



**ADDIS ABABA UNIVERSITY**

**SCHOOL OF COMMERCE**

**DEPARTMENT OF MARKETING MANAGEMENT**

**Factors Influencing Marketing Effectiveness of the Real Estate  
Industry in Addis Ababa**

**A Thesis Submitted to the Department of Marketing Management in Partial  
Fulfillment of the Requirements for Master of Arts degrees in Marketing  
Management**

**By Eden Mesfin**

**Advisor: Temesgen Belayneh (PhD)**

June, 2022

Addis Ababa, Ethiopia



**APPROVAL**

**ADDIS ABABA UNIVERSITY**

**School of Commerce**

**Department of Marketing management**

This is to certify that the research thesis presented by Eden Mesfin, titled: Factors Influencing Marketing Effectiveness of the Real Estate Industry in Addis Ababa in partial fulfillment of the requirement for the degree of Master of Art (MA.) in Marketing Management compile with the regulation of the university and confirms to the acceptable standards with the respect to the originality and the quality.

**APPROVED BY BOARD OF EXAMINERS**

\_\_\_\_\_  
**Advisor**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**External Examiner**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Internal Examiner**

\_\_\_\_\_  
**Signature**

## Acknowledgment

First and foremost, I want to express my gratitude to the almighty God for all of his blessings, as well as for providing me with the ability and strength to continue my studies.

Dr. Temesgen Belayneh , my adviser, has provided me with excellent professional and intellectual advice throughout the project. Prompt feedback has always left a lasting impression. Beyond the important scholarly advice, his demeanor was kind, courteous, and helpful, and he deserves a lot of credit

## Contents

Acknowledgment .....	iv
List of Tables .....	ix
Acronyms .....	x
Abstract .....	xi
Chapter one: Introduction .....	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem.....	2
1.3 Objective of the Study.....	4
1.3.1 General Objective .....	4
1.3.2 Specific Objectives .....	4
1.4 Research Question.....	4
1.5 Significance of the Study .....	4
1.6 Scope of the study .....	5
1.7 Limitation of the Study .....	5
1.8 Organization of the Study .....	6
1.9 Definition of Terms.....	6
Chapter Two: Review of Related Literature.....	7
2.1 Theoretical Literature Review.....	7
2.1.1 Market effectiveness.....	7
2.1.2 Meaning of Real Estate.....	8
2.1.3 Common Types of Real Estate .....	9
2.1.4 Real Estate Market.....	9
2.2 Empirical Review .....	10
2.2.1 Empirical Review on Factors Affecting the Marketing effectiveness of Real estate	

2.2.1.1 Natural Factors.....	10
2.2.1.2 Macroeconomic Factors.....	11
2.2.1.3 Political Factors .....	13
2.2.1.4 Price Fairness.....	14
2.2.1.5 Quality & features of Real states .....	15
2.3 Conceptual Framework .....	17
Chapter Three: Research Methodology .....	18
3.1 Research approaches .....	18
3.2 Research Design.....	18
3.3 Data Type and Source .....	18
3.3.1. Primary Data.....	18
3.3.2. Secondary Data.....	18
3.4 Sampling Techniques .....	19
3.5 Method of data analysis .....	20
3.6 Model Specification .....	20
3.7 Reliability and Validity Test .....	20
3.7.1 Reliability test.....	20
3.7.2 Validity Test .....	21
Chapter Four: Result, Analysis and Discussion.....	22
4.1 Introduction .....	22
4.2 Non response bias and response rate of respondents .....	22
4.3 Individual Demographic data .....	23
4.4 Descriptive Statistics of Variables .....	25
4.4.1 Construction Quality.....	25
4.4.2 Price Fairness.....	26

4.4.3 Brand Image & Reliability .....	27
4.4.4 Macroeconomic Factors .....	28
4.4.5 Political Factors .....	29
4.4.6 Natural Factors .....	30
4.4.7 Marketing Effectiveness .....	30
4.5 Correlation Analysis.....	31
4.6 Regression Analysis .....	34
4.6.1 Post Estimation test / Diagnostic test .....	34
4.6.1.1 Linearity Test.....	34
4.6.1.2 Homoscedasticity Test.....	35
4.6.1.3 Serial Correlation Test.....	36
4.6.1.4 Normality Test .....	36
4.6.1.5 Testing for Multicollinearity.....	37
4.6.2 Results and Discussions of Multiple Regression Models.....	38
4.6.3 Discussions and Interpretations on Explanatory Variables .....	39
4.6.3.1 Quality of Construction.....	40
4.6.3.2 Price Fairness .....	40
4.6.3.3 Brand Image.....	40
4.6.3.4 Macroeconomic factors.....	41
4.6.3.5 Natural Factors.....	41
4.6.3.6 Political Factors .....	42
4.6.4 Hypothesis Testing.....	42
Chapter Five: Conclusion and Recommendation .....	44
5.1 Summary and Conclusion of the Finding.....	44
5.2 Recommendations .....	45

References..... 47  
Appendices..... 54

## List of Tables

<u>Table 4.1 Demographic Background of the respondents</u> .....	24
<u>Table 4.2: Construction quality</u> .....	25
<u>Table 4.3: Descriptive Statistics of Price fairness</u> .....	26
<u>Table 4.4: Descriptive Statistics of Brand image and reliability</u> .....	27
<u>Table 4.5: Descriptive Statistics of Macroeconomic Factors</u> .....	28
<u>Table 4.6: Descriptive Statistics of political Factors</u> .....	29
<u>Table 4.7: Descriptive Statistics of Natural Factors</u> .....	30
<u>Table 4.8: Descriptive Statistics of Market Effectiveness</u> .....	31
<u>Table 4.9: Correlation Analysis</u> .....	33
<u>Table 4.10: Serial Correlation Test</u> .....	36
<u>Table 4.11: Multicollinearity Test</u> .....	38
<u>Table 4.12: Model Summary</u> .....	38
<u>Table 4.13: Result for ANOVA</u> .....	39
<u>Table 4.14: Regression Result</u> .....	39
<u>Table 4.15 Hypothesis Testing</u> .....	43

## **Acronyms**

ETB: Ethiopian Birr

EIC: Ethiopian Investment Commission

RGDP: Real Gross Domestic Products

SPSS: statistical package for social science software

## **Abstract**

*The primary goal of this research is to look at the major aspects that impact the marketing effectiveness of real estate companies in Addis Ababa. The study used quantitative and qualitative research methods, as well as data from primary and secondary sources. It is produced by employing a stratified sampling approach to collect samples of real estate consumers from two pioneering and most experienced real estate businesses among the 380 operating in Addis Ababa. The study's representatives were taken from Addis Ababa, and 372 questionnaires were distributed, with 320 being returned. The researcher used descriptive and inferential statistics to examine it. Frequency, percentage, mean, standard deviation, and graphs are created. This study attempted to analyze the primary elements that impact the marketing effectiveness of the sector by building a conceptual model with six independent variables and one dependent variable. The result indicted that except quality of construction, the remaining determining variable were statistically significant and affect market effectiveness positively. Finally, the study recommended that, to stimulate housing demand, the government should continue to expand the real estate mortgage policy in Ethiopia, and it must increase chances for diasporas to invest in Ethiopia by providing incentives.*

**Keywords:** Market Effectiveness, real estate, Macroeconomic, Natural, and Housing price

## **Chapter one: Introduction**

### **1.1 Background of the Study**

While real estate agents remain important in the home-buying process, buyers are increasingly opting to do more research online before contacting professionals (Littlefield et al., 2000; Davis Jr, 2021). The real estate industry is one of the most rapidly growing goods marketplaces, attracting large amounts of capital. Large enterprises, specialized companies, small contractors, and individuals all invest in the current real estate market. Every market participant's goal is to make a profit on their investment. Market is a creative corporate activity that entails the planning and execution of the invention, pricing, promotion, and distribution of ideas, products, and services in an exchange that not only meets present customer wants but also anticipates and develops future demands at a profit (Dykusova et al., 2021).

Ethiopia is very rich in different indigenous knowledge systems in such areas as architecture, medicine, agriculture and cottage industry (Sumner, 2002; Olango et al., 2014; Endaylalu, 2019). Even though Ethiopia is rich in different indigenous knowledge system, the real estate management in Ethiopia has been traditionally deliberated to be a static and technical-oriented activity (Biru, 2008; Truneh, 2013; Mengistu & Van Dijk, 2018; Melese & Weldeyes; 2021).

Development with regarding to real estate is a process of transformation (development or improvement) of land from one use to another (Adisson, 2018; Scott, 2019; Islam et al., 2020). The developer is defined as an entrepreneur who provides the organization and capital required to make buildings available in the expectation of the requirements of the market in return for profit.

In none of the transitional economies is a real estate market said to exist on any scale or as a normal mechanism for allocating real estate (Truneh, 2013; Kowalczyk et al., 2019). Subsequently, the evolution from a centrally planned socialist economy to a free market economy after the fall of communism(socialism) took a variety of pathways in different countries around the world. For instance, in contemporary China in the mid-1980s, the government of Russia deliberately set a goal to sell its assets to the Russian public early 1990s, the government of India with its new policy started in 1991. Consequently the economic reform which was initiated by the greatest challenge shared by all transitional economies and those

formerly socialist oriented developing countries in this respect, is the formation of an institutional and organizational framework that supports a strong function of real estate markets.

Ethiopia is the second most populous and the fifth least urbanized country in Africa with 21 % of the population lives in cities which is below even for average in sub Saharan African countries (41%). While the rapid pace of urbanization in Ethiopia could generate many benefits, it is driving an urgent need for adequate, quality, resilient and affordable housing, and it also brings the challenge of urban sprawl, which must be met through the delivery of compact urban development (Keller & Mukudi-Omwami,2017). Since 2006, Ethiopia has undertaken an ambitious housing program to significantly increase the quantity of affordable urban housing units, although challenges remain (Larsen et al., 2019).

## **1.2 Statement of the Problem**

When a product is pricey, dangerous, purchased infrequently, and very self-expensive, consumers may become very interested. More difficult decisions usually need a larger number of buyers and more consideration (Deineha & Palamarchuk,, 2021). These buyers will go through a learning process, first acquiring product beliefs, then attitudes, and finally making an informed purchase decision. Today's real estate home customers are extremely disappointed and have lost faith in most Ethiopian real estate developers. They're in danger of losing their money. Customers who paid deposits to various real estate businesses sued the companies' founders and main shareholders for failing to deliver their homes on time despite having paid the entire price for the homes they pledged to build and hand over.

Ethiopia is urbanizing fast and remains the fastest growing urban populations in the world. The government's policy response to meet the increasing demand for housing has been mass state-build housing program known as the Integrated Housing Development Plan (IHDP). In any considerations of urbanization, a vital attention has to be given the supply of housing and associated basic services required to achieve sustainable urban development. It is therefore important to understand the investments in urban infrastructure that are geared to harness the opportunities of rapid urbanization.

The rapidly growing urban centers are struggling and falling short of meeting the increasing demand for housing (Rodríguez-Pose & Storper, 2020). In addition, the slow pace of

redeveloping and upgrading pre-existing slums exacerbates the shortage of formal housing. The combined housing demand, due to new construction and redevelopment, is projected to be about 471,000 housing units per year until 2035 (Alemu, 2021; Gebrekristos, 2021).

The shortage of housing in the primary market, mostly due to the limited supply of urban land, has created a strong demand for informal housing units. Due to limited access to land for development, the private sector has been pushed to secondary markets to seek accommodation in the informal markets. Households are willing to pay over five times the original price of IHDP units in secondary markets (Gebrekristos, 2021) and about 58% of the low-cost housing units in Addis Ababa are rented out (Franklin, 2018). However, due to the fact that many low-income urban residents cannot afford the IHDP units suggests that the supply of government housing is unlikely to realize the intended purposes of providing decent housing for the poor and serve poor households.

Based on the current rate of growth (3.02%), the population of Ethiopia is expected to double in the next 30 years and cross 210 million by 2060 implying a higher demand in housing needs (Ahmed, 2016; Fetene, 2020). On the other hand, the supply from the private sector was growing, and according to the Ethiopian investment Agency, the number of licensed companies in A.A is really big number.

Despite such a promising growth, the sector is facing challenges and discontents from macroeconomic factors, natural factors, market factors, legal factors and political factors. stakeholders i.e. customers, real estate developers and concerned government offices. Extremely long delivery times (sometimes as long as 6 years), poor quality, high price and lack of infrastructures are problems of the current real estate sector in Ethiopia (Goodfellow, 2017).

Real estate companies in developing countries are basically characterized by such poor practices. This is for the fact that, the real estate industry in third world countries is so lucrative investment due to corruption, governmental officials' involvement, political interference as well as artificial shortage of land plots for real estate investment (Odhiambo, 2012). However, the emergence of new entrants to market escalates the competition which bitterly forces them to utilize every promotional platform, be it traditional or digital marketing. Failure in doing so, literally aggravates the companies to bankrupt or divest to other businesses forcefully.

The real estate sector in Ethiopia with respect to market effectiveness seems showing red light and encounters various draw backs which are hindering its growth and resulting in the country to suffer from the inefficiency and ineffectiveness of the sector since a large amount of resources, energy and time is invested in it (Koroso et al., 2020). Therefore, it is important to investigate the factors affecting marketing effectiveness of the real estate industry which has a higher contribution to the construction sector and indirectly through construction to the RGDP growth rate (Fetene, 2020).

### **1.3 Objective of the Study**

#### **1.3.1 General Objective**

The general objective of this study is to factors affecting marketing effectiveness of the real estate industry in Addis Ababa.

