

According to the data, 10 (13.51%) of respondents rated More than 1 trillion Birr, 21 (28.37%) rated More than 5 trillion Birr, 29 (39.18%) rated More than 10 trillion Birr, and 14 (18.91%) rated More than 12 trillion. This demonstrates that the majority of respondents rated the company's annual sales performance as ranging from 5 trillion to 1 trillion Birr. As a result, this suggests that 90% of the respondents met the research criteria.

Selling/Purchasing Amount

Heineken Annual Selling Amount In Birr					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than 5 Billion	10	13.51	13.51	13.51
	More than 10 Billion	21	28.37	28.37	41.88
	More than 15 Billion	29	39.18	39.18	81.06
	More than 22 Billion	14	18.91	18.91	100
Total		74	100.0	100.0	

Source: Researcher, Survey Data (2023)

According to the data, 10 (13.51%) of the respondents have a yearly purchasing quantity of more than 5 billion birr, followed by 21 (28.37%) who have more than 10 billion birr, and 29 (39.18%) who have more than 15 (39.18%). This demonstrates that the majority of respondents ranked their yearly sales or purchase performance between 10 billion and 15 billion. As a result, all respondents meet the research's requirement for buy capacity.

Selling/Purchasing Amount

Distributors Yearly Amount of Selling or Purchasing of beer In Birr					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than 5 Billion	-	-	-	-
	More than 10 Billion	1	20	20	20
	More than 15 Billion	3	60	60	80
	More than 22 Billion	1	20	20	100.0
Total		5	100.0	100.0	

Source: Researcher, Survey Data (2023)

4.3 Descriptive Statistics of the Variables

A descriptive analysis of the study measure is offered, as well as respondents' judgments on the dependent variable (sales performance) and independent factors (product quality, product variety, product guarantee, and after sales analysis). The mean and standard deviation of all variables have been computed. The mean represents the average value, whereas the standard deviation represents the extent of variation from the mean. According to Muhumed and Sekajugo (2015), Akmaliah (2014) argues that a mean score of 3.80 and above is considered high level of agreement, while a score between 3.40 and 3.79 is considered moderate agreement and a mean of 3.39 and below to shows an evaluation of low level of agreement.

4.3.1 Descriptive Statistics of Product Quality Products Differentiation

For the analysis of product quality differentiation five questions were questioned. 80% of respondents agreed Heineken beer always provide products with the required quality with a mean of 4.24 and standard deviation 0.88912 values. 82.9% respondents agreed attractive of the product with a mean of 4.01 and standard deviation 0.82323 values. 70% respondents agreed product features desirability with a mean of 3.8212 and standard deviation 0.80145 values. 82.8% of the respondents agreed product serviceability greed with a mean of 4.23632 and standard deviation 0.83378 values. Similarly, 79.7% of respondents agreed reliability of the product with a mean of 4.12921 and standard deviation 0.845312 values.

The overall results show that, 79.7% of the respondents agreed, that Heineken beer had improved quality of products. However, 14.6% and 5.8% of the respondents were neutral and did not agree that Heineken beer have improved quality of products respectively with a mean of 4.0714 and a standard deviation of 0.61483 values.

Likert scale and percentile statistics of Product Quality

Dimensions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. deviation	N
Product Quality of Product Differentiation								
Always Provides High Quality Products.	39 (36.70)	25 (31.64)	10 (12.65)	5 (6.32)	-	4.24	.889	79
Heineken beer products Are more attractive.	33 (41.77)	31 (39.2)	8 (10.1)	5 (6.3)	-	4.01	.823	79
Heineken beer product Features are desirable.	35 (44.3)	32 (40.5)	9 (11.3)	3 (3.7)	-	3.82	.801	79
Heineken beer products are serviceable.	32 (40.5)	32 (40.5)	14 (16.9)	1 (1.1)	-	4.23	.833	79
Heineken beer products are reliable.	29 (35.7)	36 (47.1)	10 (11.4)	2 (4.3)	1 (1.4)	4.12	.845	79
Valid N (list wise)	29.8 (34)	34 (45.7)	11.2 (14.6)	3.4 (4.9)	0.6 (0.9)	4.12	0.863	79

Source: Researcher, Survey Data (2023)

Review of documents Heineken beer inspects all incoming inputs in accordance with the established international quality standards. Furthermore, the corporation conducts benchmarking and research on chosen international brand beers that serve the local market in the same way that Heineken beer does. The analysis and investigation established that Heineken beer products are competent in all aspects of the value propositions outlined by the corporation. The comments on the Heineken beer product quality was found to be good and encouraging, corroborating the study's conclusions on the dimensions of product quality. According to Ethiopian quality award assessment report information, the case company's product performs in accordance with international norms and regulations while also taking into account the nation's legal and technological needs.

4.4 Descriptive Statistics of Product Variety of Product Differentiation

In regard to the analysis of product variety, 5 questions were used, including:- 74.3% of respondents agreed on the supply of new product development based on consumer wants, with a mean of 3.987 and a standard deviation of 0.75836 values. With a mean of 3.68328 and a standard deviation of 0.73518, 61.5% of respondents agreed on stocking preferred product varieties. With a mean of 4.0000 and a standard deviation of 0.72232, 80% of respondents agreed on the availability of the proper combination of product variety. With mean 3.93712 and standard deviation 0.74921 values, 80% of respondents agreed on the manufacture of customer desired product specifications, while 74.3% agreed on the provision of demand based product selection with mean 4.1143 and standard deviation 0.96542 values.

