



**THE EFFECT OF MARKETING MIX ELEMENTS ON
BUSINESS PERFORMANCE: A MEDIATED MODEL
STUDY IN CASE OF HEINEKEN BREWERIES S.C.
ETHIOPIA**

BY

BEZA DESALEGN LIDETU

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Declaration

I, Beza Desalegn Lidetu, do hereby declare that the work on which this thesis is based is original work, except where acknowledgements indicate otherwise. Neither the full dissertation nor any part of it has been, is being, or is to be submitted for another degree at this or any other University.

Candidate: GSE/5640/10

Name: Beza Desalegn Lidetu

Signature: _____

Date: _____

This thesis has been submitted for examination in the Department of Business Administration, College of Business and Economics of Addis Ababa University, with the approval of the University Advisor, the Internal and External examiners.

Advisor: Dr. Lakew Alemu

Signature: _____

Date: _____

Internal Examiner:

Signature: _____

Date: _____

External Examiner:

Signature: _____

Date: _____

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ABSTRACT

Effective marketing mix elements are necessary for businesses to perform well in the market, to get market share and to have competitive advantages against other competing businesses. Marketing mix elements make up the business plan for a company and highly contribute in the development of marketing strategies necessary for success. The elements of product, price, place, promotion, people, process, productivity and quality and physical environment are valuable sources for competitive advantage. The main objective of this study is to review the impact of marketing mix elements on business performance mediated by market orientation. This study provides an idea to Heineken Ethiopia and can be used as a tool to assist the business in pursuing its marketing objectives. The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brands or products in the market. The 4Ps make up a typical marketing mix - Price, Product, Promotion and Place. However, nowadays, the marketing mix increasingly includes several other Ps like People, Process, Productivity and Quality and Physical Environment as vital mix elements. The study used likert scale method of summated ratings to understand the degree of agreement and disagreement of the respondents towards the statements. An analytical research design was employed in order to establish how the variables of interest in the study are associated or related by using statistical analysis. The population of interest was the employees of Heineken Ethiopia and the target population was employees working at the head office and Kilinto. A stratified sampling technique (by department) was used to obtain a representative sample that reflects the ideas and understandings of each department to minimize bias and ensure reliability of information. Findings show that marketing mix elements have a significant influence on business performance. All the marketing mix elements but price have a positive relationship with business performance, implying an increase in the marketing mix elements except price will have an increasing effect on the business performance, and the opposite is true for price. Market orientation was employed as a mediator in the relationship between the marketing mix elements and business performance and the findings support that market orientation fully mediates the effect of Product, Price, People, Process, Productivity and Quality and Physical Environment and partially mediates the effect of Place and Promotion on business performance of Heineken Ethiopia.

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ACRONYMS

BP - Business Performance

PR - Product

PC - Price

PL - Place

PM - Promotion

PP - People

PS - Process

PQ - Productivity and Quality

PE - Physical Environment

MO - Market Orientation

VIF - Variance Inflation Factor

MM – Marketing Mix

CHAPTER - 1

1. INTRODUCTION

1.1 Background of the study

Marketing mix identifies the principal decision making managers make in configuring their offerings to suit consumers' needs. It is a tool that can be used to develop both long-term strategies and short-term tactical programs (Palmer, 2004). Marketing strategy has become one of the most important tools worldwide for any business to remain in competitive market environment. The starting point for marketing strategy is market research, in which needs and attitudes and competitors' products are comprehensively assessed and continues through into advertising, promotion, distribution and where applicable, customer servicing, packaging, sales and distribution. Marketing strategy must focus on delivering greater value to customers and the company at a lower cost (Chiliya, 2009). (Owomoyela, 2013) understand marketing strategy as way of providing quality product that satisfies customer needs, preferences, demands proposing attractive and affordable price ensuring wider distribution and back up with effective promotion strategy. Marketing strategy is a vital requirement (Kotler& Armstrong, 2011) for brewery industries to strengthen their market share and minimize impact of competitions is very crucial and hence, it is appropriate that companies be duty-bound to get their marketing strategies right.

The main reasons the marketing mix is a powerful concept are that it makes marketing seem easy to handle, allows the separation of marketing from other activities of the firm and the delegation of marketing tasks to specialists; and - The components of the marketing mix can change a firm's competitive position (Grönroos, 1994). The marketing mix concept also has two important benefits. First, it is an important tool used to enable one to see that the marketing manager's job is, in a large part, a matter of trading off the benefits of one's competitive strengths in the marketing mix against the benefits of others. The second benefit of the marketing mix is that it helps to reveal another dimension of the marketing manager's job. All managers have to allocate available resources among various demands, and the marketing manager will in turn allocate these available resources among the various competitive devices of the marketing mix. In doing so, this will help to instill the marketing philosophy in the organization (Low and Tan, 1995).

The performance of a brewery business is attributed to multiple reasons within sales and marketing which include failures of proper product development, ineffective promotion and missing right target markets resulting from the negative effect of marketing strategies (Rouzies, Anderson, Kohli, Michaels, Weitz&Zoltners, 2005). Marketing strategy has been seen to be part of the long term planning of the marketing function. Utilizing the concept of segmentation and positioning, marketing strategy was defined as a means that identifies the target markets towards which activities are to be directed and the types of competitive advantages that are to be developed and exploited in each target market. (Shaw, 2012).

Marketing strategy is concluded to include all basic, short-term, and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives (Shaw, 2012). A company to witness an increase in market share, it may need to choose fast approach of buying market share through discounting price, or slower approach of gaining and holding market share by adding value or service at no additional charge to customers.