#### **1.3.2 Specific Objectives**

In order to demonstrate the main objective of the study, there should be clear and precise specific objectives. Accordingly, the study has the following specific objectives:

- To evaluate the influence of natural <sup>1</sup>factors on market effectiveness.
- To determine the effect of political factors on market effectiveness of real estates
- To analyze the effect of price fairness of residential villas on marketing effectiveness.
- To evaluate the influence of quality of real estate homes on marketing effectiveness.
- To assess the effect of brand reliability on the market effectiveness.

### **1.4 Research Question**

The study answer the following question.

1. What is the effect of natural factors on market effectiveness?
2. What is the effect of political factors on market effectiveness of real estates?
3. How does price fairness of residential villas affect marketing effectiveness?
4. How does quality of real estate homes affect marketing effectiveness?
5. What is the effect of brand reliability on the marketing effectiveness?

### **1.5 Significance of the Study**

---

<sup>1</sup> Note the natural factors, a political factors indicates the aggregate variables which affects market effectiveness

This research paper entitled as factors affecting the real estate market effectiveness will expect to provide important information to stake holders in the market including the investors or the real estate developers, the government agencies & regulatory bodies, the real estate marketers or the real estate brokers, customers in the real estate market; in different perspectives. In addition, it creates awareness and provide a clear picture regarding the real estate market in Ethiopia. It provides direction & suggest improvements as per the findings about the key factors that contribute to marketing effectiveness real estate companies operating in Addis Ababa. And also it encourage & motivate to go for further studies on similar topics serving as a reference. It also have some importance in narrowing the unfilled gap in the existing literature.

### **1.6 Scope of the study**

For a complete judgment of the business all the real estate companies operating in the country have been considered and it needs a full investigation of demand and supply that requires too much time and resources above the researcher's capacity. However, in order to make this paper manageable, the researcher restrict in major real estate companies operating in the capital, Addis Ababa. This geographical scope limitation is not only chosen because of time, access and cost restriction, but also it is believed that considerable numbers of real estate companies (more than 50 percent of the country real estate company) are available in Addis Ababa and can be an indication for the up country ones too. Generally the scope of the study is limited to only Noah and Ayat real estate companies operating in Addis Ababa

### **1.7 Limitation of the Study**

**Data limitation:** With regard to data collection, the researcher was unable to secure important (quantitative data) data, because of excessive perception on confidential information; even the questions were much modified to secure their confidentiality. And the absence of good data base in almost all companies some required figures were estimates. When sample selected the researcher only select aged & successful companies. This may not consider the situation of newly emerging companies. In order to make this paper manageable, the researcher will restrict in a few number of major real estate companies operating in the capital, Addis Ababa.

**Methodological Limitation:** When sample selected the researcher only select aged & successful companies. This may not consider the situation of newly emerging companies.

**Geographical Limitation:** In order to make this paper manageable, the researcher restricts in a

few number of major real estate companies operating in the capital, Addis Ababa in Noah and Ayat Real Estate.

## **1.8 Organization of the Study**

This paper has to be organized in five chapters. The first chapter deals with Background of the study, Statement of the problem, Objectives of the study, Basic Research questions, Hypothesis of the study, Operational definitions, Significance of the study, and Scope of the study. The second chapter deals with Review of related literatures, Review of Conceptual & Empirical Literatures and Conceptual Framework. The third chapter discusses the methodology (design of the research; Population and sampling techniques, Sources and instruments of data collection, Procedures of Data Collection, Methods of Data analysis, Reliability and Validity and Ethical Considerations). In the fourth chapter, presentation, analysis, interpretation and summary of major findings discussed. The last chapter, chapter five will summarize the findings, conclusions and recommendations.

## **1.9 Definition of Terms**

- a. **Real estate:** Real estate includes entities such as residential homes, raw land and a variety of forms of income property, including warehouses, offices and apartment buildings.
- b. **Macroeconomic factor:** It is a pattern, characteristic, or condition that emanates from, or relates to, a larger aspect of an economy rather than to a particular population (Huy et al., 2021).
- c. **Political factors:** It involve the relationship between business and the government. Political and legal factors can intersect when governmental bodies introduce legislature and policies that affect how businesses operate which affects the real estate.
- d. **Quality:** It refers to how good something is compared to other similar things. In other words, its degree of excellence. When used to describe people, it refers to a distinctive characteristic or attribute that they possess. In this sense, we can also use the term for things.

## **Chapter Two: Review of Related Literature**

### **2.0 Introduction**

This chapter provides theoretical and empirical reviews, as well as concepts and theories related to real estate marketing, in order to present relevant literature in the subject and develop a proper conceptual framework. This study's theoretical framework is based on the notion of a real estate market. The empirical review section comprises prior study findings and papers in the field.

### **2.1 Theoretical Literature Review**

#### **2.1.1 Market effectiveness**

At the top of companies and among investors, marketing is experiencing a confidence crisis. We could say that marketing is going through a midlife crisis, as the words "uncountable," "untouchable," "expensive," and "slippery" are all used to describe marketing these days, and marketing budgets are being reduced more than any other. Marketing is under pressure and is characterized by the following factors: marketing spending is variable, fluctuating year to year, marketing education must address the subject of payback, and people are resistant to the implementation of controls (Han et al., 2021).

The set of present and potential buyers of a product is referred to as a market. These buyers have a specific need or desire that can be met through trade ties. Individuals and companies gain what they need and want through the creation and exchange of value with others through marketing, which is a social and management activity. In a more limited sense, marketing entails developing profitable, value-laden trade relationships with customers. As a result, marketing is described as the process through which businesses generate value for customers and establish strong relationships in order to extract value from them (Mahalingam, 2020).

The demand for certain real estate products and services stems from basic physiological necessities as well as a desire to recognize and realize oneself. Wishes are sometimes expressed as wants to meet specific requirements. People's desires are diverse when they have a few desires. Demand can be sparked by needs or desires, as long as the resources to buy, rent, or claim services are available. As a result, the real estate market must not only assess potential client wants and desires, but also determine how many people or organizations are willing or capable of fulfilling them (Mikheev et al., 2021).

In terms of market share growth, profit ratio, sales growth, or customer happiness, marketing effectiveness is linked to organizational performance. The profitability ratios of a company are used to assess how well it performs in the market. If a company can perform well in terms of market share or profit ratio, it can be assumed that the company is performing well in terms of marketing. Aside from numerical indicators, an improvement in customer satisfaction might be linked to improved marketing performance. Customers will stay longer if they are happy with the services or products they have received (Mikheev et al., 2019).

### **2.1.2 Meaning of Real Estate**

Modern definitions emphasize that real estate refers to the land and its fixtures as a whole, as opposed to real property, which relates to the land's ownership rights. Investors propose a current definition of real estate: Land, as well as everything permanently fastened to the land, such as buildings, is referred to as real estate. It refers to property that is immovable or fixed in situ.

Real estate, broadly defined, refers to land and everything permanently attached to it, as well as the type and scope of one's ownership stake therein (Martins et al, 2019; Baillif et al, 2021). Modern definitions emphasize that real estate refers to the land and its fixtures as a whole, as opposed to real property, which relates to the land's ownership rights. Investors propose a modern definition of real estate: real estate is a phrase that incorporates land as well as anything permanently fastened to the land, such as a structure, with a focus on property that is stationary or fixed in position (Robin, 2018; Leskinen et al, 2020).

Land and structures, as well as the natural resources of the land, such as uncultivated flora and wildlife, farmed crops and cattle, water, and minerals, make up real estate. Although the media frequently refers to the "real estate market" in terms of residential living, real estate may be divided into three groups based on its intended use: residential, commercial, and industrial (Muldoon-Smith & Greenhalgh, 2019). Residential residences, raw land, and other types of revenue property, such as warehouses, offices, apartment complexes, and condos, are all examples of real estate. Because of the similarities, all of the writers describe real estate as recognizable and physical land. They further stated that any permanent fixtures, improvements, and structures on the property should be deemed real estate (Leskinen, 2020).

Any legal entity, as recognized and defined by law, may buy, possess, and transmit (or transfer) real land. Individual businesses and nonprofit companies are examples of this type of entity. On

the other hand, the real estate market is the market that comprises all transactions that entail dealing in rights or interests in land and structures. A bargain refers to the temporary or permanent transfer of a right from one party to another in exchange for a monetary compensation. A market, by definition, is the system or set of arrangements through which commodities and services are exchanged between market players (Ojo, 2021).

In general, real estate helps to a country's economic development through increasing demand for commodities, labor inputs, and backward and forward linking effects in the economy. Despite the fact that urban land and housing in Ethiopia were largely the property of the federal elite during the imperial era and the implementation of a proclamation on urban land and extra houses during the Derg regime, the current government has implemented a market-oriented approach to housing development since the transaction in 1991. The government established leasehold as the preferred tenure form with the issuance of the urban land lease holding proclamation in 1993. Lease terms range from 99 years for owner-occupied properties to 50 years for commercial and other purposes (proclamation no. 80/1993). Other policies, in addition to the land leasing law, have aided in the liberalization of the real estate sector (Kesto, 2021).

### **2.1.3 Common Types of Real Estate**

There are primarily two categories of real estate businesses, each of which has several sub-segments. The fundamental kinds are listed below.

1. Residential Real estate: Individuals, families, and groups of people can live in residential real estate. This is the most prevalent sort of estate and the asset class with which the majority of people are acquainted. Single-family homes, apartments, condominiums, townhouses, and other forms of living arrangements are all classified as residential.
2. Commercial Real estate: Commercial real estate (CRE) is property that is used only for commercial purposes or to offer a workspace, as opposed to residential real estate, which is utilized for living reasons. Commercial real estate is frequently leased to tenants for the purpose of conducting income-generating operations.

### **2.1.4 Real Estate Market**

The idea of trading and connections eventually led to the idea of a market. The collection of present and potential purchasers of a product is referred to as a market. These purchasers have a specific need or desire that may be met through trade ties. Individuals and companies gain what

they need and want via the creation and exchange of value with others through marketing, which is a social and management activity. In a more limited sense, marketing entails developing lucrative, value-laden trade relationships with clients. As a result, marketing is described as the process through which businesses generate value for consumers and establish strong client connections in order to recoup value from them (Dell'Anna & Bottero,2021).

The real estate asset market reflects transactions involving cash-flow rights to real estate, whereas the real estate market indicates transactions involving the use of space. The phrase "cash-flow rights" refers to claims on future cash flows that buildings and land are projected to provide. The volume and timing of the cash flows a building is capable of creating is more important to market players than the facility's layout for a certain function. These market players compare real estate assets to other capital market assets like stocks and bonds when making purchasing and selling choices. As a result, the real estate asset market must be viewed as a subset of the greater capital market, which includes all capital assets (Levantesi & Piscopo, 2020).

The many human requirements and desires are the beginning points of the real estate market. Basic necessities such as food, water, air, clothing, and housing are profoundly rooted in human nature. Demand for certain real estate products and services stems from basic physiological demands as well as an endeavor to recognize and realize oneself. Wishes are sometimes expressed as wants to meet certain requirements. A young family father, for example, needs a home and rents a three-room apartment; another desires acceptance and recognition and therefore purchases a luxury penthouse (Ćetković et al, 2018).

## **2.2 Empirical Review**

### **2.2.1 Empirical Review on Factors Affecting the Marketing effectiveness of Real estate**

#### **2.2.1.1 Natural Factors**

These are the most essential elements that have a direct impact on the real estate's long-term worth and pricing. This category of elements includes: (1) Real estate location: There are two different sorts of real estate locations: relative and absolute. The higher the real estate value, the better the location. Property in the heart of a large city, highly inhabited, with contemporary living facilities, and so forth (Xie et al, 2018). It will almost certainly cost higher than similar residences in suburban locations (relative location). The price will be greater than the property

located at the end of the alley, in the tiny road, because it is located on the large roads, directly at the corner of the intersection, near the important traffic axes... (2) Land size, area, and shape: Land with a big area, square shape, and no warped or deformed features will command a higher price. (3) Terrain: Real estate in high-lying places is less prone to flooding during the rainy season, and the cost is higher than in low-lying areas. (4) Construction type. (5) Soil characteristics: The value of real estate increases in places with intermediate soil hardness, not too soft, and ideal for home building. (6) Natural calamities and environmental issues, as well as zone (Yang et al., 2018; Khaustov et al., 2019).

The research of variables impacting the real estate market by Al-Nahdi et al. (2015) is extremely relevant. The study looks into the elements that influence Saudi residents' real estate purchases. The study looks at how Attitude, Location, Living Space, Public Service, and Reference Groups (Friends Influence, and Other Reference Groups) affect the desire to buy real estate. The findings show that Attitude had a positive effect on the intention to purchase real estate, while the Location, Living Space, Public Service, and Reference groups had no effect on the relationship between independents and the customers' intention to purchase real estate among Saudis, based on 220 questionnaires collected.

Based on the empirical review from the previous results the hypotheses that we draw is:

***H1: Natural factors have a significant impact on market effectiveness.***

#### ***2.2.1.2 Macroeconomic Factors***

The macroeconomic climate will have an impact on the notion of funding and regulating project operations in order to help or impede project implementation. Favorable macroeconomic conditions not only facilitate the emergence and successful operation of projects, but also, to some extent, the emergence of investment ideas. As a result, macroeconomic research and assessment are critical in the development and management of investment projects (Onuoha et al, 2018).

Real estate profitability: Whether you acquire a property for sale, rent, or resale, the profit you make from it will influence its real worth at the time of sale. Real estate in Addis Ababa city, for example, will be more expensive than in the surrounding areas or in rural areas. Real estate

amenities: includes power, water, sanitation, air conditioning, communication, and so on; the more extensive and high-quality the facilities, the greater the real estate value (Huy et al, 2021).

The macroeconomic environment can be influenced by a variety of factors. However, investors should bear the following essential considerations in mind while assessing the macroeconomic environment: Participants in the area real estate market and their characteristics. The situation of the region's real estate market. The neighborhood's current situation (infrastructure such as roads, water supply and drainage systems, electricity supply, communication...). The region's annual GDP growth rate. In comparison to other regions, the average yearly income of persons in the area (high, medium, or poor group). Ability to fulfill the area credit system's credit requirements. The number of plots and undeveloped land parcels in the region. The average cost of various types of land in the region.