Likert scale and percentile statistics of Product Variety

Dimensions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. deviatio	N
Product Variety Descriptive Statistics								
Continuously develops new products per the needs and responses	20 (25.4)	40 (50.6)	17 (21.5)	2 (2.5)	-	3.987	.7583	79
Always have preferred product variant stock	11 (13.9)	35 (44.3)	30 (37.9)	3 (3.7)	-	3.683	.7351	79
Always have the right combination of product variety per customer demand.	19 (24.0)	43 (54.4)	15 (18.9)	2 (2.5)	-	4.000	.7223	79
Product selection bases Customers' specification.	20 (25.4)	39 (49.3)	15 (18.8)	5 (6.3)	-	3.937	.7492	79
Product selection bases Customers' demand.	28 (35.7)	30 (38.6)	16 (18.6)	4 (5.7)	1 (1.4)	4.114	.9654	79
Valid N(list wise)	19.4 (23.4)	35.4 (50.6)	18.2 (21.7)	5.8 (4)	0.2 (0.3)	3.9382	0.7882	79

Source: Researcher, Survey Data (2023)

According to the overall product variety differentiation results, 74% of respondents agreed that Heineken beer provides product variants based on the needs and preferences of its customers. Only 15.2% and 4.3% of respondents, with a mean of 3.9286 and a standard deviation of 0.55014, were neutral and did not share this perspective, respectively.

The findings were confirmed by the Ethiopian Quality Award assessment report, which said that over the last two years, Heineken beer produced more than 40% of its sales volume and revenue from newly developed goods. Walia beer, Sofi malt, Buckler, and Sergenga beer are examples.

According to the information in the documents, Heineken beer produces a variety of products and keeps stock at a fair minimum number. This enables Heineken beer to meet the clients' demands on time and to fulfill its commitments instantly. Furthermore, Heineken beer has a tendency of inventing new goods based on customer preferences in order to meet their practical concerns.

Descriptive Statistics of Product Guarantee Differentiation

In response to respondents' views on Heineken beer's product guarantees, five questions were forwarded. With a mean of 4.1132 and a standard deviation of 0.96435, 79.7% of respondents agreed on the presence of a guarantee policy for defective products. With a mean of 3.9246 and a standard deviation of 0.099821, 74.6% of respondents agreed on the response of compliant handling. With a mean of 3.9873 and a standard deviation of 0.84456, 77.1% of respondents felt that the guarantee policy increased customer confidence. 74.6% of respondents agreed that customers chose a product because of the availability of a guarantee, with a mean of 3.8864 and a standard deviation of 0.83931, and 73.3% agreed that the company's guarantee provision was consistent, with a mean of 4.0000 and a standard deviation of 0.94452.

The total result of product guarantee distinction showed that 78% of respondents agreed, while 11% and 6.3% were neutral and did not agree, with a mean of 4.0171 and a standard deviation of 0.72691.

According to information in the Heineken beer guarantee policy document, the corporation has an unusual practice in relation to product guarantee given by other operators in the sector. The corporation has a warranty and claim policy that can be traced. For all manufacturing and

workmanship related cases, the company provides a one-year warranty for all items against any manufacturing defect from the date of sale to the user. Compensation can reach 100% replacement for the worth of the beer; replacement can be in cash or new beer, and this is standard practice around the world. The procedure is very nice and comfortable for consumers, and response time is as quick as feasible depending on the situation.

Likert scale and percentile statistics of Product Guarantee

Dimensions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. deviation	N
Product Guarantee of Product Differentiation								
Has guarantee policy for its defective products.	34 (43.0)	29 (36.7)	9 (11.3)	5 (6.3)	2 (2.5)	4.113	.9643	79
There is promptness in handling customers' complaints/claims.	24 (30.3)	35 (44.3)	13 (16.4)	4 (5.0)	3 (3.7)	3.924	.9982	79
Provision of product guarantee makes us confident on the product, since it is a signal of quality.	22 (27.8)	39 (49.3)	14 (17.7)	3 (3.7)	1 (1.2)	3.987	.8445	79
Guarantee policy increases the likelihood to be the chosen product.	20 (25.3)	39 (49.3)	13 (16.4)	5 (6.3)	2 (2.5)	3.886	.8393	79
Providing warranty for defective products consistently.	27(34.1)	31(39.2)	16(20.2)	4(5.0)	1(1.2)	4.000	.9445	79
Valid N (list wise)	22.6 (28.6)	34.6 (43.7)	13 (16.4)	4.2 (5.3)	1.8 (2.2)	4.1266	0.9594	79

Source: Researcher, Survey Data (2023)

4.5 Descriptive Statistics of After Sales Services Differentiation

Finally, after-sales service of product differentiation was measured using five questions, and the replies show that 88.5% of respondents agreed with personnel friendly customer treatment, with a mean of 4.2966 and a standard deviation of 0.7037. With a mean of 3.8486 and a standard deviation of 0.85760, 69.7% of respondents agreed on the supply of a simple platform for

customer orders. With a mean of 3.9100 and a standard deviation of 0.86442, 70.7% of respondents agreed with the supply of speedy delivery service. 74.6% of respondents agreed on the provision of training and consultancy, with a mean of 4.0286 and a standard deviation of 1.00681, and 60.6% agreed on the provision of technical support, with a mean of 3.7214 and a standard deviation of 1.08643.