Businesses respond effectively to market instability when pressed by external circumstances. Macro-environmental forces, including new opportunities, threats from competitors and changing customers' expectations, could be beyond the control of managers, who as a result need to adapt their businesses quickly to ensure sustained success. While businesses are under pressure to change, their sales people are in turn under pressure to implement the necessary strategies in the marketplace to ensure these changes happen. Although these might only be relatively small changes to the marketing mix, they could also be more significant, such as entering a new market, launching a new product or adopting a new distribution channel. Such action might be required in response to external change, but may also be internally driven in order to improve effectiveness (Jones, 2005).

Organizations usually reach their customers with goods or services through various mechanisms. Several different activities are performed in order to sell products and or services to consumers. Modern marketing is more than just producing good products, suitable pricing, and easy access to them, but attracting new customers have become crucial (Kotler, 2006). That is why businesses need to consider observing attitudes and behaviors of their customers.

Brewery companies apply different sales promotion strategies and tools to promote their products. Among the strategies; vouchers, premium products, gifts, extra products, reduced prices, free samples and sweep stakes are some to mention. These strategies resulted with positive influence on behavior and attitude of customers towards purchasing of products of breweries (Louis Boone, David Kurtz, 2014). Still, brewery industry operators need to provide quality products with good packaging or attractive delivery system that satisfy customer needs, demands and preferences by providing affordable price, winning in wider distribution, and back up with effective promotion strategy in order to survive pressure from all prevalent market competitive environments. Particularly under Ethiopian conditions, where policy changes, economic pressure and other factors often appear as challenging situations more studies are required from time to time. Therefore, this study intends to further assess and examine the effect of marketing mix elements on the company's performance.

1.2 Background of the organization

In Ethiopia, brewery industry is growing very fast with increased urbanization, population growth, and rising incomes. Ethiopia's beer industry is comprised of a number of brewery plants that include Heineken, Habesha, Meta Abo, BGI Ethiopia, Dashen, Raya and others. Among these, Heineken is one of the leading international brewery companies. Heineken is an independent global brewer, which was founded in 1864 by Gerrard Adrian Heineken. It is Europe's largest brewer and the world's second largest by consolidated volume.

In 2012, Heineken commenced the construction of a new Greenfield brewery in Ethiopia, which became fully operational in January 2015. The Head Quarter is located in Addis Ababa which has become a key location for Heineken as a developing and fast growing market (africanbusinessreview.com). Heineken acquired two breweries in Ethiopia; Bedele and Harar breweries. The three Heineken industry sites, Heineken, Harar and Bedele, are in three different locations in Ethiopia. These are Kilinto Brewery, Harar Brewery and Bedele Brewery. The Ethiopian beer market is growing very fast, and practically the market has doubled over the past years. The main drivers for growth are growing population, urbanization and rising incomes of the population. Currently, Heineken's key brands in Ethiopia are Walia, Bedele Special, Bedele Regular, Harar and Sofi Malt. The main office of Heineken Ethiopia is located in Addis Ababa.

1.3 Statement of research problem

The market is a dynamic place that is ever changing. The business environment is fast growing, where companies get to dictate the types of products and services produced. These days where competition amongst businesses is rife and consumers are attracted by multiple choices, it is important for any company that hopes and aims to maximize profit to get its marketing strategies right. Heineken Ethiopia S.C. is engaged in producing and marketing of brewery products. The marketing strategies that works and guarantees increased sales and profitability in Heineken Ethiopia made the case that price skimming strategy may make consumers see the product as a high quality one.

According to Shaw (2012), A marketing strategy is an overall plan of marketing actions you intend to take in order to accomplish a specific goal for a company. (Jain, 2000) defines strategic marketing as looking at the whole of a company's portfolio of products and markets, and a managing the portfolio to achieve the company's overall goal.

Heineken Ethiopia looks forward to attain high sales volume and as a result of which quality brewery products are made available in the markets for the demanding consumers. However, this does not mean that all the ways are smooth. There are different conditions in the current situation of Ethiopia where there are number of factors that require to consistently improve and revisit or design different strategies. Therefore based on the inconclusiveness of other past studies on effective marketing strategy, this study sets out to determine the various marketing strategies that affect company performance.

Beer market has been experiencing challenges due to economic hardships that have continued to affect beer industry, coupled with new policy against TV advertisement of beer and other alcohol, high rate of taxes, stiff competition from newly emerging beer producing industries and other beverage sub sectors and economic pressures in communities. With regard to this, Heineken Brewery can't be exceptional and it also faces these challenges. In order to keep up with challenges and win in the market place, it has developed various marketing strategies. The various strategies are aimed at making the Heineken brands competitive, and gain market shares and to make profits.

Studies elsewhere, have shown that product, price, place and promotion have positive relationship with the performance of brewery companies. Recently, the marketing mix elements have come to include people, process, productivity & quality and physical

environment as they all have considerable influence on the marketing perspective of businesses.

There are no recent studies found on effects of the eight marketing mix elements including people, process, productivity and quality and physical environment and a mediation factor between marketing mix elements and business performance of Heineken Ethiopia are available. Therefore, this study was intended to establish: the effects of marketing mix elements on the performance of Heineken Ethiopia.

1.4 Study objectives

The general objective of the study was to establish the extent to which marketing mix elements adopted by Heineken have influenced the performance of company.

The specific objectives of this study were:

1. To identify the effects of marketing mix elements: **Product, Price, Place, Promotion, People, Process, Productivity & Quality & Physical environment** on business performance (eight “P”)
2. To examine the mediation effect of Market Orientation on the relationship between marketing mix elements and business performance.

1.5 Research questions

The research aimed to answer the following questions.

- Is there a significant effect of marketing mix elements on business performance?
- What are the effects of marketing mix elements on business performance?
- From the eight Marketing mix elements, which one most influences business performance in Heineken Ethiopia?
- What is the explanation on the mediation role of market orientation in the relationship between marketing mix elements and business performance?