Gaspareniene et al (2016) used correlation and regression analysis to show that the interest rate and mortgage availability had the greatest impact on real estate prices in Lithuania, but inflation and GDP have no significant impact on housing prices. Tupenaite et al (2017) conducted study using the Analytic Hierarchy Process (AHP) methodology and found that the interest rate and the rate of authorized mortgages had the greatest impact on the real estate market in Lithuania. Unlike the previously cited authors, however, their study found that inflation had a considerable impact.

Allen et al (2016) show that real estate pricing may be understood as a function of macroeconomic factors (real GDP growth rate, current account balance, investment-savings imbalance, and public debt) using data from six industrialized nations. The study concludes that a macroeconomic system with a high rate of real GDP growth, a growing current account deficit, a low savings rate compared to investment consumption at full employment, and high public debt is more likely to develop a housing bubble.

Certain groups of authors, on the other hand, discuss and demonstrate the opposite trend: the impact of real estate prices on macroeconomic issues. Thus, Meidani et al (2011) demonstrate that real estate prices and macroeconomic variables have a considerable multi-directional relationship (notably GDP and inflation). Furthermore, Gustafsson et al (2016) quantify the impacts of real estate price drops in Sweden on the unemployment rate and household

consumption, demonstrating that a 20% drop in real estate prices causes a recession in both consumption and unemployment.

Based on the empirical review from the previous results the hypotheses that we draw is:

***H2: Macroeconomic Factors have a significant impact on market effectiveness.***

### ***2.2.1.3 Political Factors***

Changes in state and municipal government policies may have an influence on the functioning of the real estate market in general and real estate investment in particular. Detail: Policies that have indirect impacts, such as encouraging outside investment in a certain area, can enhance demand for real estate, which can lead to an increase in real estate prices. Policies that have a direct influence, such as those that allow abroad Vietnamese to own real estate in Vietnam. Non-residents are allowed to purchase homes in the city under the policy. Financial policies that apply to persons who have been assigned or leased land by the government... Government credit policies for real estate investment activities and real estate tax policies (Sharma, 2018).

Gotham (2002) looked at the important linkages between discriminatory school boundary choices and real estate blockbusting in shaping racial succession's timing, speed, and severity. His goal was to develop a new theory of neighborhood racial transition that considers the power of events to shape and transform ecological patterns, emphasizes the interconnectedness of structural factors and human agency, and emphasizes the role of powerful actors and organized interests in marketing racial exclusion and reinforcing racially segregated settlement spaces.

Cheng et al (2006) studied the institutional real estate investors' views and perceptions of real estate investment potential in Central/South America and Africa. A survey of 1,068 institutional investors (250 investment managers, 601 pension funds, and 217 REITs) was sent out as part of this study, including questions regarding the characteristics of investors in various markets and the variables that influence their decision-making process. The findings show that these investors are concerned about greater returns and political stability, and that real estate exposure in Central/South America and Africa is still extremely restricted, despite considerable interest. Despite the relatively high amounts of cash coming into real estate throughout the world, little attention has been paid to real estate in these places.

In Ethiopia, Solomon (2019) Although current government regulations still prohibit outright land ownership, most other prohibitions on the use of property for a range of real estate enterprises, such as those stated above, have been lifted. This was the situation in the mid-1990s, when a few forerunner businesses began to envision large-scale complexes and offered purchasers the chance to invest in them in exchange for low-cost, high-quality homes. Ayat became the era's first large, successful residential real estate developer, laying the groundwork for many others to follow in his footsteps and engage in the profitable market. In a short period of time, it became evident that Ayat and some of the other earlier entrants had tapped into a massive reservoir of unmet housing demand in Addis, leading in a trickle and then a flood of new entrants into the sector.

Based on the empirical review from the previous results the hypotheses that we draw is:

***H3: Political factors have a significant impact on market effectiveness.***

#### ***2.2.1.4 Price Fairness***

In normal conditions, when a seller and buyer freely negotiate the terms of the transfer of ownership, fair market value represents the property's worth. Unusual conditions, on the other hand, might have an impact on fair market value. For example, a bank-owned real estate property, often known as a REO, may be put for sale at a significantly lower price than a comparable home in the same area because the bank wants to recuperate its investment fast. Other property owners in the area may have to drop their asking prices if they wish to sell in these exceptional conditions.

There is a significant amount of research that proves price consciousness as an important variable in purchase decision making (e.g. Hermiyenti & Wardi, 2019; Rachmawati et al, 2019; Medina et al., 2020). Due to the high cost of real estate homes, the majority of real estate home purchasers in Ethiopia are from the Diaspora and the upper class, according to the literature. Real estate prices are beginning to reach or exceed those found in African nations with significantly greater income levels than Ethiopia. In just a few years, it had quadrupled and tripled.

A research on what drives home prices was undertaken by Kahn (2008). The research created a growth model that includes land, housing services, and other items and can explain a significant amount of the changes in house prices over the last four decades. Under some conditions, the model shows balanced aggregate growth with underlying sectoral change. The research offers a Markov regime-switching specification for productivity growth in the non-housing sector and

argues that such regime flips are a realistic choice for explaining big low-frequency shifts in housing price trends both qualitatively and statistically. The model, in particular, demonstrates how home values may look "bubbly," with housing wealth rising faster than income for a long time before collapsing and experiencing a lengthy drop. According to the report, the current housing collapse was precipitated by a productivity slowdown that began in 2004, an occurrence that investors and mortgage issuers should easily have considered as very implausible in the early part of the decade.

If the property price is reasonable and affordable to households, it will assist to attract a larger number of potential purchasers from the community, resulting in more successful marketing. As a result, marketers are required to provide houses for consumers at a reasonable cost in order to keep their business successful and ensure marketing efficacy. Besides the price of the homes; payment schedule and trustworthiness to pay the down payment are also reasons for customers to choose a real estate company.

Based on the empirical review from the previous results the hypotheses that we draw is:

***H4: Price fairness have a significant impact on market effectiveness.***

#### **2.2.1.5 Quality & features of Real states**

Consumer decision-making is heavily influenced by product quality. Consumers usually assess the quality of options within a category in terms of pricing (Pupentsova & Livintsova, 2018; Vilken, 2018). Perceived quality, according to Chege et al. (2019), is closely tied to the reputation of the company that makes the product. Perceived quality is also defined as the extent to which a product meets important consumer needs and the consistency with which these requirements are met. Conformance to specifications including a product's features and attributes that meet stated demands is referred to as product quality (Oluwatofunmi et al, 2021).

African Housing Dynamics: Lessons from the Kenyan Market was researched by Arvanitis (2013). Use of alternative construction solutions: the market has to be trained to accept other building solutions that are more cost-effective in reaching medium/lower income classes, according to his primary conclusions and suggestions. Local government support aided in the provision of off-site infrastructure and land servicing (such as trunk infrastructure development, water and sanitation, and so on) required to sustain real estate.

In the Real Estate industry, Preko et al (2014) did a research on service delivery, customer satisfaction, and customer joy. It stated that firms are now concentrating more on how to attract, keep, and please customers through high-quality service delivery, customer satisfaction, and joy. The goal of the study was to see if customer joy and satisfaction are influenced by the service given by a company. According to the findings, service delivery has a considerable impact on customer happiness and enjoyment. There is a favorable association between service delivery and contentment, as well as satisfaction and customer joy, according to the study's findings.

According to the literature, a poor quality of housing is one of the most common complaints among Ethiopian real estate consumers. Construction quality refers to the use of durable building materials, modern construction equipment, and cutting-edge technical capabilities, as well as the quality of sanitary, electrical, and finishing work. Construction quality, design, and features of real estate houses have become one of the most important competitive aspects among real estate firms in order to gain client interest, and it is the primary reason for customers to pick a real estate company. As a result, one of the most important criteria influencing marketing effectiveness is quality.

Based on the empirical review from the previous results the hypotheses that we draw is:

***H5: Quality of real estate have a significant impact on market effectiveness.***

#### **2.2.1.6 Brand Image & Reliability**

Researchers have also looked at brand equity as one of the market's influencing elements. According to Choi (2019), brand awareness, in addition to product quality, is the most critical element in purchasing behavior. All subsequent phases in the purchase process are believed to be preceded by brand awareness (Karumuri & Rajani, 2020).

In the Chinese setting, Liu et al (2019) investigated the relevance of the brand personification viewpoint in consuming tourism real estate items. The structure and linkages between personified and non-personified brand personality, self-congruity, and brand loyalty were experimentally evaluated with the tourism real estate industry. Self-congruity was found to be more influenced by personified brand personality characteristics than non-personified dimensions, and self-congruity mediates the link between brand personality dimensions and brand loyalty. The findings support the importance of brand personification and imply that for

consumers to define self-images and establish self-congruity and brand loyalty, personified dimensions are more essential than non-personified dimensions.

The reliability of home delivery is very important to the Ethiopian real estate industry's brand image. Most real estate businesses that have obtained property for real estate development are not working at full capacity, with some putting up barren ground with no building, not even a fence, others starting construction simply to secure the site, and still others unlawfully transferring land to third parties.

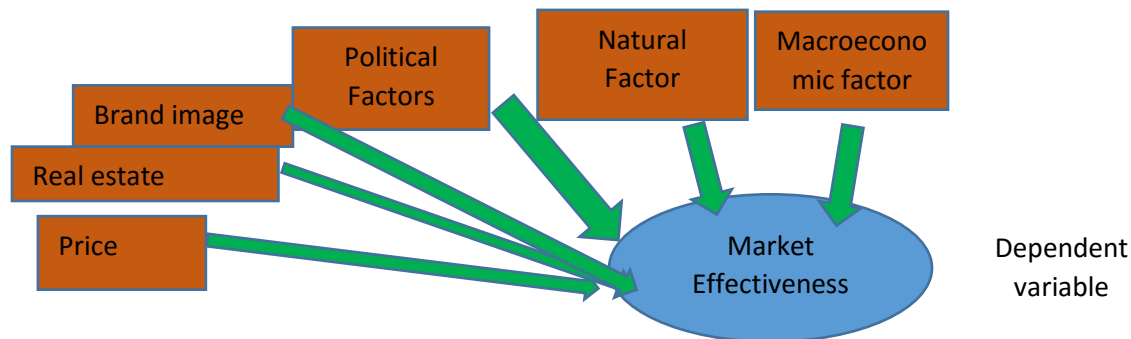
According to the literature, small portion of of projects that were approved became operational, while few percent were in the process of being implemented. This issue is exacerbated by protracted building periods, which has resulted in unusually long delivery delays (sometimes as long as 6 years). Due to such failures to deliver residences in accordance with the contract, today's real estate customers are extremely disappointed and have lost faith in most Ethiopian real estate developers. Most Ethiopian real estate businesses are now attempting to regain the confidence of potential purchasers by providing completed residences.

Based on the empirical review from the previous results the hypotheses that we draw is:

***H6: Brand Liability have a significant impact on market effectiveness.***

### 2.3 Conceptual Framework

The conceptual framework was created based on the associated literature review above. The framework depicts the study's variables, which include macroeconomic, natural, and political elements, as well as brand image and reliability, real estate housing quality assurance, and pricing as independent variable that influences marketing effectiveness (dependent variable).



Source: Compiled by the researcher based theoretical and empirical literature review (2022)

## **Chapter Three: Research Methodology**

The research design and technique utilized to attain the study's goal was discussed in this chapter. The study's research methodologies and methods, data collecting sources and tools, study population, sampling procedure and methodology, sample size determination, data gathering procedure and method of data analysis, and study reliability and validity will be all described.

### **3.1 Research approaches**

Both qualitative and quantitative research methodologies was used by the researcher. To get insight and knowledge of the condition in Ethiopia's real estate market, a qualitative research method is used. The variables of the study are quality of homes, price fairness, brand image, political factors, economic factors, and natural factors as independent variables, and marketing effectiveness as a dependent variable. A quantitative research approach will be also used to examine the variables of the study.

### **3.2 Research Design**

This research used both explanatory and descriptive research design to describe the situation in the real estate marketing in Addis Ababa. Due to different constraints depth analysis of large number of sample becomes unattainable. Thus, Deductive approach is used to undertake this research. In addition, explanatory research design attempts to clarify why and how there is a relationship between two aspects of a situation or phenomenon. Therefore, based on the research question of the study and objectives of the study, explanatory research design is used in order to carry out the research study.

### **3.3 Data Type and Source**

#### **3.3.1. Primary Data**

Researcher collected primary data through distributing questionnaire to target respondents. The primary sources of data where comprised of the information collected from students through close-ended questionnaires.

#### **3.3.2. Secondary Data**

To accomplish this study, the researcher used written manual, internet and other document as secondary data.

### 3.4 Sampling Techniques

The researcher used multi stage sampling system for choosing the real estate companies and customers. For choosing the real estate companies the researcher first divides the real estate companies by geography. In Ethiopia, there are approximately 5,000 licensed real estate businesses, including 3,390 in Addis Ababa. Only 381 of these are operational projects, but the majority of them are new and have yet to deliver to any homes. The researcher used purposive sampling and chooses the real estate companies that are found in Addis Ababa because the pioneers and most experienced are found in the capital city. However, the researcher specifically chooses Ayat and Noah Real estate companies.

The real estate consumers will be chosen using the convenience sample approach by the researcher. For those real estate sites that have already been delivered, customers will be sampled from their actual living community. The average total number of available and willing real estate consumers (based on random selection) were picked to fill out the questionnaire from each real estate, neighborhood, and site.

According to the researcher's data will be collected from offices the number of apartments delivered to buyers are as follows.