Likert scale and percentile statistics of After Sales Service

Dimensions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. deviatio	N
After Sales Service of Product Differentiation								
Personnel are threatening customers friendly and with great care.	34 (43.0)	36 (45.5)	6 (7.5)	3 (3.7)	-	4.29	.7037	79
Have an easy ordering platform for the customers" to place an order with the company.	20 (25.4)	35 (44.3)	19 (24.0)	2 (2.5)	3 (3.7)	3.84	.8576	79
Provides fast delivery services.	15 (18.9)	41 (51.8)	20 (25.4)	4 (5.0)	2 (2.5)	3.91	.8644	79
Providing value added trainings and consultancy, on product usage to users	30 (37.9)	29 (36.7)	13 (16.4)	6 (7.5)	1 (1.2)	4.02	1.006	79
Service provision on tire assembly and balance superiority.	21 (26.5)	27 (34.1)	22 (27.8)	6 (7.5)	3 (3.7)	3.72	1.086	79
Valid N(list wise)	24 (30.3)	33.6 (42.5)	16 (20.2)	4.2 (5.3)	1.2 (2.0)	3.954	0.9462	79

Source: Researcher, Survey Data (2023)

The overall findings of product differentiation after-sales service show that 72.8% of respondents agreed that Heineken beer had provided after-sales services to its customers, which improves the company's sales performance, while 19.4% and 7.7% of respondents were neutral and did not agree, with a mean of 3.9314 and a standard deviation of 0.64506 values.

According to information from the Heineken beer strategic plan document (2023) and the Quality Award assessment report (2021), the corporation aims to ensure that distribution centers are close to potential customers and that products are available when needed. To that goal, the company provides credit and commission to product distributors in all locations. Similarly, Heineken beer offers technical support to its clients both before and after the transaction. The assistance includes advice on the customers' machine management practices and ways to improve them, technical advice and training on the type of machine and its technical specifications: provision of professional advice on machine assembly techniques and the necessary precaution measures to be taken on operation to achieve prolonged performance, methods of handling and storing in the warehouse, and provision of cost-free machine maintenance.

In general, Heineken beer has distinct practices from its competitors, such as value propositions of technical support, training, warranty, delivery service, and value for money advantage of product, proximity and availability, and cost free machine assembly services, all of which are critical to increasing sales volume.

4.6 Sales Performance

Sales performance is a dependent variable, and the results reveal that quantitative measures and the degree of importance of their correlations with the independent variables of product quality, product variety, product guarantee, and after sales services.

Sales Volume in Type and Number

Product Type	2019	2020	2021	2022	Growth Rate
	G.C	G.C	G.C	G.C	
Heineken beer	14 m	11.5 m	34 m	33.6 m	140%
Walia beer	42 m	57.5 m	68 m	43 m	2.4%
Bedele beer	98 m	75.9 m	85 m	121.8 m	24.3%
Harar beer	56 m	69 m	85 m	105 m	87%
Buckler beer	42 m	13.8 m	17 m	33.6 m	-20%
Sofi malt	14 m	2.3 m	6.8 m	16.8 m	20%
Sergenga beer	14 m	34.5	44.2	50.4 m	260%
Bertat	-	-	-	12.6 m	-
Total Sales in liters	208	230	340	420	101.9%
	million	million	million	million	

Source: Heineken Strategic plan 2019 to 2022 G.C. document, (2023)

The overall sales performance result shows a mean value of 3.1 which is above the neutral value (3).

The table above depicts the company's sales performance increase, particularly with the introduction of product diversification, as represented on the company's designated variables. The figure also shows the example company's sales performance growth as a result of product diversifications and the realization of variant tire items that are in great demand in the market.

Overall, the findings show that Heineken beer has distinct practices from its competitors, such as value propositions of technical support, training, warranty, delivery service, value for money advantage of product, proximity and availability, and cost free machine assembly services, all of which are critical to increasing sales volume.

According to the company's strategic plan document, market share growth has averaged 12% per year over the last five years (2018-2022). The cause for market share expansion is the

introduction of new products such as Sergenga beer, Bertat beer, and Buckler beer, all of which have considerable sales performance.

4.7 Correlation Analysis

Correlation coefficients range from -1 to 1, indicating that anything is negatively correlated (1), uncorrelated (0), or positively correlated (+1). The direction of the link is determined by the sign of the correlation coefficient. The absolute value indicates how strong the link is (Gogtay & Thatte, 2017). According to Asuero (2006), a correlation result of zero indicates that there is no relationship. A result of 0.1 to 0.29 indicates little relationship between variables, a result of 0.3 to 0.49 indicates low correlation between variables, a result of 0.5 to 0.69 indicates moderate correlation, a result of 0.7 to 0.9 indicates high correlation among variables, and a result of 0.9 to 1 indicates very high correlation between variables.

4.7.1 Correlation between Product differentiation strategy and Sales Performance

Correlations						
		Product quality	Product variety	Product guarantee	After sales service	Sales performance
Sales performance	Pearson Correlation	.498**	.564**	.544**	.551**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	79	79	79	79	79
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: Researcher, Survey Data (2023)

As a result of the study's findings, all four independent factors (product variety, product guarantee, and after-sales service) show a fairly favorable connection with the dependent

variable. However, the correlation output shows that product quality ($r=.498$, $p0.01$) has a poorer relationship with sales performance than product guarantee ($r=.544$, $p0.01$), product variety, and after sales service ($r=.551$, $p0.01$). The above table contains a summary of the correlation analysis output.

Testing of the Hypothesis

The acceptance of the assumption is determined via hypothesis testing. It determines whether a population hypothesis is likely to be true or untrue based on sampling data.

According to the findings of this study, hypothesis one product quality has a substantial and favorable link with sales performance. At a significance level of 0.006, the standardized Beta coefficient of the two variables (product quality and sales performance) is 0.351. This suggests that product quality has a strong and positive association with sales performance. As a result, Heineken beer must recognize that a product differentiation strategy based on product quality can have a favorable impact on sales success. As a result, the student researcher is unable to reject the null hypothesis, which states that product quality has a large positive influence on sales performance.