1.6 Scope of the study

The study focused on the impact of marketing mix elements on business performance in Heineken breweries S.C. Ethiopia. The research study target population were staff at the head office and Kilinto branch of the company. The study followed statistical methods of analysis. However, the effects of other variables both on performance and effectiveness of

marketing mix elements, could not be fully captured by this study. Methodologically, the research was constrained to limited number of study samples as the fact that the target population was consisted of specific groups of target population working only in the accessible areas of the company. As a result, opinions and perception of various employees in other areas were not considered.

1.7 Significance of the study

This study will assist in reminding company decision makers to focus consistently on the need of revisiting marketing mix elements as a requirement in increasing sales revenue and profit; and ultimately impact growth of the company to consistently cope up with upcoming changes and challenges from competitors and maintain its market share.

The study has prompt useful information and hint to the company as to how it can improve its profitability, market share and sales volume. The findings of the study contribute to the existing knowledge that would be useful to future researchers.

The study will contribute in increasing awareness of employees of Heineken Breweries S.C. Ethiopia, target consumers and the general public about marketing mix elements, why marketing strategies of brewery companies are the way they are and which marketing mix element affected the business performance most. This will in turn impact consumers' purchasing decision and retaining loyal customers, popularity and preference of the brand products of the company.

1.8 Definition of terms

Marketing Mix: The Marketing Mix is the set of tactical marketing tools - Product, Price, Promotion, and Place - that the firm blends to produce the response it wants in the target market (Kotler and Armstrong, 2012).

Product: A product is anything that can be offered to a market for attention, acquisition, use or consumption. It includes physical objects, services, personalities, place, organizations and ideas (Kotler and Armstrong, 2012).

Price: Price is the amount of money charged for a product or service. Broadly, price is the total amount that being exchange by the customer to obtain a benefit of the product or service owning (Kotler & Armstrong, 2009).

Place: The place where the company makes its products accessible and available to target customer. (Kotler and Armstrong, 2012).

Promotion: Promotion is the process of marketing communication involving information, persuasion, and influence. It includes all the activities the company undertakes to communicate and promote its products to the target market (Kotler and Armstrong, 2012).

People: People are the important component of marketing mix definition and related to the service and experience (Kotler and Armstrong, 2012,).

Process: Process is one of the important elements of 7 Ps of service marketing mix. According to marketing experts, processes are inputs, throughputs and outcomes where value is added to achieve the targets (Kotler and Armstrong, 2012).

Productivity and Quality: Performance is defined as in holistic marketing, to capture the range of possible outcome measures that have financial and non-financial implications (profitability as well as brand and customer equity), and implication beyond the company itself (social responsibility, legal, ethical, and community related)(Homburg, 2007). Performance is defined as the effectiveness and efficiency of an organization's marketing activities with regard to market-related goals, such as revenues, growth and market share(Homburg, 2007).

Physical Environment: The environment in which the service is delivered and where the firm and customer interact, and any tangible components that facilitate performance or communication of the service (Kotler and Armstrong, 2012).

Market Orientation: the organizational culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business (Narver and Slater, 1990).

Business Performance: Is a set of analytic processes that enables the management of an organization's performance to achieve pre-selected goals. It is an effective management of financial and non-financial objectives and measures in order to venture growth (The Marketing Science Institute, 2004). The Marketing Science Institute (2004) defines marketing performance as the performance indicators top management use (or should use)

to track and assess the progress - specifically the marketing performance - of a business or business unit.

Consumer: A consumer is an individual who buys or purchases goods/products and services for final/ultimate consumption. .

Consumer behavior: It is the study of individuals, groups or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society (Perner, 2016).

Services: These are economic activities offered by one party to another, most commonly employing time-based performances to bring about desired results in recipients themselves or in objects or other assets for which purchasers have responsibility (Kelly & William, 2014).

Customer Retention: Customer retention refers to the activities and actions companies and organizations take to reduce the number of customer defections (Naver & Slater 2010)

Sales volume: Sales volume is the number of units sold within a reporting period. This figure is monitored by investors to see if a business is expanding or contracting. Within a business, sales volume may be monitored at the level of the product, product line, customer, subsidiary, or sales region (Kotler & Armstrong 2008)

Firm's Market Share: Market share represents the percentage of an industry or market total sales that is earned by a particular company over a specified time period. It is calculated by taking the company's sales over the period and dividing it by the total sales of the industry over the same period (Kelly & Williams 2014)

1.9 Organization of the study

The study is divided into five chapters: Chapter One is Introduction: This chapter, has sub-sections that set an overview of the impact of marketing mix elements on the performance of the company. It describes background information on the research problems, where sufficient descriptions are given on: statement of the problem, objectives of the study, research questions, significance of the study, scope of the study and operational definitions of terms and organization of the study.

Chapter Two: Review of related literature: This Chapter focused on review of related literatures available from different sources.

Chapter Three: Research Methodology: This chapter is divided into sub-sections that include research design, methods of (data sources and data collection, target population, sampling techniques, data collection methods, reliability and validity and ethical consideration) and study analysis.

Chapter Four: Data Presentation, Analysis and Interpretation: It is divided into sub-sections, that deal with overall findings or results of the impact of marketing mix elements on business performance.

Chapter Five: Summary, Conclusions and Recommendations: this section describes the summary findings, conclusions and sets of suggestions and recommendations.

CHAPTER -2

2. LITRATURE REVIEW

2.1 Introduction

The origin of MM concept came from the single P (price) of the theory of microeconomic (Chong, 2003) after a while, McCarthy (1964) introduced the MM as the (4Ps) which are price, place, product and promotion, as a type of clarifying marketing planning into practice (Bennett, 1997). Palmer (2004) defines MM as a conceptual framework that clarifies the main decisions managers' efforts in configuring their offerings to suit consumers' needs for developing long-term strategies or short-term tactical programs (Palmer, 2004). Kent (1986) refers to the 4Ps of the MM as the holy quadruple of the marketing faith written in tablets of stone. MM has been extremely influential in informing the development of both marketing theory and practice (Möller, 2006). Grönroos (1994) clarified the main reasons of the MM as a powerful concept to make marketing seem easy to handle, to allow the separation of marketing from other activities of the organization, to delegate the marketing tasks to specialists, and to change an organization's competitive position by activating the components of the MM. According to the marketing literature, the marketing mix elements have come to include other 4Ps; namely People, Process, Productivity & Quality and Physical Environment.