No	Real estate	Total number of customers that purchased apartment
1	Ayat Real estate	7120
2	Noah Real Estate	3890
	Total	11010

$$n = N / (1 + (Z^2 p(1-p)) / (\epsilon^2 N)) = 11010 / (1 + (1.96)^2 (0.5)^2 / (0.05)^2 (11010)) = 372$$

where

z is the z score

$\epsilon$  is the margin of error

N is the population size

$\hat{p}$  is the population proportion

### **3.5 Method of data analysis**

The information was gathered in both qualitative and quantitative methods, with qualitative data collected via interview from willing marketing/sales personnel of real estate companies. The qualitative data discussed, categorized in a logical sequence, and divided into subsections. Customers provided quantitative data in response to a survey question. Using the statistical package for social science software, data was sorted, processed, calculated, and analyzed (SPSS).

According to the aims and descriptors, appropriate statistical analyses such as frequencies and linear regression are applied. The data was utilized in accordance with the objectives and descriptions. A table and graph are used to show the analyzed data. There were two sections to the interview process. The first section was arranged around the demographics of the respondents, while the second section was organized around the study objectives. In addition, primary data was gathered through interviews and questionnaires, while secondary data was gathered from related literature. Frequency, percentage, mean, standard deviation, and graphic representation were created using descriptive data analysis approaches. The interdependence between the independent and dependent variables was further investigated using correlation analysis. Finally, regression analysis was used to do hypothesis testing.

### **3.6 Model Specification**

The necessary data for the study collected, analyzed and interpreted. The questionnaires are manually sorted out by editing, classifying and collected so that they are suitable for further analysis. The analyzed data is organized in tables, and percentage computations. Data is analyzed through correlation and multiple regressions. The quantitative study is analyzed using the multiple linear regressions specified as follows.

$$y_1 = \alpha_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + \beta_6x_6 + e$$

Where  $y_1$  is the dependent variable market effectiveness,  $x_1$  is macroeconomic factor,  $x_2$  natural factor,  $x_3$  is political factor,  $x_4$  is price,  $x_5$  is Brand image and reliability,  $x_6$  is real estate housing quality and assurance and  $e$  is random error term.

### **3.7 Reliability and Validity Test**

#### **3.7.1 Reliability test**

The reliability of a measure indicates the extent to which it is without bias (error free) and hence ensures consistent measurement across time and across the various items in the instrument. In

other words, the reliability of a measure is an indication of the stability and consistency with which the instrument measures the concept and helps to assess the goodness of a measure (Sekaran, 2003).

Consistency with in the items of the questionnaire and their reliability was measured using Cronbach Alpha. The alpha results for the items of the questionnaire and their alpha values have met an acceptable figure in relation to the aforementioned requirement range.

Variables	Number of items	Cronbach alpha (reliability coefficient)
Quality of construction	4	0.956
Price	4	0.948
Brand image and reliability	3	0.926
Macroeconomic factors	5	0.958
Political factors	4	0.968
Natural factors	5	0.960
Market effectiveness	8	0.979
Overall	33	0.994

Based on the table above the Cronbach alpha for all variable is greater than 0.7. So the data is reliable.

### 3.7.2 Validity Test

Hair et al (2010) identify validity as the extent to which a measure accurately represents what it is supposed to. Ensuring validity requires a thorough understanding of what is to be measured and making it as accurate and right as possible. The validity of results can be either internal or external. The internal validity aspect refers to the analysis of the findings and results obtained. The external validity refers to whether the results and findings can be generalized. Therefore, the results are confined to the organization under study, and that its findings are only to be generalized to the organization understudy.

## **Chapter Four: Result, Analysis and Discussion**

### **4.1 Introduction**

The purpose of this thesis is to investigate Factors Influencing Marketing Effectiveness of the Real Estate Industry in Addis Ababa. And in this chapter, the data gathered from respondents via surveys is displayed, evaluated, and translated in order to meet the study questions and goals stated in chapter one. The SPSS 26 software was used to conduct the research. This chapter covers nonresponse bias, survey pilot testing, respondents' profiles, information quality, figure evaluation, and observational findings. As a result, utilizing the Statistical Package for Social Science Students (SPSS) software version 26, this chapter deals with data analysis and presentation using descriptive and inferential statistics.

### **4.2 Non response bias and response rate of respondents**

The investigate blame, when evaluating the populace property based on a test of study information, in which, certain sorts of respondents are under-represented, due to non-response, is said to be non-response predisposition. When either of the two non-responses, to be specific Thing non-response or unit non-response happens it is said that predisposition happened. Thing non-responders might take off a thing on a survey clear, or reacting, saying they don't know, to a few questions whereas giving a substantial reaction to other questions. Though, Unit non-response may be a total non-participation on the portion in which the study proposed to incorporate. Diverse procedures are accessible for utilizing the somewhat completed reactions returned from item non-responders to control for contrasts. On the off chance that the whole units are lost from a test no test or rectification for predisposition is accessible without obtaining extra information Berg (2005). In spite of the fact that there was no nonresponse within the collected information, unit non-response was watched due to different reasons. Without receiving additional information Berg, no test or correction for propensity is possible if the entire unit is lost from a test (2005). Despite the fact that no nonresponse was found in the obtained data, unit non-response was monitored for a variety of reasons.

A total of 372 questionnaires were produced and given to consumers of the Addis Ababa Real Estate Industry for this study. From these, 320 were returned and utilized for quantitative analysis and discussion, indicating that the response rate was 86 percent, which is considered satisfactory.

### **4.3 Individual Demographic data**

From the table below, the demographic characteristics of the respondents indicated that 62.5 percent were male whereas the remaining 37.5 percent of the responders were female. Regarding the age group of the respondents, 28 percent of the customer were in the age group of 36-40, 25 percent in 42-45, 19 percent in 31-40, 16 percent of the respondents in the age group of above 45. 56 percent of the respondents responded that they were fully responsible in deciding on purchasing of the products that they use. However, 34 percent of the respondents were partially responsible in deciding the products, while the remaining 10 percent of the respondents were not responsible in deciding the product they use.

Regarding the educational status of the respondents, 38 percent of the respondents were a holder of first degree, 28 percent of the respondents were holder of diploma, 19 percent were completed high school, 12 percent were holder of master's degree and above. From the result in the table 4.1, more of respondents were a holder of bachelor degrees.

Regarding the nationality of customers, 97 percent of the respondents were Ethiopian where the remaining 3 percent of the respondents were non Ethiopians. Regarding their net monthly income of the respondents, 37 percent of the respondents had a monthly income of above ETB 90,000. 30 percent of the respondent were in the monthly income group of ETB 70,000-90,000. In the income group of ETB 50,000-70,000, there were about 16 percent of the respondents. 9 percent of the respondents had a monthly income between ETB 30,000-50,000, 5 percent ETB 10,000-30,000 and the remaining 3 percent of the responders where found in the monthly income group below 10,000. From the result we can understand that more than one third of the respondents had a monthly income of above 90,000 Ethiopian birr. From the result we can understand that increasing the monthly income of the respondents increases the capacity to buy house from real estate company.

Regarding the occupation of customers, 65 percent of the respondents were a business man, 25 percent employed, 20 percent student, 2 percent of the respondents were unemployed. Regarding the martial status of the respondents, 59 percent of the respondents were married and living together. 25 percent of the respondents were single (never married before), nine percent of the respondents were widowed. 6 percent of the respondents were divorced. From the result in the table below, more than half of the respondents were married and living together.

Table 4.1 Demographic Background of the respondents.

Variable	Category	Frequency	Percentage
<b>Gender</b>	Female	120	37.5%
	Male	200	62.5%
	Total	320	100%
<b>Age</b>	18-24	10	3%
	25-30	30	9%
	31-40	60	19%
	36-40	90	28%
	41-45	80	25%
	Above 45	50	16%
	Total	320	100.0%
<b>Which of these statements best describes you?</b>	I am fully responsible in deciding on / purchasing the products that I use	180	56%
	I am partially responsible in deciding on / purchasing the products that I use	110	34%
	I am not at all responsible in deciding on / purchasing the products that I use	30	10%
	Total	320	100.0%
<b>Educational status</b>	1-3 elementary school	10	3%
	High school	60	19%
	Diploma	90	28%
	BA	120	38%
	MA/MSC and above	40	12%
	Total	320	100%
<b>What is your nationality?</b>	Ethiopian	310	97%
	Other	10	3%
	Total	320	100.0%
<b>NET household monthly income range</b>	Below Birr. 10,000	10	3%
	10,000 to 30,000	15	5%
	30,000 to 50,000	30	9%
	50,000 to 70,000	50	16%
	70,000 to 90,000	95	30%
	Above 90,000	120	37%

	Total	320	100%
<b>occupation</b>	Student	30	20%
	Business man / Entrepreneur	210	65%
	Employed	80	25%
	Unemployed	5	2%
	Other	25	8%
		Total	320
<b>marital status</b>	Married / Living together	190	59%
	Single – Never married before	80	25%
	Divorced	20	6%
	Widowed	30	9%
	Total	320	100%

Source: Authors computation based on respondents using SPSS 26 (2022)

## 4.4 Descriptive Statistics of Variables

### 4.4.1 Construction Quality

From items listed below in the table, “Quality of construction material/ equipment make a difference on your choice decision”, has a mean of 3.52 and standard deviation of 0.871. from the result we can understand that quality of construction has improved the marketing effectiveness. The second item, Usage of up-to-date technological facilities is not improved in the real estate industry in Ethiopia. The third item, finishing work influences from whom to buy ha mean of 3.58 and standard deviation of 0.989. Lastly construction quality is the to choose real estate company according to the respondents. Since the mean for this item is 4.12 and also its standard deviation is smaller compared to other item.

Table 4.2: Construction quality

	N	Mean	Std. Deviation
Quality of construction material/ equipment make a difference on your choice decision	320	3.52	.871
Usage of up to date technological facilities matters a real estate company	320	3.01	.894
Finishing works influence you from whom to buy	320	3.58	.979
Construction quality is the reason for you	320	4.12	.861

to choose a real estate company			
Mean	320	3.55	0.848
Valid N (listwise)	320		

Source: Authors computation based on respondents using SPSS 26 (2022)

The overall mean for the quality of construction is 3.55 while its standard deviation is 0.848. The findings demonstrate that the majority of respondents believe that most of the factors listed under construction quality have an influence on their decision when selecting a real estate company.

#### 4.4.2 Price Fairness

"A consumer's evaluation and accompanying feelings of whether the difference (or lack thereof) between a seller's price and the price of a comparable other party is reasonable, acceptable, or justifiable" is how price fairness is described. From the table below, the first item has a mean of 3.43 and standard deviation of 0.879. from the result we can understand that payment schedule of the company moderately affects the marketing effectiveness of the company. The next item, Trustworthiness to pay down payment Influence your decision when you choose a company." has a mean of 4.58 and standard deviation of 0.647. As a result of this trustworthiness in the company has greatly affect the buying decision of the customers in the real-estate industry in Addis Ababa. The third question price of apartment influences your decision has a mean of 4.16 and standard deviation of 0.841. Lastly the last question has a mean of 4.24 and standard deviation of 0.722. from the result we can understand that price is the reason for the customers to choose the real estate company.

Table 4.3: Descriptive Statistics of Price fairness

	N	Mean	Std. Deviation
Payment schedule of the company matters your decision when choosing a real estate company	320	3.43	.879
Trustworthiness to pay down payment Influence your decision when you choose a company.	320	4.58	.647
Price of Apartment influences your decision when you choose a company.	320	4.16	.841
Price is the reason for you to choose a real estate company	320	4.24	.722

Mean	320	4.104	0.723
Valid N (listwise)	320		

Source: Authors computation based on respondents using SPSS 26 (2022)

From the result above price fairness has a mean of 4.104 and standard deviation of 0.723. from this we can understand that price fairness has a major determining factor in selection of real estate company to buy house.

#### 4.4.3 Brand Image & Reliability

Customers' current perceptions of a brand are referred to as brand image. It may be characterized as a unique set of associations that target consumers have in their heads. It expresses the current meaning of the brand. It's a set of beliefs about a certain brand. From the result below, the first item, “Reliability influences your decision when you choose a company” has a mean of 4.28 and standard deviation of 0.785. The second item, “Delivery time as per the contract matters when you choose a real estate company.” Has a mean of 3.03 and standard deviation of 1.122? The third item, “Brand image is the reason for you to choose a real estate company” has a mean of 4.12 and standard deviation of 0.872.

Table 4.4: Descriptive Statistics of Brand image and reliability

	N	Mean	Std. Deviation
Reliability influences your decision when you choose a company	320	4.28	.785
Delivery time as per the contract matters when you choose a real estate company.	320	3.03	1.122
Brand image is the reason for you to choose a real estate company	320	4.12	.872
Mean	320	3.807	0.873
Valid N (listwise)	320		

Source: Authors computation based on respondents using SPSS 26 (2022)

From the result above, brand image and reliability has a mean of 3.807 and standard deviation of 0.873. The average range for brand reliability is 3.20 to 3.75, which is above average (i.e. more than 3). This means that the majority of respondents feel that all of the characteristics that make up a real estate firm's brand dependability are among the most important criteria that affect a customer's decision when choosing a real estate company.

#### 4.4.4 Macroeconomic Factors

The first item, Annual GDP growth rate of the region affects market effectiveness has a mean of 4.33 and standard deviation of 0.698. From this we can clearly understand that annual GDP growth rate of Ethiopia greatly affects the marketing effectiveness of the real estate industry. Since the construction sector is the major contribution for the growth of Real GDP. Decreasing the growth rate of Annual GDP has a tremendous negative impact on the marketing effectiveness. The second item, the average annual income of the people in the area affects marketing effectiveness has a mean of 4.16 and standard deviation of 0.995. The third item has a mean of 3.24 and standard deviation of 0.904. The fourth item has a mean of 4.27 and standard deviation of 0.928. The last item has a mean of 4.43 and standard deviation of 0.924.