The study also discovered that hypothesis number two, product variety, has a strong and positive association with sales performance. At a significance level of 0.022, the standardized Beta coefficient of the two variables (product variety and sales performance) is 0.279. This suggests that product variety has a favorable and considerable impact on sales performance. Similarly, the organization should recognize that product diversity and distinction have a major beneficial impact on sales performance. As a result, the student researcher is unable to reject the null hypothesis, which states that product variety of product differentiation approach has a large positive impact on sales performance.

The study also discovered that, in relation to hypothesis three, product guarantee has no substantial impact on the sales performance of key business clients and distributors. At a significance threshold of 0.077, the standardized Beta coefficient of the two variables (product guarantee and sales performance) is 0.325. This suggests that product guarantees have little impact on the sales performance of key business customers and distributors. As a result, the student researcher accepted the null hypothesis, which states that the product guarantee approach

has no substantial positive impact on sales performance.

Finally, the study discovered that, after Sales Service of product differentiation strategy, the foremost and highest variable effects considerably and positively in relation to sales performance. At the 0.000 significance level, the standardized Beta coefficient of the two variables (after sales service and sales performance) is 0.413. This suggests that after-sales service has the strongest positive and significant association with sales performance. As a result, the corporation should provide special attention to after-sales service because it has the greatest impact on sales performance. As a result, the researcher fails to reject the null hypothesis, which states that after-sales support has a significant positive effect on sales performance.

4.8 Results of Regression Analysis

The model for the study that depicted Factors Affecting sales performance of Heineken beer is,

$$Sls = \alpha + \beta_1PQ + \beta_2PV + \beta_3PG + \beta_4ASS + U_i$$

Where; Sls = Sales performance of Heineken beer

α = The Constant, or Y intercept

β_i = The coefficient of the independent variables

PQ= Product Quality

PV=Product Variety

PG= Product guarantee

ASS=after sales service

U_i = The Error term

ANOVA					
Model	Sum of squares	df	Mean square	F	Sig.
Regression	78.541	7	13.886	153.456	.000b
Residual	19.672	342	0.084		
Total	89.016	331			

Source; SPSS Result

Dependent Variable: Sales performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.828 ^a	.780	.770	.290	2.082

Source; SPSS

Result

The result in the ANOVA table confirmed the significance of the overall model by p- value of 0.000 which is below the alpha level, i.e. 0.05, which means, the independent variables taken together have statistically significant relationship with the dependent variable under study.

The other major result under the model summary table showed the R or coefficient of correlation of the model is 0.82 or 83% and Adjusted R-Square or coefficient of determination of the model is 77.0%.

The regression analysis was done using sales performance of Heineken beer as dependent variable and Product Quality, Product verity, Product guarantee and after sales service as independent variables. The following table depicted the analysis's result as follow

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.940	.135		6.935	.000
	Product Quality	.321	.019	.519	17.266	.000
	Product variety	.166	.020	.256	8.498	.000
	Product guarantee	.164	.023	.213	7.047	.000
	After Sales service	.447	.024	.570	18.564	.000

Source; SPSS

Result

The above table shows that, all the independent variables have statistically significant relationship with the dependent variable since their p-value is below the alpha level which is

0.05. Considering the standardized beta coefficients, the strongest predictor of the dependent variable (sales performance of Heineken beer) is Product Quality with 0.321 value and product variety, Product guarantee and after sales service with a beta value of 0.166, 0.447, 0.164 respectively. All the independent variables have positive relationship with the dependent variable.

So from the above table the researcher drive the model as follows;

$$S_p = 0.940 + 0.321PQ + 0.166PV + 0.164PG + 0.447ASS + U_i$$

Summary of Hypothesis Result

Hypothesis	Result	Significance Level	Reason
H1: PDS (product quality) is positively and significantly associated with sales performance.	Fail to reject the null hypothesis	.006	$\beta=0.351$, $P<0.05$
H2: PDS (product variety) is positively and significantly associated with sales performance.	Fail to reject the null hypothesis	.022	$\beta=0.279$, $P<0.05$
H3: PDS (product guarantee) is positively & significantly associated with sales performance.	Accepted the null hypothesis	.077	$\beta=0.325$, $P>0.05$
H4: PDS (after sales service) is positively & significantly associated with sales performance.	Fail to reject the null hypothesis	.000	$\beta=0.413$, $P<0.05$

Source: Researcher, Survey Data (2023)

Therefore, according to the research finding, based on the p-value result, we can conclude that out of the four hypotheses three hypothesis have statistical accepted values. In addition, the standard Beta (β) value shows that ASS ($\beta=0.544$) has highest importance followed by PQ ($\beta=0.499$) and PV ($\beta=0.465$) respectively.

Discussions of the Findings

The first thing that must be discussed here should be the overall fitness of the model; this fact has been confirmed by different types of statistical results.

The first way is the ANOVA test that produced a P-value of 0.000 which is below the alpha level, i.e. 0.05. That means the overall independent variables have statistically significant relationship with that of the dependent variable, i.e. Sales performance of Heineken beer.

The R (Coefficient of Correlation) which is simply measures the degree of (linear) association between the dependent variable and the independent variables jointly. It only measures degree of association or covariation between the two variables. (Gujarati, 2004) In this case the value of R which is 0.828 means, there is a very strong relationship between the independent variables as a whole and sales performance of Heineken beer or this can also means that independent variables taken together and sales performance of Heineken beer was vary together 82.8% of the time.

The last one is by checking the adjusted R square (Coefficient of Determination), can be defined as the proportion of the total variation or dispersion in the sales performance of Heineken beer (dependent variable) that explained by the variation in independent variables in the regression. (Gujarati, 2004) So with adjusted R Square value of 0.77, meaning, 77% of the variation in sales performance of Heineken beer is explained by the linear relationship with all the independent variables. The corollary of this is that only 23% of the variation in sales performance of Heineken beer is unexplained by the relationship or these percentages of change in sales performance of Heineken beer accounts for other variables not mentioned under this study. Thus when adjusted R square is high it means that the independent variables included in the study play an important part in affecting the dependent variable.