2.2 Review of empirical literature

Kotler and Armstrong (2006) define a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. They further define a consumer product as the product bought by the final consumer for personal consumption. Consumers buy products frequently, with careful planning, and by comparing brands based on price, quality and style. Borden, (1984) sees a product as about quality, design, features, brand name and sizes. Past researchers have clearly suggested that product influences have a significant impact on business performance (Kazem and Heijden, 2006; Kempainen, Vepsäläinen, andTinnilä, 2008; Ogunmokun and Esther, 2004; Owomoyela et al, 2013). Kotler (2007) defines price as a cost of producing, delivering and promoting the product charged by the organization. Zeithaml (1988) is of the view that monetary cost is one of the factors that influence consumer's perception of a products value. Price can be

stated as the actual or rated value of a valuable product which is up for exchange; some define it as amount of money paid for product (Kotler et al, 2005). In the studies of Colpan,(2006); Doole et al., (2006) and Owomoyela et al , (2013) they establish significant relationship between price and business performance. The price you set for your product or service plays a large role in its marketability. Pricing for products or services that are more commonly available in the market is more elastic, meaning that unit sales will go up or down more responsively in response to price changes (Jones, 2007). Zeithaml (1995) describes promotion as part of specific effort to encourage customers to tell others about their services. According to Duncan (2005), promotion is the key to the market exchange process that communicates with present and potential stakeholders, and the general public. Every firm or store must cast itself into the role of communicator and promoter. Borden, (1984) defines promotion as sales promotion, advertising, personal selling, public relations and direct marketing. Kotler, (2007) discovers that promotion has become a critical factor in the product marketing mix which consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its advertising and marketing objective. Previous researches (Amine and Cavusgil, 2001; Francis and Collins-Dodd, 2004) have established significant relationship between promotion and business performance. Jones, (2007) defines place as any way that the customer can obtain a product or receive a service. Bowersox and Closs (1996) give distribution as another name for place. According to them, it is the third element of the marketing mix, and it encompasses all decisions and tools which relate to making products and services available to customers. Kotler and Armstrong (2006), also define place or distribution as a set of interdependent organizations involved in the process of making a product available for use or consumption by consumers. Place strategy calls for effective distribution of products among the marketing channels such as the wholesalers or retailers (Berman, 1996).

The research will target Heineken Breweries S.C. Ethiopia and the eight marketing mix elements namely: Product, Price, Place, Promotion, People, Process, Productivity and quality and Physical environment.

2.2.1 The direct effect of marketing mix elements on business performance

2.2.1.1 The impact of product on business performance

Kotler and Armstrong (2006) define a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. They further define a consumer product as the product bought by the final consumer for personal consumption. Consumers buy products frequently, with careful planning, and by comparing brands based on price, quality and style. Borden, (1984) sees a product as about quality, design, features, brand name and sizes. Researchers have clearly suggested that product influences have a significant impact on business performance (Owomoyela, 2013).

Products start with a strategy to be market driven and customer oriented. Heineken is engaged in brewing and marketing of premium, specialty, local and regional beers. The company produces variety of alcoholic beverages including: Walia, Walia-Radler, Harar, Bedele-Regular and Bedele Special. All of which are popular beer types. Besides these, Heineken produces non-alcoholic drinks such as Sofi Malt, Buckler and Sofi Coffee (www.https://heinekenethiopia.com/).

Hypothesis as *H₀₁*: Product has no positive significant impact on business performance.

2.2.1.2 The impact of pricing on business performance

Kotler (2007) defines price as a cost of producing, delivering and promoting the product charged by the organization. Monetary cost is one of the factors that influence consumer's perception of a product's value. Price can be stated as the actual or rated value of a valuable product which is up for exchange; some define it as amount of money paid for product (Kotler, 2005). Other studies established significant relationship between price and business performance (Owomoyela, 2013). Pricing for products or services that are available in the market is more elastic, meaning that unit sales will go up or down more responsively in response to price changes (Jones, 2007).

Heineken is a high-quality beer that is very popular in the consumer market of beer. The company has adopted a premium pricing policy for its products. It has projected its policy as value-based because high-end products will have higher prices. As its target customers are upper and upper-middle class people, they find the premium price of the products of Heineken reasonable and affordable (www.https://heinekenethiopia.com/).

Hypothesis *H₀₂*: Price has no positive significant impact on business performance.

2.2.1.3 The impact of place on business performance

Jones (2007) defines place as any way that the customer can obtain a product or receive a service. Researchers gave “distribution” as another name for place. According to them, it is the third element of the marketing mix, and it encompasses all decisions and tools which relate to making products and services available to customers. Place or distribution as a set of interdependent organizations involved in the process of making a product available for use or consumption by consumers. Place strategy calls for effective distribution of products among the marketing channels such as the wholesalers or retailers (Owomoyela, 2013; Kotler and Armstrong, 2006). Thus, it has been agreed that place has significant effect on business performance.

Several beer brands have been incorporated with Heineken from various countries like Ethiopia. The brand has a strong distribution network that includes services of retailers and wholesale dealers to consumers through liquor shops, bars, clubs, restaurants and hotels ([www.https://heinekenethiopia.com/](http://www.heinekenethiopia.com/)).

Hypothesis *Ho3*: Place has no positive significant impact on business performance.