Table 4.5: Descriptive Statistics of Macroeconomic Factors

	N	Mean	Std. Deviation
Annual GDP growth rate of the region affects market effectiveness	320	4.33	.698
The average annual income of people in the area affects market effectiveness	320	4.16	.995
Average price of different types of land in the region affects market effectiveness	320	3.24	.904
Infrastructure such as roads, water supply and drainage systems, electricity supply, communication affects market effectiveness	320	4.27	.928
The more complete the amenities and the better the quality, the higher the real estate value	320	4.43	.924
Mean	320	4.086	0.828
Valid N (listwise)	320		

Source: Authors computation based on respondents using SPSS 26 (2022)

From the result above Macroeconomic factors has a mean of 4.086 and standard deviation of 0.828. The result indicated that macroeconomic factors has a greater impact on the marketing effectiveness of the real estate industry in Ethiopia. Improved and good macroeconomic areas will have resulted in improved market effectiveness in the real estate industry.

#### 4.4.5 Political Factors

Regarding the political factors, the first item has a mean of 3.06 and standard deviation of 1.369 as displayed in the table below. The result indicated that the Ethiopian policies did not allow diasporas to buy real estate in Ethiopia and this resulted in reducing (negatively affect) the marketing effectiveness of the real estate industry in Addis Ababa. The second variable, the policies allow nonresidents, to buy house in the city has a mean of 3.21 and standard deviation of 1.186. In addition to the first item, the Ethiopian policies nearly discourage the nonresidents to buy house in Ethiopia. The third item, “Financial policies applicable to those who are allocated or leased land by the State”, has a mean of 3.42 and standard deviation of 1.213. The result indicated that financial policies have moderately good policies in land lease policy. The last item has a mean of 3.66 and standard deviation of 1.048, from the result we can understand that the government gives incentives and rewards in the period approaching to election. From this period, the marketing effectiveness for the real estate industry greatly improved.

Table 4.6: Descriptive Statistics of political Factors

	N	Mean	Std. Deviation
Policies allowing overseas Ethiopians to buy real estate in Ethiopia	320	3.06	1.369
The policy allows non-residents to buy houses in the city	320	3.21	1.186
Financial policies applicable to those who are allocated or leased land by the State	320	3.42	1.213
The government give incentive and reward mostly in the period approaching to election	320	3.66	1.048
Mean	320	3.33	1.15
Valid N (listwise)	320		

Source: Authors computation based on respondents using SPSS 26 (2022)

From the result above the mean average of political factors is about 3.33 and standard deviation of 1.15. From the result we can understand that the political factors on average have impact on the marketing effectiveness. The political factors are improved slightly as the mean is not far from three and standard deviation is far from the mean.

#### 4.4.6 Natural Factors

Natural factors are the factors that affect the marketing effectiveness of real estate industry in Addis Ababa. From the item below, location of the real estate has affected the marketing effectiveness of the real estate industry with mean Of 4.27 and standard deviation of 0.831. Next, size, area, and shape of the land also greatly affect the marketing effectiveness of the real estate industry as the mean of the respondents is 4.17 with its standard deviation of 0.923. the third item, the location of real estate industry, the respondents mean is 3.18.

Table 4.7: Descriptive Statistics of Natural Factors

	N	Mean	Std. Deviation
Location of real estate affects market effectiveness	320	4.27	.831
size, area, shape of the land affects market effectiveness	320	4.17	.923
Real estate is located in high areas, less flooded in the rainy season, the market effectiveness is higher than those in low-lying areas	320	3.18	1.490
Form of construction and soil characteristics affects market effectiveness	320	3.54	1.303
Environmental factors and natural disasters affects market effectiveness	320	2.91	.936
Mean	320	3.61	1.04
Valid N (listwise)	320		

Source: Authors computation based on respondents using SPSS 26 (2022)

From the result above natural factors has the mean a mean Of 3.61 and standard deviation of 1.04. from the result above we can understand that natural factors have a great impact on market effectiveness. Maintaining and improving the natural factors increased the marketing effectiveness of the real estate industry.

#### 4.4.7 Marketing Effectiveness

According to Eisl et al. (2020), pleased consumers are more likely to buy a product again, recommend it to others, pay less attention to competitor brands and advertising, and purchase

other items from the firm. The disgruntled customer reacts in a unique way. Bad word of mouth spreads far more quickly and widely than positive word of mouth. It may swiftly sully customer perceptions of a corporation and its products.

Table 4.8: Descriptive Statistics of Market Effectiveness

	N	Mean	Std. Deviation
Quality of home influences your decision when you choose a company.	320	3.22	1.134
Price of homes influences your decision when you choose a company	320	3.29	.959
Brand reliability influences your decision when you choose a company.	320	3.10	.847
Natural factors like form of construction and soil characteristics influences market effectiveness	320	3.71	.983
Delivery of clear document and responsibility for the property sold affects market effectiveness	320	2.46	1.221
Company`s Overall marketing performance is the reason for you to choose a real estate company	320	3.1594	.92826
Sales person`s credibility influences your decision when you choose a company	320	3.6563	1.04774
I am satisfied by the cost of the house	320	4.2656	.83125
Mean	320	3.356	.9343
Valid N (listwise)	320		

Source: Authors computation based on respondents using SPSS 26 (2022)

Most of the items listed in the above table mean ranges are above average. This indicates that the respondents believe that all of the elements have a favorable impact on marketing effectiveness. As displayed in the above table the mean of marketing effectiveness is just 3.56 which is above 3.

#### 4.5 Correlation Analysis

The correlation between the research variables of tangibility, reliability, assurance, empathy, responsiveness, and customer satisfaction was determined using Pearson's Correlation Coefficient.

The link between several research factors is depicted in table 4.8, which was derived from a sample of 320 customers of Noah and Ayat real Estate companies. The correlation is a tool for

determining the magnitude of an impact. The correlation coefficient, represented by  $r$ , measures the direction and intensity of the linear relationship between two variables and spans from -1 to +1. It can be seen from the data generated in the table that there is a statistically significant correlation between all variables (quality of construction, price fairness, brand image, macroeconomic factors, political factors, natural factors and market effectiveness). For absolute values of Pearson value for  $r$ , 0-0.19 is regarded extremely weak, 0.2-0.39 is considered weak, 0.40-0.59 is considered moderate, 0.6-0.79 is considered high, and 0.8-1 is considered very strong correlation.

Table 4.9: Correlation Analysis

		Correlations						
		Quality	price	brand	Macroeconomic	Political	Natural	Market
Quality of construction	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	320						
price	Pearson Correlation	.954 <sup>**</sup>	1					
	Sig. (2-tailed)	.000						
	N	320	320					
brand image	Pearson Correlation	.973 <sup>**</sup>	.963 <sup>**</sup>	1				
	Sig. (2-tailed)	.000	.000					
	N	320	320	320				
Macroeconomic factors	Pearson Correlation	.951 <sup>**</sup>	.978 <sup>**</sup>	.958 <sup>**</sup>	1			
	Sig. (2-tailed)	.000	.000	.000				
	N	320	320	320	320			
Political factors	Pearson Correlation	.979 <sup>**</sup>	.948 <sup>**</sup>	.954 <sup>**</sup>	.942 <sup>**</sup>	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
	N	320	320	320	320	320		
Natural factors	Pearson Correlation	.967 <sup>**</sup>	.967 <sup>**</sup>	.948 <sup>**</sup>	.970 <sup>**</sup>	.976 <sup>**</sup>	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
	N	320	320	320	320	320	320	
Market effectiveness	Pearson Correlation	.980 <sup>**</sup>	.965 <sup>**</sup>	.967 <sup>**</sup>	.953 <sup>**</sup>	.990 <sup>**</sup>	.980 <sup>**</sup>	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	320	320	320	320	320	320	320

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

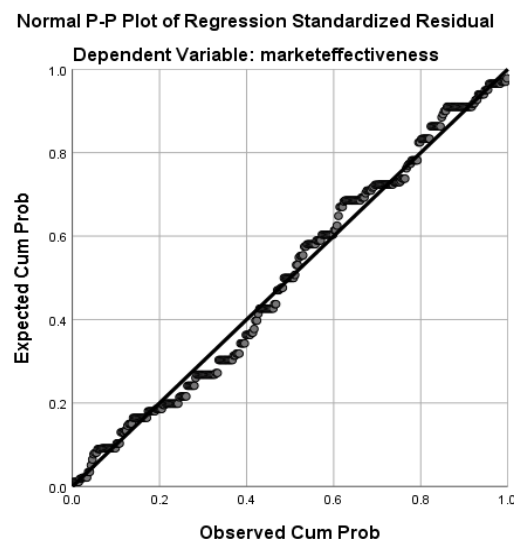
## 4.6 Regression Analysis

### 4.6.1 Post Estimation test / Diagnostic test

Diagnostic tests on the model were performed in this section of the study to ensure that the average value of the error is zero, the residual is normally distributed, the variance of the error is constant, the covariance between the error term over time is zero, and the variables in this study did not violate the classical linear regression assumption. The initial assumption, according to Brooks (2008), is that the average value of the errors is zero ( $E(u_t) = 0$ ). This assumption will never be broken if a constant component is included in the regression equation (Brooks, 2008). The first assumption will never be incorrect since there is no intercept parameter without a constant term. This suggests that the regression model's slope coefficient estimations are not likely to be skewed. The rest of CLRM's assumptions, on the other hand, were thoroughly evaluated and given as follows:

#### 4.6.1.1 Linearity Test

The P-P plot for the model may be used to assess the linearity of connections between the dependent and independent variables. The residuals are distributed closer to normal the closer the dots are to the diagonal line. Visual examinations of the p-p plot indicated a linear connection between the dependent and independent variables, as seen in the graph below.

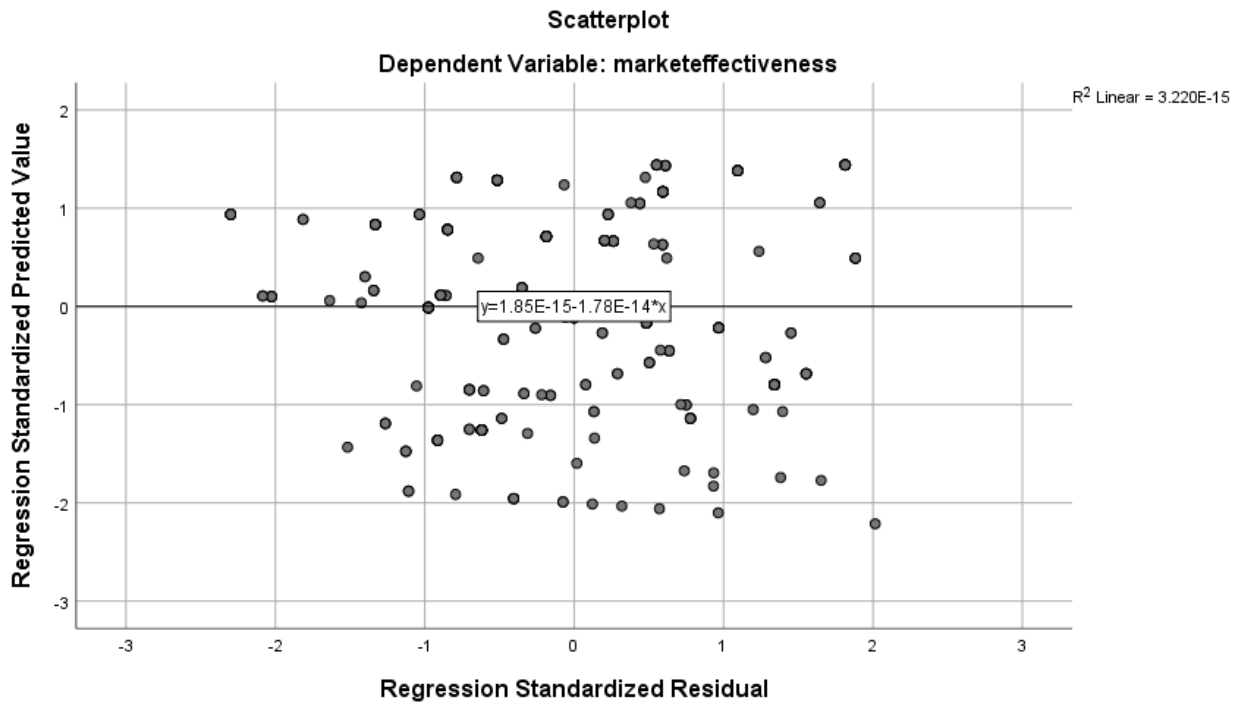


Source: Authors computation based on respondents using SPSS 26 (2022)

#### 4.6.1.2 Homoscedasticity Test

CLRM's second assumption is that the variance of the errors is constant, which is known as the homoskedasticity assumption (Brooks, 2008). Heteroskedasticity is defined as the absence of a consistent variance in the mistakes. In other words, heteroskedasticity occurs when the residuals of a regression exhibit consistently shifting variability throughout the sample (Brooks, 2008). When this assumption is broken, the OLS estimator becomes ineffective.

The homoscedasticity assumption states that mistakes have the same variance at all levels of the independent variables (Osborne & Waters, 2002). This necessitates an equitable distribution of residual terms or error term homogeneity throughout the data. Visual examination of a plot of the standardized residuals by the regression standardized predicted value can be used to verify for homoscedasticity (Osborne & Waters, 2002). The issue is not damaging to analysis if the erroneous words are scattered randomly with no discernible pattern. The scatterplot in Fig. 1 shows that the standardized residuals in this study are distributed evenly, indicating that homoscedasticity was not violated.