Generally speaking, the regression model developed under the study can be considered as a good fit or predictor of sales performance of Heineken beer.

The individual effects of the independent variables can be explained by their respective beta coefficients. As per the regression result table 4.3 the sales performance of Heineken beer and Product quality have the strongest positive relationship. One unit increment in Product quality level can cause about 32% growth in sales of Heineken beer. This corroborates with the views of

The Effect of Product Quality on Business Performance in Some Arab Companies 1Mahmood M. Hajjat, and 2 Fatimah Hajjat 1 Sultan Qaboos University College of Economics and Political Science P.O.Box 20, Al Khoud, Muscat 123, Oman 2University of Massachusetts at Amherst who found in their respective studies that increasing in Product Quality level would have a positive impact on consumption or sales performance.

The second variable under study was Product variety and according to the regression result, it has a positive relationship with the sales performance and a one unit increment on this variable will cause about 16.6% increment on sales performance of Heineken beer. Here it's understandable that if one beverage company makes itself more variable its products comparative to target market the sales performance would increase.

The third variable was product guarantee, this factor also have a positive relationship with the sales performance with a magnitude of one unit increase in RTM execution excellence causes about 16.4% increase in sales.

The fourth variable was after sales service, this factor also have a positive relationship with the sales performance with a magnitude of one unit increase in sales promotion execution excellence causes about 44% increase in sales. Where this independent variable is so much significant on the effect which we will see as a result.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. Introduction

The chapter describes the findings' overview, the problem's conclusions, study aims, and research questions. Furthermore, the chapter makes recommendations to Heineken and other tire industry institutions. The chapter also specifies the advanced levels of investigation.

5.2 Summary of the findings

To summarize the questionnaire, four analyses were performed on the acquired data from all returned responses, using descriptive and inferential statistics methods.

According to the summarized output of descriptive analysis findings, the majority of the respondents (92.1% distributors and business customers) were located in Addis Abeba. 85.5% of respondents had been with their company for more than three years. The annual beer purchasing budget was 10 trillion birr. Furthermore, the majority of respondents' educational level who represented the targeted corporate entity showed that 74.6% have a BA degree or higher, with 87.65% working in sales, purchasing, and logistics departments. As a result, the responders have a good understanding of the case's company product distinction.

With the exception of product guarantee, the correlation analysis results show that the three independent variables (product quality, product variety, and after sales services) have positive and significant correlations with the dependent variable (sales performance) and have a significant impact on sales performance. Furthermore, the R square value of 0.468 suggests that when the case company's product diversification techniques improve by one step, sales performance improves by 46.8%.

As a result, there is a considerable and positive association between product quality and sales performance. At a significance level of 0.005, the standardized Beta coefficient of the two variables (product quality and sales performance) is 0.351. This suggests that product quality has a strong and positive association with sales performance. According to the study's findings, the company's product quality had a significant impact on sales performance. This suggests that the

greater the company's product quality differentiation, the better the company's performance.

Product variety is related to sales success in a major and beneficial way. At a significance level of 0.022, the standardized Beta coefficient of the two variables (product variety and sales performance) is 0.279. This suggests that product variety has a favorable and considerable impact on sales performance. According to the research, product variety difference has a significant impact on the company's sales performance.

According to the study, product guarantees have no substantial impact on the sales performance of key corporate clients and distributors. At a significance threshold of 0.077, the standardized Beta coefficient of the two variables (product guarantee and sales performance) is 0.325. This suggests that product guarantees have little impact on the sales performance of key business customers and distributors. This outcome contradicts the research findings. According to the researcher's experience and observation, this may occur because Heineken's business customers and distributors sought product guarantee as a must activity, and they complained excessively when there was no timely arrangement of warranty and felt normal when diligently existed.

Finally, the after-sales service of product differentiation strategy has the most important and positive variable influences on sales performance. At the 0.000 significance level, the standardized Beta coefficient of the two variables (after sales service and sales performance) is 0.413. This means that the company's after-sales service has a good impact on and leads to an increase in sales volume. As a result, the corporation should provide special attention to after-sales service because it has the greatest impact on sales performance.

Except for the product guarantee element, the study's overall findings revealed a substantial effect of all three variables on sales performance. The study discovered that any change in the three predictor factors jointly resulted in a 46.8% corresponding change in determining sales performance in Heineken product differentiation. ANOVA was used to test the overall importance of three factors, after-sales service, product quality, and product variety. The model was shown to be important at the 0.05.

According to the mean and standard deviations of all dimensions (Product quality 4.0714 & 0.61483, Product variety 3.9286 & 0.55014, and after sales service 3.9314 & 0.64506), Heineken

managers, distributors, and key business customers are more neutral or agreed with the product differentiation strategy. According to Akmaliah (2014) proposal, a mean score of 3.80 or more is considered to be a high level of agreement. To that end, the respondents strongly agree on all three independent variables.

5.3 Conclusion

The purpose of this study was to investigate the effects of PDS on sales performance. Based on the four independent variables identified in the study (PQ, PV, PG, and ASS), four hypotheses were created. The hypothesis test results show that all three independent variables have a statistically significant effect on sales performance, with the exception of PG, which has no effect on sales performance. As a result of the correlation study, the three independent variables (PQ, PV, and ASS) show a positive relationship with the dependent variable (SP).