2.2.1.4 The impact of promotion on business performance

Zeithaml (1995) describes promotion as part of specific effort to encourage customers to tell others about their services. Accordingly, promotion is key to market exchange process that communicates with present and potential stakeholders, and the general public. Every firm or store must cast itself into the role of communicator and promoter. Promotion appears as an issue of how to create an optimal mix of marketing communication tools in order to get a product's message and brand from the producer to the consumer. Borden, (1984) defines promotion as sales promotion, advertising, personal selling, public relations and direct marketing. Kotler, (2007) discovers that Promotion has become a critical factor in the product marketing mix which consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its advertising and marketing objective. Thus, it was noted that significant relationship between promotion and business performance were established.

Heineken has a strong marketing team that promotes its products through several advertising tools and a strong social media presence through Twitter , Facebook and YouTube. It

believes in creating catchy commercials that help in creating positive brand awareness through electronic and print media.

Recently, the Ethiopian government has introduced a new proclamation that prohibits the advertisement of alcoholic drinks and bans advertisement of alcohol through billboards. In order to preserve the engagement with buyers, the social media is key through websites and social networks to market the products of Heineken (www.https://heinekenethiopia.com/).

Hypothesis *Ho4*: Promotion has no positive significant impact on business performance.

2.2.1.5 The impact of people on business performance

All organizations are reliant on the people who run them from the front line Sales staff to the Managing Director. Marketing will be as good as the employees inside the organization. Having the right person at the right position is very essential because they are as much a part of the business offering as the products/services offered. It also reflects the fact that marketers must view consumers as people to understand their lives more broadly, not just as they shop for and consumer products and services (RAIJMR).

Hypothesis *Ho5*: People has no positive significant impact on business performance.

2.2.1.6 The impact of process on business performance

A process reflects all the creativity, discipline, and structure brought to marketing management. Marketers must avoid ad hoc planning and decision making and ensure that state-of-the-art marketing ideas and concept play a pivotal role in all they do. Only by instituting the right set of processes to guide activities and programs can a firm engage in mutually beneficial long-term relationship(RAIJMR).

Heineken Ethiopia, at Kilinto, Bedele and Harar breweries, has invested substantially in line with its business plans, notably in the quality of our processes and systems; in production capacity; in the sustainability of the breweries, as well as in training and development of the staff, which have all contributed to the further development of its brands (www.https://heinekenethiopia.com/).

Hypothesis *Ho6*: Process has no positive significant impact on business performance.

2.2.1.7 The impact of productivity & quality on business performance

Performance or Productivity and quality is defined as in holistic marketing, to capture the range of possible outcome measures that have financial and non-financial implications (profitability as well as brand and customer equity), and implication beyond the company itself (social responsibility, legal, ethical, and community related) (www.studentVIP.com).

This marketing mix element (one of the “Ps”), asks “what you’re offering your customer is a good deal?” This is less about the business improving its own productivity for cost management, and more about how the company passes this onto its customers. Sometimes called productivity, performance examines how well a company’s services compete in the marketplace. This may include how consistent the service is and how well its features translate into benefits as it is being delivered. Performance also considers how to measure the company’s financial goals and whether they are being achieved (RAIJMR).

In integral services management, improving productivity is a requisite in cost management; but quality, as defined by the customer, is essential for a service to differentiate itself from other providers (www.studentVIP.com).

Hypothesis *Ho7*: Productivity and quality has no positive significant impacts on business performance.

2.2.1.8 The impact of physical environment on business performance

Corporate environmental strategy refers to “a pattern in action over time” (Mintzberg, 1998) intended to manage the interface between business and the natural environment. Reactive environmental strategy is compliance strategy, wherein firms rely on pollution abatement through an "end-of-pipe" approach, often resisting the enactment and enforcement of environmental legislation (Hart, 1995). Proactive environmental strategy is going beyond compliance to a focus on prevention, a systemic approach that emphasizes source reduction and process innovation (Hart, 1995; Russo & Fouts, 1997).

Heineken focuses on four key areas where it can make a difference: protecting water resources; reducing CO₂ emissions and energy consumption; sourcing sustainably and advocating responsible consumption. Each of these areas is highly relevant to its day-to-day business operations, and to its stakeholders (www.https://heinekenethiopia.com/).

Hypothesis *Ho8*: Physical Environment has no positive significant impact on business performance.

2.2.2 The indirect effect of marketing mix elements on business performance (The mediating role of market orientation).

There are only few studies which have been conducted on the indirect effect of marketing mix elements on business performance, as many studies focus on direct relationships. Previous studies have found that there is positive relationship between components of marketing mix elements and business performance.

In a time characterized by increasingly rapid change in consumer preferences, even faster technological progress, and growing competitive rivalry, it becomes essential for companies to develop mechanisms within their organizations to generate market information, analyze it, and respond accordingly. The set of activities developed by companies permanently to monitor, analyze and respond to these market changes is referred to, in the Marketing literature, as market orientation.

Market orientation was defined by Narver and Slater (1990) as the competitive strategy that most efficiently generates the right kinds of behavior to create enhanced value for the consumer and therefore assures better long-term results for corporations. According to these authors, market orientation is based on orientation towards the customer, orientation towards competitors and inter-functional coordination. Kohli and Jaworski (1990) identify three structural components of market orientation:

- 1) Generation and analysis of all relevant information about the market;
- 2) Dissemination of this information among the various departments of the organization in order to coordinate and arrange strategic planning; and
- 3) Implementation of strategic initiatives designed to satisfy the market.

Hypothesis *H₀₉*: Market Orientation does not mediate the relationship between marketing strategies and business performance.