Source: Authors computation based on respondents using SPSS 26 (2022)

### 4.6.1.3 Serial Correlation Test

The error is considered to be uncorrelated throughout time, which is one of the assumptions of the conventional linear regression model. The OLS estimators are inefficient when this assumption is violated, hence they are no longer BLUE. The independence of the data is one of the assumptions of regression. If you make observations over a period of time, it's likely that they'll be connected. The Durbin-Watson statistic should be between 1.5 and 2.5 if there is no autocorrelation (where consecutive data are connected). Values of less than one and more than three are troublesome and reason for worry. Look at the Model Summary box below to see if this assumption is correct.

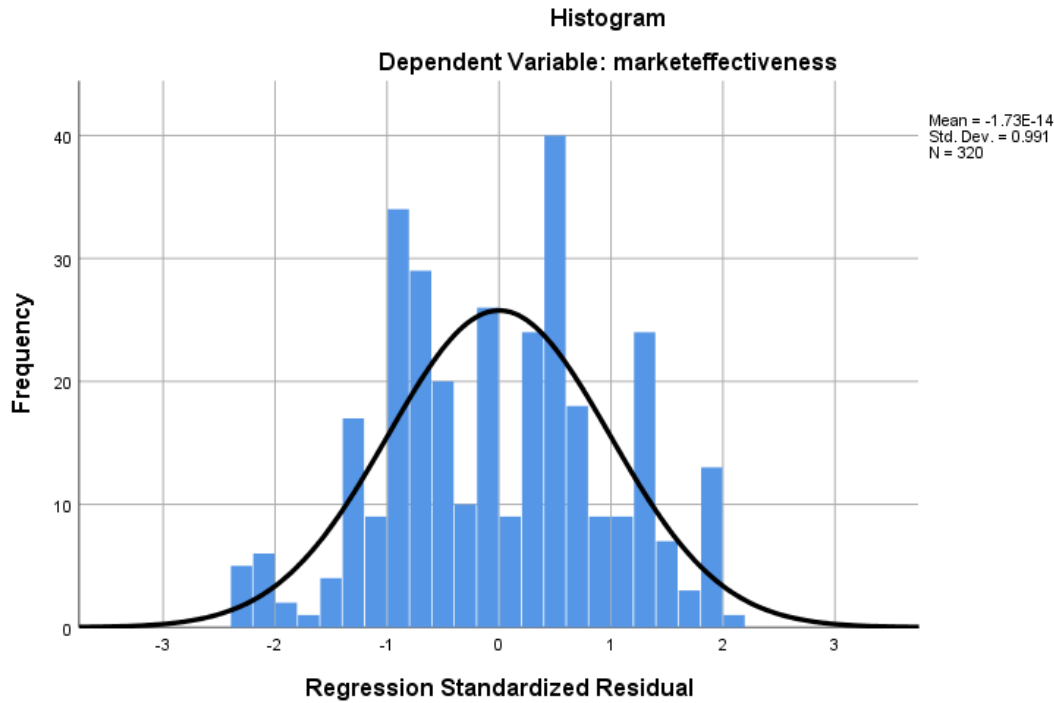
Table 4.10: Serial Correlation Test

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.994 <sup>a</sup>	.989	.989	.09897	1.680
a. Predictors: (Constant), natural factors, brand image, macroeconomic factors, political factors , price, Quality of construction					
b. Dependent Variable: market effectiveness					

As seen in the table above, mistakes respond independently, and the Durbin-Watson score of 1.680 means autocorrelation isn't an issue. As a result, the auto-correlation test can be considered passed.

### 4.6.1.4 Normality Test

The normality assumption is a fourth key diagnostic test used in this article (i.e. normally distributed errors). According to Brooks (2008), in order to conduct single or joint hypothesis tests on model parameters, the normalcy assumption "(ut N (0,2))" is necessary. As a result, having a generic definition for typical types of distributions is critical. Our data would be dispersed symmetrically around the center of all scores in an ideal world. As a result, if we draw a vertical line across the distribution's center on both sides, it should seem the same. This is referred to as a normal distribution, and it has a bell-shaped curve. The bulk of scores are clustered around the center of the distribution, as indicated by this shape (Field, 2006). The graph of the normal distribution is presented below, and it shows that the assumption of normality was met.



Source: Authors computation based on respondents using SPSS 26 (2022)

#### 4.6.1.5 Testing for Multicollinearity

A scenario in which independent variables are significantly linked is referred to as multicollinearity. Tolerance indicates how much of the model's variability may be tolerated. The inverse of tolerance value is VIF (variance inflation factor) (1 divided by tolerance value). A tolerance value of (>0.10) and a VIF value of (10) are both acceptable VIF values, while a VIF value of more than 10 indicates the existence of multicollinearity. Both the tolerance value (>0.10) and the VIF value (10) are thus acceptable, as shown in the table below.

The model suffers from perfect collinearity if one explanatory variable has an exact linear relationship with the other explanatory variable. As a result, it cannot be estimated or satisfy the OLS characteristics. The Variance Inflation Factor was utilized by the researcher to assess the presence of multicollinearity issues in the model (VIF). According to the rule of thumb, there is an issue of multicollinearity if the variance inflation factor (VIF) equals or surpasses 10. The researcher calculated the VIF and found that all of the explanatory variables had a value of less than ten, as indicated in the table below. As a result, one may be certain that the variables that can be included in the model estimate have no major multicollinearity issues.

Table 4.11: **Multicollinearity Test**

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	natural factors	.678	1.475
	brand image	.372	2.688
	macroeconomic factors	.235	4.255
	political factors	.335	2.985
	price	.389	2.570
	Quality of construction	.567	1.763
	Mean VIF	.429	2.33

#### 4.6.2 Results and Discussions of Multiple Regression Models

Tables 4.12 (model summary), 4.13 (ANOVA), and 4.14 regression findings (coefficient) show the results of the regression analyses, which are used to demonstrate the study's six hypotheses. The regression model shows (R<sup>2</sup>=0.989) that 98.9 percent of the six explanatory variables explained the variance in customer satisfaction (table 4.12). The R<sup>2</sup> value of 0.989 implies that the explanatory variable and customer satisfaction are related by 89.9 percent. This means that the explanatory variable explains 89.9 percent of the variation in customer satisfaction. The regression model is significant as shown from the ANOVA table values (F=4685.7: p<0.05). From the coefficients table, the regression model established for the direct relationship was:

Market effectiveness

$$= 0.066 + 0.023 * \text{natural factors} + 0.255 * \text{brand image} + 0.214 * \text{macroeconomic factors} + 0.222 * \text{political factors} + 0.416 * \text{price} + 0.240 * \text{quality of construction} + \varepsilon$$

Table 4.12: Model Summary

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.994 <sup>a</sup>	.989	.989	.09897	1.680
a. Predictors: (Constant), natural factors, brand image, macroeconomic factors, political factors , price, Quality of construction					
b. Dependent Variable: market effectiveness					

Table 4.13: Result for ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	275.404	6	45.901	4685.786	.000 <sup>b</sup>
	Residual	3.066	313	.010		
	Total	278.470	319			
a. Dependent Variable: market effectiveness						
b. Predictors: (Constant), natural, brand image, macroeconomic factors, political factors , price, Quality of construction						

Table 4.14: Regression Result

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.066	.062		1.066	.287
	Quality of construction	.023	.042	.021	.555	.579
	Price	.255	.042	.198	6.012	.000
	Brand image	.214	.034	.200	6.280	.000
	Macroeconomic factors	.222	.039	.197	5.688	.000
	Political factors	.416	.030	.514	13.872	.000
	Natural factors	.240	.036	.268	6.665	.000
a. Dependent Variable: market effectiveness						

#### 4.6.3 Discussions and Interpretations on Explanatory Variables

The coefficients of the independent variables in the regression equation, including all of the predictor variables listed above, are found in the unstandardized coefficients column. Furthermore, the table above reveals that the explanatory factors used in this study can considerably explain the variance in the dependent variable at a 95% confidence level. The standardized beta coefficient column illustrates how much a single variable contributes to the

whole model. When the independent variable grows by one standard deviation, the beta weight is the average amount the dependent variable increases (all other independent variables are held constant). We can compare these outcomes since they are all standardized. With a score of 0.416, political factors have the highest influence value among the variables. With a score of 0.255, price is the second most significant factor. With a value of 0.240, natural factor is the third most influential variable on market effectiveness. Macroeconomic factors with 0.222, brand image with 0.214 and quality of construction with 0.023 affects market effectiveness.

#### **4.6.3.1 Quality of Construction**

Construction quality, design, and features of real estate houses have become one of the most important competitive criteria among real estate firms in order to gain client interest, and it is the primary reason for customers to pick a real estate company. As a result, one of the most important criteria influencing marketing effectiveness is quality. From the result above quality of construction has positive and insignificant effect on market effectiveness. Improving the quality of construction improved market effectiveness. The result is aligned with Neyestani (2016) who found that quality of construction has significant and positive effect on market effectiveness on real estate industry.

#### **4.6.3.2 Price Fairness**

Price consciousness is a significant variable in purchasing decision making, according to a large body of research (Rihn et al., 2018; Anitha, 2016). Housing prices may react swiftly to a variety of important data, ensuring that the real price of a home is commensurate with its basic core worth. As a result, research on the efficiency of housing prices must first determine how housing prices are formed. After the product has been manufactured, pricing is an important consideration. The product's future, customer acceptability, and return and profitability are all determined by its price. Since price fairness has a significant and positive effect on market effectiveness ( $p < 0.05$  and  $B =$ ). From the result improving the price fairness resulted in improving the marketing effectiveness in the real estate industry.

#### **4.6.3.3 Brand Image**

The reliability of home delivery is very important to the Ethiopian real estate industry's brand image. Most real estate firms that secured land for real estate development are not operating at full capacity, with some leaving the land bear with no construction, not even a fence, while others began construction solely for the purpose of securing the land, and still others illegally

transferring the land to a third party. Researchers have also looked at brand equity as one of the market's influencing elements. According to Mahalingam & Kumar (2012), brand awareness, in addition to product quality, is the most critical determinant in purchasing behavior. All subsequent phases in the purchase process are believed to be preceded by brand awareness (Rossiter & Prey, 1987). From our result above brand image has a significant and positive effect on market effectiveness. As a result of this is one of the determining factors among home buyers in selecting a real estate company as it has direct and significant effect on marketing effectiveness.

#### **4.6.3.4 Macroeconomic factors**

The macroeconomic condition will have an impact on the notion of funding and regulating project operations in order to help or impede project implementation. Favorable macroeconomic conditions not only facilitate the emergence and successful operation of projects, but also, to some extent, the emergence of investment ideas. As a result, macroeconomic research and assessment are critical in the development and management of investment projects and marketing effectiveness. The status of the economy, interest rates, real income, and demographic changes all have an impact on the housing market. Market effectiveness for real estate companies will be influenced by available supply in addition to these demand-side criteria. A system of connecting vessels connects the real estate market to the social and economic surroundings. Changes in macroeconomic and demographic data cause the market to react, and it receives stimulatory feedback. The basic factors representing the market environment can be influenced by dynamic changes in important market elements. From our result improving the macroeconomic factors (maintaining the macroeconomic factors) affects the marketing effectiveness significantly and positively with p value of 0.000 and B (0.222).

#### **4.6.3.5 Natural Factors**

Natural factor is another determining factors of marketing effectiveness in real estate company in Addis Ababa. From the result above natural factors is statistically significant at one percent level of significant. These are the most essential aspects that have a direct impact on the real estate's long-term worth and pricing. This category of elements includes: (1) Real estate location: There are two different sorts of real estate locations: relative and absolute. The higher the real estate value, the better the location. Property in the heart of a large city, highly inhabited, with contemporary living facilities, and so forth. Scenic value is a key predictor of real estate value,

and it is a key component in the pricing of recreational and residential properties. The importance of this aspect is sometimes overlooked in favor of location. Nonetheless, the esthetic value of the surrounding environment has a significant impact on location and, more specifically, its quality. The prices mentioned on local property markets are heavily influenced by scenic factors. The presence of greenery, woods, and water, as well as the layout of those spatial characteristics, has a direct impact on buyer sentiments and property value.

Based on a solid understanding of landscape categorization, the impact of scenic value on property value should be examined. Natural, sub-natural, semi-natural, and agricultural landscapes predominate in places with low levels of urbanization. Natural and agricultural landforms are increasingly influenced by anthropogenic influences. Due to increasing human control, the spontaneity of wildlife and flora is dwindling. Natural landscapes are becoming extinct, while sub-natural landforms are becoming increasingly rare (parks, reserves). Human activity has complete control over the metropolitan landscape. Green space in cities and neighborhoods is the result of human design, thus it is far from approximating a really natural setting.

#### **4.6.3.6 Political Factors**

Changes in state and municipal government policies may have an influence on the functioning of the real estate market in general and real estate investment in particular. Policies with indirect impacts, such as encouraging outside investment in the area, might raise demand for real estate, resulting in improved real estate market effectiveness. Direct impact policies, such as those in Addis Ababa following a change in government and mayors, have a significant impact on the real estate industry's market effectiveness. Non-residents are allowed to purchase homes in the city under the policy. The city administration's financial regulations apply to those who are given or leased land.

#### **4.6.4 Hypothesis Testing**

After a thorough theoretical and empirical literature reviews, the researcher had specified four (6) hypotheses in chapter two namely: H<sub>1</sub>: quality of construction has a positive and statistical significant effect on market effectiveness, H<sub>2</sub>: price fairness has a positive and statistical significant effect on market effectiveness, H<sub>3</sub>: Brand image has a positive and statistical significant effect on market effectiveness, H<sub>4</sub>: Macroeconomic factors has a positive and

statistical significant effect on market effectiveness, H<sub>5</sub>: Natural factors has a positive and statistical significant effect on market effectiveness and political factors has a positive and statistical significant effect on market effectiveness. As revealed in table 4.15 below, the hypothesis results revealed that all the six explanatory variables except quality of construction were statistically significant effect on market effectiveness at 5 percent level of significance.