According to the study's findings, the researcher indicates that PQ, PV, and ASS differentiating variables have a favorable and significant impact on the company's sales success in Addis Abeba. Furthermore, the researcher indicates that, when compared to product quality and product diversity, ASS had the biggest effect on the dependent variable (sales performance).

Organizations will benefit from a better understanding of the factors that directly influence sales performance; additionally, today's businesses have a high demand for such product differentiation-related operations as customer interest and desire has increased over time, and competition is fierce in this area. As a result, we may conclude that product differentiation strategy is today a survival issue for practically all commercial companies.

Furthermore, product diversity is not at distributors' level, and important business customers' expectations are becoming a source of not deciding their agreements and arguments. Much more effort is still needed to reach product reliability.

5.4 Recommendations

In addition to implementing a product differentiation strategy, Heineken Ethiopia should look forward to maximizing its product differentiation strategy to boost sales performance, because the product differentiation strategy of product quality, product variety, and after sales services all have a significant impact on sales performance. The study and results are used to generate detailed suggestions. They are discussed in the context of factors influencing sales performance in product differentiation domains.

Product Quality: Heineken Ethiopia should establish and maintain updated product quality measurements, which are the dominant components that significantly affect sales performance with a beta value of 0.351. As a result, the company's product quality must be properly tangible (standard, applying cutting-edge technology and expats), and reliable product quality is called for (Correct & fault free, completed as promised). As a result, maintaining and increasing customer satisfaction requires consistent product quality. Heineken Ethiopia should focus more on quality by getting raw materials from suppliers that screen and improve the quality of the material delivered on a regular basis. This would result in higher overall returns because the firm would be justified in charging more than the average market price due to the product's quality. Resources should be set aside for more product research and development. Market research is essential for any company, especially in these times of increased market orientation. Market research could assist firms in developing product differentiation strategies based on genuine customer needs, hence enhancing customer loyalty and happiness.

Heineken Ethiopia should focus more on quality by getting raw materials from suppliers that screen and improve the quality of the material delivered on a regular basis. This would result in higher overall returns because the firm would be justified in charging more than the average market price due to the product's quality. Resources should be set aside for more product research and development. Market research is essential for any company, especially in these times of increased market orientation. Market research could assist firms in developing product differentiation strategies based on genuine customer needs, hence enhancing customer loyalty and happiness. Product differentiation of product quality that maximizes sales performance is related to desirability, performance, durability, and serviceability.

The outcomes of the study have managerial ramifications for the case company. It means that the selected product differentiation success elements, which comprise PQ, PV, and ASS, are critical to the case company's sales performance. As a result, the example company's management should place a greater emphasis on product differentiation strategy while producing new items in order to improve sales performance.

Product Variety: Heineken Ethiopia should take special care to preserve desirable products in stock, customer-specified product development specifications, a requirement foundation, and alternative product availability.

This implies a growth in product differentiation techniques through specific product qualities relevant to competitors, as well as a greater variety of products to meet the needs of varied clients. The completion of the truck and bus radial tire project would result in increased sales and performance since it has a large untapped market that could not be met by imported tires due to the prevalent factor of foreign currency. As a result, companies must constantly produce new items at reasonable prices using unique materials.

After sales Services: The Company should look forward to applying global standards on its after-sales services and adjusting itself to the level of worldwide standards to ensure customer satisfaction, which enables the company to increase its sales volume.

Issues relating to workforce inviting treatment are also important issues that must be addressed, and the company should prioritize allocating employees who have expertise understanding and the ability to solve customer concerns. This is a fantastic offer that might have a major impact on sales growth through increased customer satisfaction.

According to the researcher's study, as well as the researcher's observation and experience, responsiveness concerns (simple platform such as online purchase, rapid response, and willingness/readiness to serve customers) are extraordinarily basic focuses that require additional thought to meet the customer's desire. A prompt response to clients is essential, as is readiness or willingness to assist, all of which have a substantial impact on sales performance.

Heineken Ethiopia should work hard to implement after-sales service assurance measurement. Employees of the organization must be skilled and knowledgeable, as well as courteous and

capable of assuring clients that their transactions are secure.

Finally, the study advises Heineken Ethiopia to prioritize sales performance, particularly after-sales service measurement, because the existing business operation competitions and dynamic client demand necessitate a strong focus on it. According to the researcher, client engagement and impression, the sales operation is more or less enough, but the quality of after sales services still need strong concentration by management and staff to improve sales performance.

5.5 Recommendation for Further Research

The researcher was unable to study all aspects of this topic satisfactorily, so he recommends the following areas for further investigation. The researcher discovers after-sales service factors that could impact customer satisfaction at a 46.8% level, and other researchers could work on it to identify many more variables. The research scope was managers, distributors, and key business customers in Addis Abeba, and other researchers could work on another customer.

The researcher did not investigate the dimension of effect of credit facility provision and long payback time for distributors and major business clients on the company's sales performance. Based on the researchers' experience and the company's practice, this facility is one of Heineken Ethiopia's competitive advantages over its competitors. This assists the corporation in establishing long-term mutually beneficial relationships with potential beer users and business undertakers, which has its own effect on the increase of sales volume and requires additional study to quantify its impact on sales performance.

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APPENDICES

Appendix 1: Questionnaire

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE GRADUATE PROGRAM IN
MARKETING MANAGEMENT

QUESTIONNAIRE TO BUSINESS CUSTOMERS

Dear Respondents,

I am pursuing academic research on the topic „**Effect of Product Differentiation Strategy on Sales Performance**“ with special reference to Heineken Ethiopia. The research requires collection of valuable inputs regarding from people who have worked or have experience of the issue.