2.3 Research hypothesis and Conceptual framework

2.3.1 Research hypotheses

The research carried out tests on the following hypothesis: The dependent variable is business/organization performance. Whereas, the following are independent variables:

- H01:*** Product has no positive significant impact on business performance.
- H02:*** Price has no positive significant impact on business performance.
- H03:*** Place has no positive significant impact on business performance.
- H04:*** Promotion has no positive significant impact on business performance.
- H05:*** People has no positive significant impact on business performance.
- H06:*** Process has no positive significant impact on business performance.
- H07:*** Productivity and quality has no positive significant impact on business performance.
- H08:*** Physical Environment has no positive significant impact on business performance.
- H09:***Market Orientation does not mediate the relationship between marketing mix elements and business performance.

The last one (H09) is the mediator between the marketing mix elements and business performance:

2.3.2 Conceptual Framework

The dependent and independent variables as well as the mediating factor that are going to be used in this study are shown as a conceptual framework in Fig1.

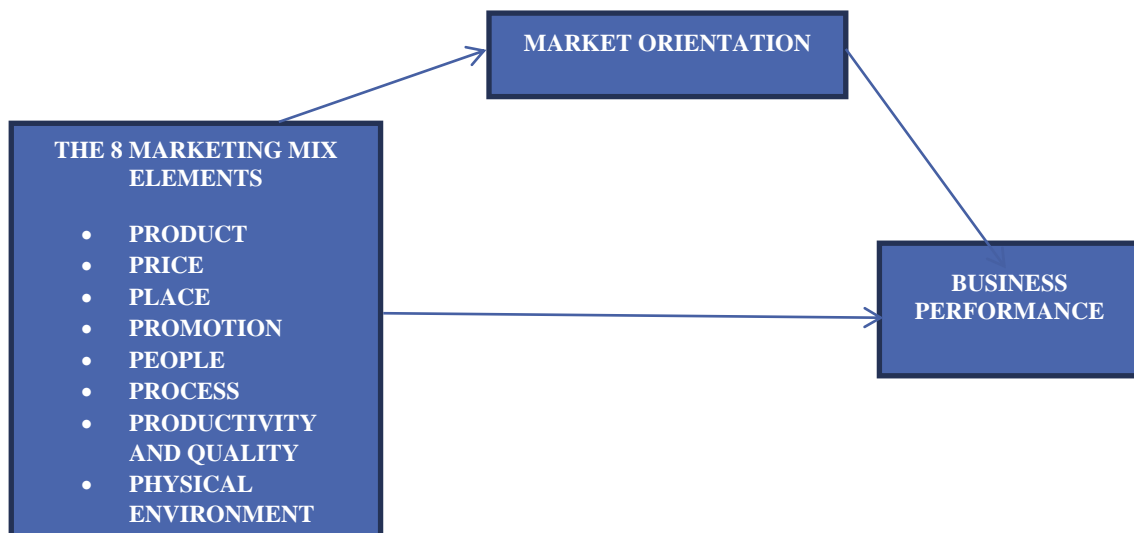


Figure 1. A conceptual framework of marketing mix elements

CHAPTER - 3

3. RESEARCH DESIGN & METHODOLOGY

3.1 Introduction

This chapter reports the research methodology which is a systematic way to accomplish the research objectives or solve the research problem. This chapter included the research methods, the data collection, research measures, population, sampling, sampling frame, and sample size.

3.2 Research design

A research design is the preparation of conditions for the collection and analysis of data required either to solve the research problem or to achieve the research purpose (Kohtari, 2004). This study adopted an analytical research design. An analytical research design seeks to establish how the variables of interest in the study are associated or related by using statistical analysis. The analytical research usually concerns itself with cause-effect relationships. A cross sectional survey enables data to be collected across several respondents at the same time. A structured questionnaire was used to gather relevant data from respondents. It provides a valid and accurate representation of factors and variables, which pertain to the research questions.

3.2.1 Data collection

3.2.1.1 Types of data

There are two types of data: primary data and secondary data. Primary data was collected for a specific issue. It could be either qualitative such as interviews, semi-structured or unstructured; focus groups; observations; and case studies, or it could be quantitative such as questionnaires; and structured interview (Saunders, 2012). Based on the research questions and objectives, this study employed both primary and secondary data.

3.2.1.2 Data collection technique

Data was obtained from primary and secondary sources. The primary sources were respondents of the structured questionnaire. The secondary data sources were published studies, documents and available materials about the topic of discussion. A questionnaire was considered to be a key tool in collecting data and it is the most widely used tool in

social research (Lancaster, 2005). It contains standardized questions whereby all respondents may understand the questions in the same way.

3.2.2 Research measures and measuring tools

The measurement tool in this study was questionnaire that used Likert Scale Method of summated ratings. It consisted of statements where respondents indicated their degree of agreement or disagreement on a five- point scales -Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree. The scale was subjected to item analysis in order to ensure that it is valid and reliable. The data collection instrument, i.e., questionnaire, was mainly adopted from a European journal of Marketing, Brendan Gray, Sheelagh Matear, Christo Boshoff and Phil Matheson and the European Journal of Business and Management, Narver and Slater's Market Orientation Concept which was tested for reliability and validity. Moreover, minor customizations were made to some of the questions in order to reflect the objective of the study.

3.3 Methods of data analysis

The validity of this study's concept, and scientific soundness is very important as its aim is to generate a valid conclusion. A scientific research ensures validity from start to end so as to increase the accuracy and usefulness of findings by controlling or eliminating confounding variables (Marczyk, 2005). The tool designed for data collection was a questionnaire which is a common modality to conduct this type of study. Questionnaires that are designed using standardized formats often used to assess such phenomenon in empirical studies, and are important to ensure content validity. Content validity, according to Kohtari (2004), is a measure of the extent to which a measuring instrument provides adequate coverage of the topic under investigation. Hence, a research needs to have good content validity, incorporating representative samples.