Table 4.15 Hypothesis Testing

<b>Hypothesis</b>	<b>Result</b>	<b>Justification</b>
<b>H<sub>1</sub></b> : quality of construction has a positive and statistical significant effect on market effectiveness	<b>Rejected</b>	<b><math>\beta = 0.023, p &gt; 0.05</math></b>
<b>H<sub>2</sub></b> : price fairness has a positive and statistical significant effect on market effectiveness	<b>Fails to reject</b>	<b><math>\beta = 0.255, p &lt; 0.05</math></b>
<b>H<sub>3</sub></b> : Brand image has a positive and statistical significant effect on market effectiveness	<b>Fails to reject</b>	<b><math>\beta = 0.214, p &lt; 0.05</math></b>
<b>H<sub>4</sub></b> : Macroeconomic factors has a positive and statistical significant effect on market effectiveness	<b>Fails to reject</b>	<b><math>\beta = 0.222, p &gt; 0.05</math></b>
<b>H<sub>5</sub></b> : Natural factors has a positive and statistical significant effect on market effectiveness	<b>Fails to reject</b>	<b><math>\beta = 0.240, p &lt; 0.05</math></b>
<b>H<sub>6</sub></b> : political factors has a positive and statistical significant effect on market effectiveness	<b>Fails to reject</b>	<b><math>\beta = 0.416, p &lt; 0.05</math></b>

## **Chapter Five: Conclusion and Recommendation**

### **5.1 Summary and Conclusion of the Finding**

The overarching goal of this research was to look at the Factors Influencing Marketing Effectiveness of the Real Estate Industry in Addis Ababa. In this study, proper research methods were developed, and primary data was acquired by a questionnaire from chosen customers. Descriptive statistics, correlation, multiple regressions, multicollinearity test, heteroscedasticity test, independent sample test, and one-way ANOVA were used to analyze the data. The following is a summary of the data calculations.

Descriptive statistics indicated mean values of 3.55, 4.10, 3.80, 4.08, 3.33, 3.61 and 3.35 for construction quality, price fairness, brand image, macroeconomic factors, political factors natural factors and Market effectiveness respectively. All of the mean values are in the same ballpark.

For assessing the relationship between independent (predictors) and dependent variables, the correlation coefficient is calculated. The independent and dependent variables have a strong positive and statistically significant correlation. This indicates that these dimensions have a nearly identical positive and strong relationship with market effectiveness. Furthermore, the correlation coefficient among explanatory variables was substantially and positively connected among each variable, with statistical significance at the 1% level.

The standardized beta coefficient column illustrates how much a single variable contributes to the whole model. When the independent variable grows by one standard deviation, the beta weight is the average amount the dependent variable increases (all other independent variables are held constant). We can compare these outcomes since they are all standardized. With a score of 0.416, political factors have the highest influence value among the variables. With a score of 0.255, price is the second most significant factor. With a value of 0.240, natural factor is the third most influential variable on market effectiveness. Macroeconomic factors with 0.222, brand image with 0.214 and quality of construction with 0.023 affects market effectiveness.

From the result we can concluded that the product's future, customer acceptability, and return and profitability are all determined by its price. Since price fairness has a significant and positive effect on market effectiveness ( $p < 0.05$  and  $B =$ ). From the result the researcher concluded that improving the price fairness resulted in improving the marketing effectiveness in the real estate industry.

From our result brand image has a significant and positive effect on market effectiveness. As the researcher concluded that brand image is one of the determining factors among home buyers in selecting a real estate company as it has direct and significant effect on marketing effectiveness.

Changes in macroeconomic and demographic data cause the market to react, and it receives stimulatory feedback. The basic factors representing the market environment can be influenced by dynamic changes in important market elements. From the result the researcher concluded that improving the macroeconomic factors (maintaining the macroeconomic factors) affects the marketing effectiveness significantly and positively with p value of 0.000 and B (0.222).

Policies with indirect impacts, such as encouraging outside investment in the area, might raise demand for real estate, resulting in improved real estate market effectiveness. The researcher concluded that Direct impact policies, such as those in Addis Ababa following a change in government and mayors, have a significant impact on the real estate industry's market effectiveness

## **5.2 Recommendations**

With a significance level of 0.05, macroeconomics has the greatest impact on the market effectiveness of real estate in Addis Ababa. The following are the researchers' recommendations: For the real estate sector in general, medium and long-term loan sources can be utilized to create social housing, rental housing, and rehabilitate historic flats in particular. The solution is to keep the policy of international credit institutions accepting real estate mortgages in Ethiopia open. This is the only option to get medium and long-term loans, it may be stated.

With a significance level of 0.05, political factors have an impact on the market effectiveness of real estate in Addis Ababa. The researcher recommended that all parties participating in the real estate market must work together to develop open housing and real estate business policies that can be put into operation. As a result, the market's capital and prospective capital has increased significantly.

Most critically, considerable work needs to be done on the demand side to allow families to purchase homes. The majority of the time, mechanisms to improve or raise a buyer's financing capacity are required. Under present trends, the positive demographic aspect in Addis that

increases the need (underlying demand) for housing is not backed by the capacity to pay to acquire.

The provision of low-cost homes by these developers, rather than the existing disproportionate focus on the market's relatively costly housing supply, may drive demand for many. As a result, it is recommended that these corporations consider providing less complicated homes that are more affordable to the general public. The government should take a significant role in regulating the real estate industry, ensuring that clients are guaranteed the money they paid in advance, facilitating bank credit facilities for the sector, and carefully guiding and encouraging the industry.

The city's delayed and insufficient land supply should be enhanced to allow licensed potential providers to enter the market more easily, hence increasing market competitiveness and efficiency. As additional serviced pieces of land become available to satisfy demand, the current high price of land may fall, allowing for higher supply of structures and, in the long term, a reduction in the current high price (sale/rent) of buildings.

## References

- Adisson, F. (2018). From state restructuring to urban restructuring: The intermediation of public landownership in urban development projects in France. *European Urban and Regional Studies*, 25(4), 373-390.
- Ahmed, S., Cruz, M., Quillin, B., & Schellekens, P. (2016). Demographic change and development: a global typology.
- Alemu, K. D. (2021). Assessment of housing demand and feasibility of establishing real estate business in Ethiopia. *Journal of Land Management and Appraisal*, 8(2), 28-38.
- Allen, L., Barnes, C., & Lynch, H. (2016). The role of macroeconomic fundamentals in the determination of house prices. *Journal of Applied Business and Economics*, 18(5), 42-48.
- Al-Nahdi T.S., Ghazzawi O.H. and Bakar A.H.A. (2015), Could Behavioral Factors Affect Purchaser's Behavior of Real Estate in Jeddah, *International Journal of Business and Management*, 10 (10), p.87.
- Anitha, N. (2016). Influence of lifestyle on consumer decision making with special reference to organized retail formats in Chennai. *Indian Journal of Commerce and Management Studies*, 7(1), 85-91
- Arvanitis, Y. (2013). African housing dynamics: Lessons from the Kenyan market. *Africa Economic Brief*, 4(3), 1-12.
- Azadi, H., Movahhed Moghaddam, S., Mahmoudi, H., Burkart, S., Dadi Debela, D., Teklemariam, D., ... & Lebailly, P. (2021). Impacts of the Land Tenure System on Sustainable Land Use in Ethiopia. *Transitioning to Sustainable Life on Land*, 225-261.
- Baillif, M., de Lapparent, M., & Kazagli, E. (2021). A hybrid approach to real estate price definition: A case study in Western Switzerland. *Revue économique*, 72(6), 1055-1077.
- Berihe, D. (2019). A Critical assessment of urban land policy implementation and its benefit: The case of Bole Sub city. *Addis Ababa, Ethiopia*.
- Biru, T. (2008). *Reflective Steps: A Collaborative Learning Oriented Approach to Software Development and Process Improvement* (Doctoral dissertation, Staats-und Universitätsbibliothek Hamburg Carl von Ossietzky).
- Ćetković, J., Lakić, S., Lazarevska, M., Žarković, M., Vujošević, S., Cvijović, J., & Gogić, M. (2018). Assessment of the real estate market value in the European market by artificial neural networks application. *Complexity*, 2018.
- Cheng, L., McGreal, S., & Webb, J. (2006). Perception of real estate investment opportunities in Central/South America and Africa. *Journal of Real Estate Portfolio Management*, 12(3), 261-276.

- Chege, S. W., & Bett, S. (2019). Total Quality Management Practices and Performance of Organizations in the Real Estate Industry, Case of Property Developers in Nairobi City County, Kenya. *International Journal of Current Aspects*, 3(IV), 14-31.
- Choi, S. H. (2019). The Effect of Logistics Services, Corporate Image, Product Reliability & Customer Services on Customer Satisfaction and Repurchase Intention in e-Commerce. *Journal of Digital Convergence*, 17(6), 159-167.
- Davis Jr, J. (2021). *The Role of Emerging Technology in Creating Sustainable Solutions for Real Estate Agents in Southeast Louisiana* (Doctoral dissertation, University of the Southwest).
- Deineha, O., & Palamarchuk, O. (2021). Trends of Marketing Innovations in the Market of Construction Products. *Scientific Journal of Bielsko-Biala School of Finance and Law*, 25(3), 5-11
- Dell'Anna, F., & Bottero, M. (2021). Green premium in buildings: Evidence from the real estate market of Singapore. *Journal of Cleaner Production*, 286, 125327.
- Dykusova, A. G., Yarkova, T. A., & Kolesnikova, T. V. (2021, March). Crowdfunding as an Alternative Way to Invest in Real Estate. In *IOP Conference Series: Earth and Environmental Science* (Vol. 666, No. 6, p. 062111). IOP Publishing.
- Eisl, A. (2020). External Differentiation in Access to the Single Market: Effectiveness, Accountability and Political Unity. *Policy*, (9)
- Endaylalu, G. A. (2019). Indigenous community-based Natural Resources Management Mechanisms: the Qero System of Menz Guassa. *conflict trends*, 2019(4), 37-45.
- Fetene, G. (2020). *MEASURING REAL ESTATE AFFORDABILITY IN BAHIR DAR CITY* (Doctoral dissertation).
- Franklin, S. (2018). "Slums to Failed Estates? Evidence from a Lotter for Low-cost Housing in Ethiopia". Job Market Paper.
- Gasparėnienė, L., Remeikienė, R., & Skuka, A. (2016). Assessment of the impact of macroeconomic factors on housing price level: Lithuanian case. *Intellectual Economics*, 10(2), 122-127.
- Gebrekrstos, T. (2021). Urbanization and Development in Ethiopia: Policy Issues, Trends and Prospects. *Economic Development, Population Dynamics, and Welfare*, 93.
- Goodfellow, T. (2017). Urban fortunes and skeleton cityscapes: real estate and late urbanization in Kigali and Addis Ababa. *International Journal of Urban and Regional Research*, 41(5), 786-803.

- Gotham, K. F. (2002). Beyond invasion and succession: school segregation, real estate blockbusting, and the political economy of neighborhood racial transition. *City & Community*, 1(1), 83-111.
- Guerola-Navarro, V., Oltra-Badenes, R., Gil-Gomez, H., & Gil-Gomez, J. A. (2021). Research model for measuring the impact of customer relationship management (CRM) on performance indicators. *Economic research-ekonomska istraživanja*, 34(1), 2669-2691.
- Gustafsson, P., Stockhammar, P., & Österholm, P. (2016). Macroeconomic effects of a decline in housing prices in Sweden. *Journal of Policy Modeling*, 38(2), 242-255.
- Han, Z., Song, X., Yuan, H., Li, M., & Xiaoxuan, Z. (2021). Evaluation Model of Power Retail Market Construction Effectiveness. In *E3S Web of Conferences* (Vol. 245, p. 01017). EDP Sciences.
- Helland, J. (2002). Land Alienation in Borana: Some land tenure issues in pastoral context in Ethiopia. *Resource Alienation, Militarization and Development, Case Studies from East African Dry lands. Organization of Social Science Research in Eastern and Southern Africa*, 47-65.
- Hermiyenti, S., & Wardi, Y. (2019, April). A literature review on the influence of promotion, price and brand image to purchase decision. In 2nd Padang International Conference on Education, Economics, Business and Accounting (PICEEBA-2 2018) (pp. 254-261). Atlantis Press.
- Huy, D. T. N., Nhan, V. K., Bich, N. T. N., Hong, N. T. P., Chung, N. T., & Huy, P. Q. (2021). Impacts of Internal and External Macroeconomic Factors on Firm Stock Price in an Expansion Econometric model—A Case in Vietnam Real Estate Industry. In *Data Science for Financial Econometrics* (pp. 189-205). Springer, Cham.
- Islam, M., Uddin, M. N., & Rahman, M. M. (2020). A GIS-based approach to explore the factors contributing towards Urban residential land development and re-development (LDR): a case of Rajshahi City Corporation area. *Geology, Ecology, and Landscapes*, 1-12.
- Kahn, J. A. (2008). What drives housing prices?. FRB of New York Staff Report, (345).
- Karumuri, V., & Rajani, S. (2020). What Engages the Salesforce Optimally in Real Estate Sector: A Study. *IUP Journal of Management Research*, 19(1).
- Keller, E. J., & Mukudi-Omwami, E. (2017). Rapid urban expansion and the challenge of poor housing in Addis Ababa, Ethiopia. *Africa Review*, 9(2), 173-185.
- Kesto, D. A. (2021). Comparison of Establishing Local Versus An Ethiopian Branch of A Foreign Real Estate Business in Ethiopia. *National Journal of Real Estate Law*, 4(1), 1-15.