This questionnaire is an attempt to solicit your opinions regarding product differentiation effect on sales performance of Heineken Ethiopia and also seeking valuable suggestions to find ways and means for sales growth of the company. Therefore, I request you to kindly take out some times to fill the questionnaire. The information, view, and opinions expressed by you will be kept confidential and be utilized only for research purpose. Your contribution to the research is highly appreciated and acknowledged.

Address: Cell phone - +251-920888575

Email – girum444@gmail.com

General Instructions:

- ✓ There is no need of writing your name or company name

PART I: General Information

Instruction: Please put a tick (√) mark in the answer box corresponding to your response

1. What is your educational level?

Certificate College diploma First Degree MA/MSc or above

2. In which department of the organization do you work?

Purchasing Logistics Maintenance Administration Others _____

3. How long as a customer, have you been using the product of Heineken Ethiopia?

Less than 3 years 3-5 years 5-10 years above 10 years

4. Yearly purchasing amount in Birr's:

1 Million 2-3 Million 3-5 Million More than 5 Million

PART II: To measure product differentiation effect on sales performance, please circle the appropriate number to indicate the extent to which you agree or disagree with each statement. Scale measurement: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

No	Dimension	Strongly Agree (5)	Disagree (4)	Neutral (3)	Agree (2)	Strongly Disagree (1)
PQ1	Heineken Ethiopia provides high quality products that meet customers' requirement/standard.	5	4	3	2	1
PQ2	Heineken Ethiopia beer products are satisfying.	5	4	3	2	1
PQ3	Heineken Ethiopia beer product features are desirable.	5	4	3	2	1
PQ4	Heineken Ethiopia products are serviceable.	5	4	3	2	1
PQ5	Heineken Ethiopia products are reliable.	5	4	3	2	1
PV1	Heineken Ethiopia continuously develops new products per the customers' needs and responses.	5	4	3	2	1
PV2	Heineken Ethiopia always has a stock on customers' preferred product variants.	5	4	3	2	1
PV3	Heineken Ethiopia always have the right combination of product variety that meets customers' standards.	5	4	3	2	1
PV4	Product selection is based on customers' specifications.	5	4	3	2	1
PV5	Product selection is based on customers' demands.	5	4	3	2	1
PG1	Heineken Ethiopia has guarantee policy for defective products.	5	4	3	2	1
PG2	There is promptness in handling customers' complaints/claims.	5	4	3	2	1
PG3	Heineken Ethiopia provision of product guarantee makes confident on customers' purchasing decision, since it signals quality.	5	4	3	2	1
PG4	The guarantee policy of the company increases customers' choice of using the products.	5	4	3	2	1
PG5	Heineken Ethiopia is consistent in the provision of guarantee for its defective product.	5	4	3	2	1

No	Dimension	Strongly Agree	Disagree	Neutral	Agree	Strongly Disagree
ASS1	Heineken Ethiopia personnel are threatening customers friendly andwith great care.	5	4	3	2	1
ASS2	Heineken Ethiopia have an easy ordering platform for the customersto place an order.	5	4	3	2	1
ASS3	Heineken Ethiopia provides fast delivery services.	5	4	3	2	1
ASS4	Heineken Ethiopia provides training and consultancy that support itsproduct usages.	5	4	3	2	1
SP1	A maximum level of selling/purchasing has done because of Heineken Ethiopia product variety that meets customers'' requirements.	5	4	3	2	1
SP2	Record of selling/purchasing has maximized because of product quality of Heineken Ethiopia products.	5	4	3	2	1
SP3	A maximum level of selling/purchasing has achieved because of Heineken Ethiopia product manufacturing failure guarantee services.	5	4	3	2	1
SP4	A maximum level of selling/purchasing has achieved because of after sales services of Heineken Ethiopia customer support technicians and sales teams.	5	4	3	2	1
SP5	In the last three years, a maximum level of selling/purchasing has done because of Heineken Ethiopia product diversifications.	5	4	3	2	1

THANKS FOR YOUR COOPERATION!

APPENDIX 2

FINDINGS FROM RESPONDENTS Questions PQ1 to SP5

Table 4.3.1.1: Product Performance

Always Provides High quality Products.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	2.9	2.9	2.9
	Disagree	6	8.6	8.6	11.4
	Neutral	6	8.6	8.6	20.0
	Agree	36	51.4	51.4	71.4
	Strongly Agree	20	28.6	28.6	100.0
	Total	70	100.0	100.0	

Table 4.3.1.2: Product Durability

Heineken Ethiopia products have more quality.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	4.3	4.3	4.3
	Neutral	9	12.9	12.9	17.1
	Agree	31	44.3	44.3	61.4
	Strongly Agree	27	38.6	38.6	100.0
	Total	70	100.0	100.0	

Table 4.3.1.3: Product Features Desirability

Heineken Ethiopia product features are desirable.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	2.9	2.9	2.9
	Neutral	19	27.1	27.1	30.0
	Agree	31	44.3	44.3	74.3
	Strongly Agree	18	25.7	25.7	100.0
	Total	70	100.0	100.0	

Table 4.3.1.4: Product Serviceability

Heineken Ethiopia products are serviceable.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	3	4.3	4.3	4.3
	Neutral	9	12.9	12.9	17.1
	Agree	29	41.4	41.4	58.6
	Strongly Agree	29	41.4	41.4	100.0
	Total	70	100.0	100.0	

Table 4.3.1.5: Product Reliability

Heineken Ethiopia products are reliable.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.4	1.4	1.4
	Disagree	3	4.3	4.3	5.7
	Neutral	8	11.4	11.4	17.1
	Agree	33	47.1	47.1	64.3
	Strongly Agree	25	35.7	35.7	100.0
	Total	70	100.0	100.0	