After collecting the questionnaires from each respondent, the collected data was organized and presented in a meaningful way for a statistical analysis. A combination of different soft wares including Excel and SPSS were used to enter data into a computer system. SPSS and Likert Scale methods were used for identifying the level of agreement and disagreement of respondents to the statements in the questionnaire, statistical analysis as well as correlation and regression analysis.

3.4 Study population, sampling frame, sampling techniques and sample size

3.4.1 Study population

A population is defined as a set of individuals, objects, or data from where a statistical sample can be drawn. Population is the entire group of individuals, events or objects having common observable characteristics.

The population of interest for this study was the employees of Heineken Ethiopia. According to desk information based on census data recoded by the company in 2019, about 1,168 employees are known to exist. These employees were considered as the study population and were subjected into the sampling procedures.

3.4.2 Sampling frame and sampling technique

A sampling frame is a list of individuals or events, source material or device from which a sample is drawn. It comprises a list of all those within a population that could be sampled. This may include individuals, businesses, organizations or institutions (Saunders, 2012). The sampling frame for this study was comprised of all departments of Heineken S.C. Ethiopia namely: finance, marketing, sales, supply chain, human resource, legal and IT.

The study adopted a stratified sampling technique. The strata consisted of departments in Heineken Ethiopia which include departments such as Finance, Supply Chain, Marketing, Sales and Others. Once strata was established, convenience sampling technique was employed to select respondents from each stratum.

In this study, the total population was the current employees of the company, which is 1,168 as mentioned above. However, due to the nature of the questionnaire which is open for academic purposes and the financial and resource implication, only employees at the head office and Kilinto branches in Addis Ababa were purposely selected as target sub population. Therefore, with this measure, the total number of employees under the Head Office and Kilinto were found to be 916. Thus, the target population of the study was 916 employees who were available in the above mentioned departments of the company.

A stratified sampling technique was applied to identify and select the actual study samples from the target population. In such type of sampling every member of the population has equal chance of being selected in relation to their proportion within the total population. If the population from which a sample was to be drawn does not constitute a homogeneous

group, then stratified sampling technique was applied so as to obtain a representative sample (Kohtari, 2004). Following this technique, the population was stratified into a number of non-overlapping subpopulations or strata and sample items were selected from each stratum. Proportional stratified sampling specifically was the one in which the number of sampling units drawn from each stratum was in proportion to the relative population size of that stratum. This sampling technique was advantageous since it assures representation of all groups in the selected sample.

A stratified sampling technique was carried out that comprised of five strata namely: Finance, Supply Chain, Marketing, Sales, and Other departments. Each department of the organization functions based on its duties and responsibilities. The programs and practices of each differs considerably and hence fair representation of each strata was vital and found possible. In fact, the sub populations do not overlap because an employee can only be in one department and not possible to happen in more than one.

Table 1. Number of employees under different departments

Department	Number of employees
Finance	88
Supply Chain	467
Marketing	13
Sales	277
Others	71
Total	916

3.4.3 Sample size determination

Sample size is defined as the number of observations used for calculating estimates of a given population.

To determine the desired sample size for this study, the following formula was used as suggested: <http://prudencexd.weebly.com>. Thus, the *Slovin's Formula* was adopted:

Slovin's Formula:

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

Where:

N=Number of target population

n = Sample size to be determined

e = level of confidence = 0.05

Accordingly, $n = 916 / (1 + 916(0.05)^2) = 278.4195$

Therefore, the sample size for this study was determined to be 278 that represents employees from the above mentioned departments of Heineken Breweries, given confidence level of 95% and precision rate of ± 5 percent. Therefore, subsequently, the following formula was used to determine the sample size of each department:

$$\text{Sample from department} = \frac{\text{Number of employees} * n}{N}$$

Table 2. Sample size determined in selected departments in Addis Ababa

Department	No. of Employees	Sample size determined
Finance	88	26.71
Supply Chain	467	141.73
Marketing	13	3.95
Sales	277	84.07
Other Departments	71	21.55
Total	916	278

Table 2 indicates the sample size determined for each department and shows the total sample size of 278. These were individual respondents.

3.5 Conceptual Model

The general form of the model is presented below. (independent and dependent variables are described in mathematical equations):

$$BP = \alpha + PRX1 + PCX2 + PLX3 + PMX4 + PPX5 + PSX6 + PQX7 + PEX8 + e$$

$$BP = \alpha + MOX9 + e$$

Where, BP = Business Performance,

PR = Product

PC = Price

PL = Place

PM = Promotion

PP = People

PS = Process

PQ = Productivity and Quality

PE = Physical Environment

MO = Market Orientation

α is constant and PR, PC, PL, PM, PP, PS, PQ and PE are coefficients of marketing mix elements to estimate, MO is the coefficient of market orientation (the mediator) to estimate and e is the error term.

3.6 Reliability

Reliability refers to the degree to which the data collection tools or analysis procedures yield consistent findings. (Saunders, Lewis & Thornhill, 2009). Reliability analysis measures the internal consistency on group of items which are used in questionnaire. Reliability analysis examines the homogeneity or cohesion of the items that comprise each scale. Cronbach's alpha coefficient is the most frequently used index of reliability. Cronbach's alpha Coefficient is the most common way to assess reliability. A value of Cronbach's alpha coefficient above 0.70 is regarded as acceptable (Saunders, Lewis & Thornhill, 2009). The Cronbach's alpha coefficient was calculated in this study by distributing questionnaires. A Cronbach's coefficient which is greater than 0.6 is considered acceptable.

3.7 Ethical consideration

In this study, the researcher strictly followed all ethical paths during collection, analysis and interpretation of data. The researcher was abide by the general agreements of the scientific community on what was acceptable and what was not in the process of conducting scientific research. The basic ethical behavior in research like voluntary participation and harmlessness, informed consent, anonymity and confidentiality etc. was highly respected.