- Khaustov, V., Kruglova, L., Bredikhina, N., & Guseinov, T. (2019). The impact of flooding on the operational reliability of real estate in the Kursk region. *Journal of Applied Engineering Science*, 17(2), 213-216.
- Koroso, N. H., Zevenbergen, J. A., & Lengoiboni, M. (2020). Urban land use efficiency in Ethiopia: An assessment of urban land use sustainability in Addis Ababa. *Land Use Policy*, 99, 105081.
- Kowalczyk, C., Nowak, M., & Żróbek, S. (2019). The concept of studying the impact of legal changes on the agricultural real estate market. *Land Use Policy*, 86, 229-237.
- Kwilinskyi, O., Shteingauz, D., & Maslov, V. (2020). Financial and credit instruments for ensuring effective functioning of the residential real estate market.
- Larsen, L., Yeshitela, K., Mulatu, T., Seifu, S., & Desta, H. (2019). The impact of rapid urbanization and public housing development on urban form and density in Addis Ababa, Ethiopia. *Land*, 8(4), 66.
- Leskinen, N., Vimpari, J., & Junnila, S. (2020). Using real estate market fundamentals to determine the correct discount rate for decentralised energy investments. *Sustainable Cities and Society*, 53, 101953.
- Levantesi, S., & Piscopo, G. (2020). The Importance of Economic Variables on London Real Estate Market: A Random Forest Approach. *Risks*, 8(4), 112.
- Littlefield, J. E., Bao, Y., & Cook, D. L. (2000). Internet real estate information: are home purchasers paying attention to it?. *Journal of Consumer Marketing*.
- Liu, Z., Huang, S., & Liang, S. (2019). Does Brand personification matter in consuming tourism real estate products? A perspective on brand personality, self-congruity and brand loyalty. *Journal of China Tourism Research*, 15(4), 435-454.
- Madhani, P. M. (2018). Building a customer-focused culture in organizations: developing 7Cs model. *International Journal of Business Excellence*, 16(2), 199-232.
- Mahalingam, A. (2020). Decision right allocation and platform market effectiveness: Evidence from online P2P lending. In *Academy of Management Proceedings* (Vol. 2020, No. 1, p. 18166). Briarcliff Manor, NY 10510: Academy of Management.
- Martins, A. M., Serra, A. P., & Stevenson, S. (2019). Determinants of real estate bank profitability. *Research in International Business and Finance*, 49, 282-300.
- Matsumoto, T., & Crook, J. (2021). Sustainable and inclusive housing in Ethiopia: a policy assessment.
- Medina, C. A. G., Martinez-Fiestas, M., Viedma-del-Jesús, M. I., & Aranda, L. A. C. (2020). The processing of price during purchase decision making: Are there neural differences

- among prosocial and non-prosocial consumers?. *Journal of Cleaner Production*, 271, 122648.
- Meidani, A. A. N., Zabihi, M., & Ashena, M. (2011). House prices, economic output, and inflation interactions in Iran. *Research in Applied Economics*, 3(1), 1.
- Melese, M. W., & Weldeyes, M. H. (2021). The Influence of Buyer-Seller Relationship on Sales Effectiveness: The Case of Ayat Real Estate, Ethiopia. *International Journal of Marketing & Business Communication*, 10(1).
- Mengistu, F., & Van Dijk, M. P. (2018). Credibility of institutions in Addis Ababa (Ethiopia), effects of government policies on real estate developers. *Land Use Policy*, 79, 913-921.
- Mikheev, G. V., Sekisov, A. N., Gura, D. A., Abazyan, A. G., & Kuznetsova, O. A. (2019). Economic and marketing adaptation of business processes in the modern Russian real estate market. *Revista Inclusiones*, 6(S2-5), 119-124.
- Muldoon-Smith, K., & Greenhalgh, P. (2019). Suspect foundations: Developing an understanding of climate-related stranded assets in the global real estate sector. *Energy Research & Social Science*, 54, 60-67.
- Neyestani, B. (2016). Effectiveness of quality management system (QMS) on construction projects. Available at SSRN 2947712.
- Ojo, O., Dabara, D. I., & Ajayi, M. T. A. (2021). Performance of commercial and residential real estate investments in Ibadan property market, Nigeria. *Property Management*
- Olango, T. M., Tesfaye, B., Catellani, M., & Pè, M. E. (2014). Indigenous knowledge, use and on-farm management of enset (*Ensete ventricosum* (Welw.) Cheesman) diversity in Wolaita, Southern Ethiopia. *Journal of ethnobiology and ethnomedicine*, 10(1), 1-18.
- Oluwatofunmi, A. D., Kolawole, O. A., & Hahn, J. (2021). The Application of Digital Intelligence to Real Estate Technology Service Quality: A Conceptual Model. *Journal of Technology Management and Business*, 8(2), 16-25.
- Onuoha, I. J., Aliagha, G. U., & Rahman, M. S. A. (2018). Modelling the effects of green building incentives and green building skills on supply factors affecting green commercial property investment. *Renewable and Sustainable Energy Reviews*, 90, 814-823.
- Persaud, A., Wang, S., & Schillo, S. R. (2021). Assessing industry differences in marketing innovation using multi-level modeling. *Journal of Business & Industrial Marketing*.
- Preko, A., Agbanu, S. K., & Feglo, M. (2014). Service delivery, customer satisfaction and customer delight in the real estate business. Evidence from Elite Kingdom investment

- and consulting company Ghana. *European Journal of Business and Management*, 6(3), 71-83.
- Pupentsova, S., & Livintsova, M. (2018). Qualimetric assessment of investment attractiveness of the real estate property. *Real Estate Management and Valuation*, 26(2), 5-11.
- Rachmawati, D., Shukri, S., Azam, S., & Khatibi, A. (2019). Factors influencing customers' purchase decision of residential property in Selangor, Malaysia. *Management Science Letters*, 9(9), 1341-1348.
- Rihn, A., Khachatryan, H., & Wei, X. (2018). Assessing purchase patterns of price conscious consumers. *Horticulturae*, 4(3), 13
- Robin, E. (2018). Performing real estate value (s): Real estate developers, systems of expertise and the production of space. *Geoforum*.
- Rodríguez-Pose, A., & Storper, M. (2020). Housing, urban growth and inequalities: The limits to deregulation and upzoning in reducing economic and spatial inequality. *Urban Studies*, 57(2), 223-248.
- Sharma, R. K. (2018). Factors affecting financial leveraging for BSE listed real estate development companies in India. *Journal of Financial Management of Property and Construction*.
- Scott, A. J. (2019). Land redevelopment and the built environment in third-wave cities: Review and synthesis. *Journal of urban technology*, 26(1), 57-81.
- SOLOMON, T. (2019). GRADUATE STUDIES MARKETING MANAGEMENT PROGRAM (Doctoral dissertation, Addis Ababa University).
- Spaliviero, M., & Cheru, F. (2017). The State of Addis Ababa 2017: The Addis Ababa We Want. *The State of Addis Ababa 2017: the Addis Ababa we want*.
- Sumner, C., & Yimam, W. (2002). Indigenous Knowledge Systems in Ethiopia Report of Ethiopia National Workshop.
- Sunikka-Blank, M., Abdie, D., & Bardhan, R. (2021). 'We need ground space': urban densification and transitional housing in Ethiopia. *Journal of the British Academy*, 9(s9), 81-106.
- Tesfaye, A. (2007). Problems and prospects of housing development in Ethiopia. *Property Management*.
- Truneh, F. (2013). *Institutional Interfaces and Actors' Behavior in Transitional Real Estate Markets of Addis Ababa (Ethiopia)*.

- Tupenaite, L., Kanapeckiene, L., & Naimaviciene, J. (2017). Determinants of housing market fluctuations: Case study of Lithuania. *Procedia Engineering*, 172, 1169-1175.
- Vilken, V., Kalinina, O., & Dubgorn, A. (2018). Specificity of high-rise construction and real estate markets in the regional economy: an analysis of Russian practice (example of St. Petersburg). In *E3S Web of Conferences* (Vol. 33, p. 03012). EDP Sciences.
- Xie, H., Chen, Q., Lu, F., Wu, Q., & Wang, W. (2018). Spatial-temporal disparities, saving potential and influential factors of industrial land use efficiency: A case study in urban agglomeration in the middle reaches of the Yangtze River. *Land use policy*, 75, 518-529.
- Yang, X., Zhang, J., & Zhao, X. (2018). Factors affecting green residential building development: Social network analysis. *Sustainability*, 10(5), 1389.

## Appendices

### Questionnaire

Dear Respondents,

I am a graduate student at Addis Ababa University School of Commerce Masters of Business Administration program. I am currently conducting a research on Factors influencing Real Estate Marketing effectiveness in Ayat and Noah Real Estate.

I hereby request your assistance in filling in the provided questionnaire. The questionnaire is a tool used to achieve a research objective. This is an academic research and confidentiality will be strictly adhered too. Therefore, your genuine responses will contribute to the quality of the findings of the study. I do appreciate your valuable contribution for the study. Kindly spare your few minutes to fill the questionnaire attached.

#### SECTION 1 - GENERAL QUESTIONS

Tick your gender. SINGLE ANSWER

	A.1
Male	<input type="checkbox"/>
Female	<input type="checkbox"/>

A.2 Tick your age. SINGLE ANSWER

	A.2
Below 18 years	Close Interview (Respondent does not qualify)
18 to 24 years	<input type="checkbox"/>
25 to 30 years	<input type="checkbox"/>
31 to 40years	<input type="checkbox"/>
41 to 45 years	<input type="checkbox"/>
Above 45 years	<input type="checkbox"/>

A.3 Which of these statements best describes you? SINGLE ANSWER

	A.3
1. I am fully responsible in deciding on / purchasing the products that I use	<input type="checkbox"/>
2. I am partially responsible in deciding on / purchasing the products that I use	<input type="checkbox"/>
3. I am not at all responsible in deciding on / purchasing the products that I use	Close Interview (Does not qualify)

A.4 What is your nationality? SINGLE ANSWER

	A.4
Ethiopian	<input type="checkbox"/>
Other	Close Interview (Respondent does not qualify)

A.5 What is your NET household yearly income range after deductions? SINGLE ANSWER

	A.5
Below Birr. 10,000	<input type="checkbox"/>
10,000 to 30,000	<input type="checkbox"/>
30,000 to 50,000	<input type="checkbox"/>
50,000 to 70,000	<input type="checkbox"/>
70,000 to 90,000	<input type="checkbox"/>
Above 90,000	<input type="checkbox"/>

A.6 What is your occupation? SINGLE ANSWER

	A.6
Student	<input type="checkbox"/>
Business man / Entrepreneur	<input type="checkbox"/>
Employed	<input type="checkbox"/>
Unemployed	<input type="checkbox"/>
Other	<input type="checkbox"/>

A.7 What is your marital status? SINGLE ANSWER

	A.7
Married / Living together	<input type="checkbox"/>
Single – Never married before	<input type="checkbox"/>
Divorced	<input type="checkbox"/>
Widowed	<input type="checkbox"/>

A.8 What is your level of formal education? SINGLE ANSWER

	A.8
None	<input type="checkbox"/>
Primary school	<input type="checkbox"/>
Secondary school	<input type="checkbox"/>
College / university	<input type="checkbox"/>

**Part two: Specific Question**

1. The real estate firm you Purchased your home from

A) Noah Real Estate

B) Ayat Real Estate

Please indicate the most appropriate response with the Likert scale given below from question number two (2) up to eight (8).

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

**2. Questions related to Construction Quality**

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. Quality of construction material/ equipment make a difference on your choice decision					
2. Usage of up to date technological facilities matters a real estate company					
3. Finishing works influence you from whom to buy					
4. Construction quality is the reason for you to choose a real estate company					

**3. Questions related to Price Fairness**

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. Payment schedule of the company matters your decision when choosing a real estate company					
2. Trustworthiness to pay down payment Influence your decision when you choose a company.					
3. Price of Apartment influences your decision when you choose a company.					
4. Price is the reason for you to choose a real estate company					

**4. Questions related to Brand Image & Reliability**

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. Reliability influences your decision when you choose a company					
2. Delivery time as per the contract matters					

when you choose a real estate company.					
3. Brand image is the reason for you to choose a real estate company					

### 5. Questions related to Macroeconomic Factors

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. Annual GDP growth rate of the region affects market effectiveness					
2. The average annual income of people in the area affects market effectiveness					
3. Average price of different types of land in the region affects market effectiveness					
4. Infrastructure such as roads, water supply and drainage systems, electricity supply, communication affects market effectiveness					
5. The more complete the amenities and the better the quality, the higher the real estate value					

### 6. Questions related to Political Factors

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. Policies allowing overseas Ethiopians to buy real estate in Ethiopia					
2. The policy allows non-residents to buy houses in the city					
3. Financial policies applicable to those who are allocated or leased land by the State					
4. The government give incentive and reward mostly in the period approaching to election					

### 7. Questions related to Natural Factors

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. Location of real estate affects market effective ness					

2. size, area, shape of the land affects market effectiveness					
3. Real estate is located in high areas, less flooded in the rainy season, the market effectiveness is higher than those in low-lying areas					
4. Form of construction and soil characteristics affects market effectiveness					
5.Environmental factors and natural disasters affects market effectiveness					

**8. Questions related to Marketing Effectiveness**

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. Quality of home influences your decision when you choose a company.					
2. Price of homes influences your decision when you choose a company.					
3. Brand reliability influences your decision when you choose a company.					
4. Natural factors like form of construction and soil characteristics influences market effectiveness					
5. Delivery of clear document and responsibility for the property sold affects market effectiveness					
6. Company`s Overall marketing performance is the reason for you to choose a real estate company					
7. Sales person`s credibility influences your decision when you choose a company					
8. I am satisfied by the cost of the house					

**Sources:** Quy & Loi (2016)