Table 4.3.1.2.1: Need Base Development of New Products

Heineken Ethiopia continuously develops new products per the needs and responses of its customers'.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	2.9	2.9	2.9
	Neutral	16	22.9	22.9	25.7
	Agree	37	52.9	52.9	78.6
	Strongly Agree	15	21.4	21.4	100.0
	Total	70	100.0	100.0	

Table 4.3.1.2.2: Stocking of Preferred Product Variants

Heineken Ethiopia always have a stock of its customers' preferred product variant.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	2.9	2.9	2.9
	Neutral	25	35.7	35.7	38.6
	Agree	34	48.6	48.6	87.1
	Strongly Agree	9	12.9	12.9	100.0
	Total	70	100.0	100.0	

Table 4.3.1.2.5: Demand Based Product Selection

Product selection is based on its customer demand.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.4	1.4	1.4
	Disagree	4	5.7	5.7	7.1
	Neutral	13	18.6	18.6	25.7
	Agree	27	38.6	38.6	64.3
	Strongly Agree	25	35.7	35.7	100.0
	Total	70	100.0	100.0	

Table 4.3.1.3.1: Presence of Guarantee Policy

Heineken Ethiopia has guarantee policy for its defective products.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	2.9	2.9	2.9
	Disagree	3	4.3	4.3	7.1
	Neutral	7	10.0	10.0	17.1
	Agree	27	38.6	38.6	55.7
	Strongly Agree	31	44.3	44.3	100.0
	Total	70	100.0	100.0	

Table 4.3.1.3.2: Prompt Compliant Handling

There is promptness in handling customers' complaints/claims.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	4.3	4.3	4.3
	Disagree	3	4.3	4.3	8.6
	Neutral	11	15.7	15.7	24.3
	Agree	32	45.7	45.7	70.0
	Strongly Agree	21	30.0	30.0	100.0
	Total	70	100.0	100.0	

Table 4.3.1.3.3: Product Guarantee Makes Confidence to Purchase

Heineken Ethiopia provision of product guarantee makes us confident on the product, since it is a signal of quality.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.4	1.4	1.4
	Disagree	2	2.9	2.9	4.3
	Neutral	11	15.7	15.7	20.0
	Agree	36	51.4	51.4	71.4
	Strongly Agree	20	28.6	28.6	100.0
	Total	70	100.0	100.0	

Table 4.3.1.3.4: Guarantee policy increases customers' choice of the product

Heineken Ethiopia guarantee policy increases the likelihood of its product being chosen.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.4	1.4	1.4
	Disagree	3	4.3	4.3	5.7
	Neutral	12	17.1	17.1	22.9
	Agree	37	52.9	52.9	75.7
	Strongly Agree	17	24.3	24.3	100.0
	Total	70	100.0	100.0	

Table 4.3.1.3.5: Consistency in the provision of guarantee

Heineken Ethiopia is consistent in the use of warranty for defective products.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.4	1.4	1.4
	Disagree	3	4.3	4.3	5.7
	Neutral	14	20.0	20.0	25.7
	Agree	28	40.0	40.0	65.7
	Strongly Agree	24	34.3	34.3	100.0
	Total	70	100.0	100.0	

Table 4.3.1.4.1: Personnel Friendly Customer Treatment

HATMPLC personnel are threatening customers friendly and with great care.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	2.9	2.9	2.9
	Neutral	4	5.7	5.7	8.6
	Agree	33	47.1	47.1	55.7
	Strongly Agree	31	44.3	44.3	100.0
	Total	70	100.0	100.0	

Table 4.3.1.4.2: Easy Platform for Order

Heineken Ethiopia have an easy ordering platform for the customers' to place an order with The company.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	4.3	4.3	4.3
	Disagree	2	2.9	2.9	7.1
	Neutral	16	22.9	22.9	30.0
	Agree	32	45.7	45.7	75.7
	Strongly Agree	17	24.3	24.3	100.0
	Total	70	100.0	100.0	

Table 4.3.1.4.3: Fast Delivery Service

Heineken Ethiopia provides fast delivery services.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.4	1.4	1.4
	Disagree	3	4.3	4.3	5.7
	Neutral	18	25.7	25.7	31.4
	Agree	35	50.0	50.0	81.4
	Strongly Agree	13	18.6	18.6	100.0
	Total	70	100.0	100.0	

Table 4.3.1.4.4: Provision of Training and Consultancy

Heineken Ethiopia provides training and consultancy its product usage that adds value users.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.4	1.4	1.4
	Disagree	6	8.6	8.6	10.0
	Neutral	10	14.3	14.3	24.3
	Agree	26	37.1	37.1	61.4
	Strongly Agree	27	38.6	38.6	100.0
	Total	70	100.0	100.0	

Table 4.6.5: Provision Technical Support

Heineken Ethiopia provides superior services of tyre assembly and alignment balance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	4.3	4.3	4.3
	Disagree	6	8.6	8.6	12.9
	Neutral	20	28.6	28.6	41.4
	Agree	23	32.9	32.9	74.3
	Strongly Agree	18	25.7	25.7	100.0
	Total	70	100.0	100.0	

Table 4.3.1.2.4: Customer Preferred Product Specification

Product selection is based on customer specification.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	5.7	5.7	5.7
	Neutral	10	14.3	14.3	20.0
	Agree	39	55.7	55.7	75.7
	Strongly Agree	17	24.3	24.3	100.0
	Total	70	100.0	100.0	

Table 4.3.1.2.3: Combination of Product Variety

Heineken Ethiopia always have the right combination of product variety that meets its Customer demand.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	2.9	2.9	2.9
	Neutral	12	17.1	17.1	20.0
	Agree	40	57.1	57.1	77.1
	Strongly Agree	16	22.9	22.9	100.0
	Total	70	100.0	100.0	