Each participant (respondent) of the study was informed about the nature of the study and requested his or her agreement to participate. Only potential respondents who gave their consent to participate without any pressure took part in the study. It was ensured that data will be kept confidential. Respondents were given the right to withdraw from the study any time without providing reasons or being asked why.

CHAPTER - 4

4.1 RESULTS AND DISCUSSION

4.1.1 Response rate

For the sample size of 278 individual respondents, an equal number of questionnaires were distributed and 278 were completed and returned timely making a response rate as shown in Figure 2.

According to Mugenda and Mugenda (2003), a response rate of more than 70% can be considered as excellent response rate that is sufficient enough for analysis and reporting. Therefore, the response rate obtained, which was (100%) was obvious to be highly satisfactory to enable the analysis of this study (Figure 2).

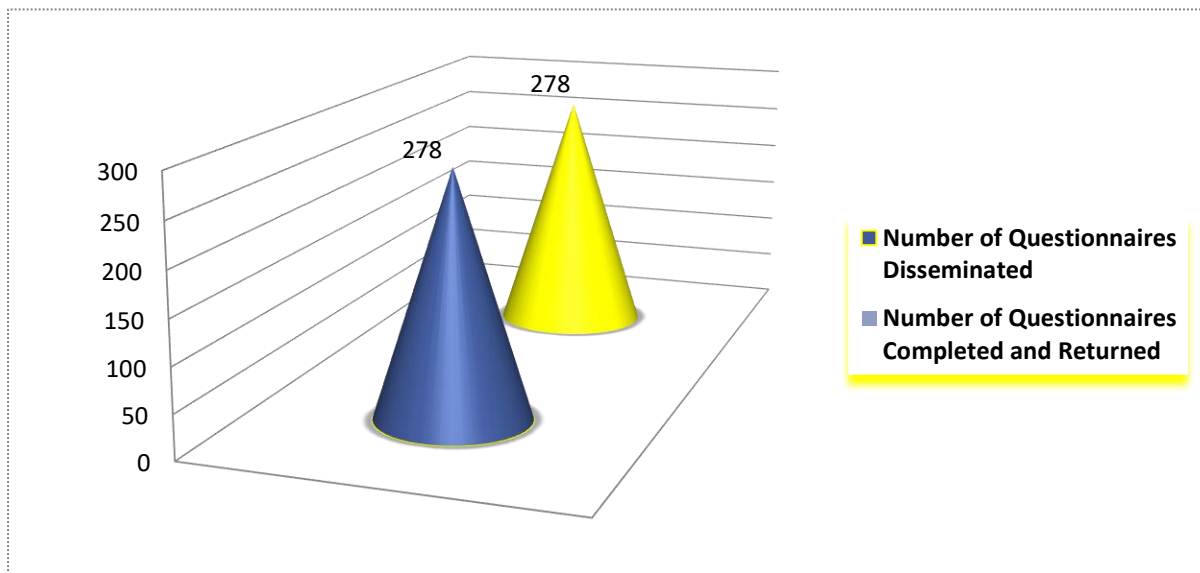


Figure 2. Respondents' questionnaire response rates

4.1.2 Respondents' Demography

The purpose of demographic analysis in this study was to understand the composition of respondents and to describe their characteristics that include the proportion of their positions in the organization under different departments, their service years to understand their level of experience and other issues such their academic qualifications,. Some of the demographic compositions of the respondents are summarized below.

Table 3.Types and number of positions occupied by respondents in the org.

Position type	Frequency	Percent (%)	Valid Percent	Cumulative Percent
Managerial	91	32.7	32.7	32.7
Non-Managerial	187	67.3	67.3	100
Total	278	100	100	

Table3 indicates the level of positions held in the organization by respondents. Thus, out of 278 respondents 91(32.7%) were managerial and 187 (67.3%) were non-managerial. Based on the data majority of the respondents were non-managerial employees.

Table 4. Frequency of samples selected in different departments of the org.

Department	Frequency	Percent (%)	Valid Percent	Cumulative Percent
Marketing	4	1.4	1.4	1.4
Finance	27	9.7	9.7	11.2
Supply Chain	141	50.7	50.7	61.9
Sales	84	30.2	30.2	92.1
Others	22	7.9	7.9	100
Total	278	100	100	

Table4 shows that from the total sample size of 278 employee, 4 were in the marketing department, 27 in Finance, 141 in Supply Chain, 84 in Sales and the rest 22 in other departments like IT, Legal, HR. As observed in Table4, respondents were sampled from different departments that gave an opportunity to involve employees from all the departments. This implies good representation of each of the business units based on proportional size of the target population, which helps to minimize bias and ultimately ensure reliable information by employing representative samples.

Table 5. Respondents' levels of education

Level of education	Frequency	Percent (%)	Valid %	Cumulative %
Degree (BA, BSc)	136	48.9	48.9	48.9
Masters (MA, MSc)	141	50.7	50.7	99.6
Others	1	.4	.4	100
Total	278	100	100	

Table5 illustrates that 136 (48.9%) of the respondents have their first degrees, 141(50.7%) have their master’s degrees and 1 respondent has an educational background of beyond master’s degree. This shows that the respondents were able to understand the questions and respond towards the concept of marketing mix elements and their effects on business performance.

Table 6. Respondents’ experience based on service years working in the company

Service years	Frequency	Percent (%)	Valid %	Cumulative %
< 2 Years	106	38.1	38.1	38.1
2 - 5 years	88	31.7	31.7	69.8
> 5 Years	84	30.2	30.2	100
Total	278	100	100	

Table6. illustrates that 106(38.1%) of the respondents have been working for less than or equal to 2 years, 88(31.7%) of the respondents for years between 2 and 5, and 84(30.2%) for more than 5 years in the organization. This may show that respondents had enough knowledge and experience to respond to the questionnaire and the survey incorporated experienced employees of the organization to get accurate information in relation to marketing mix elements.

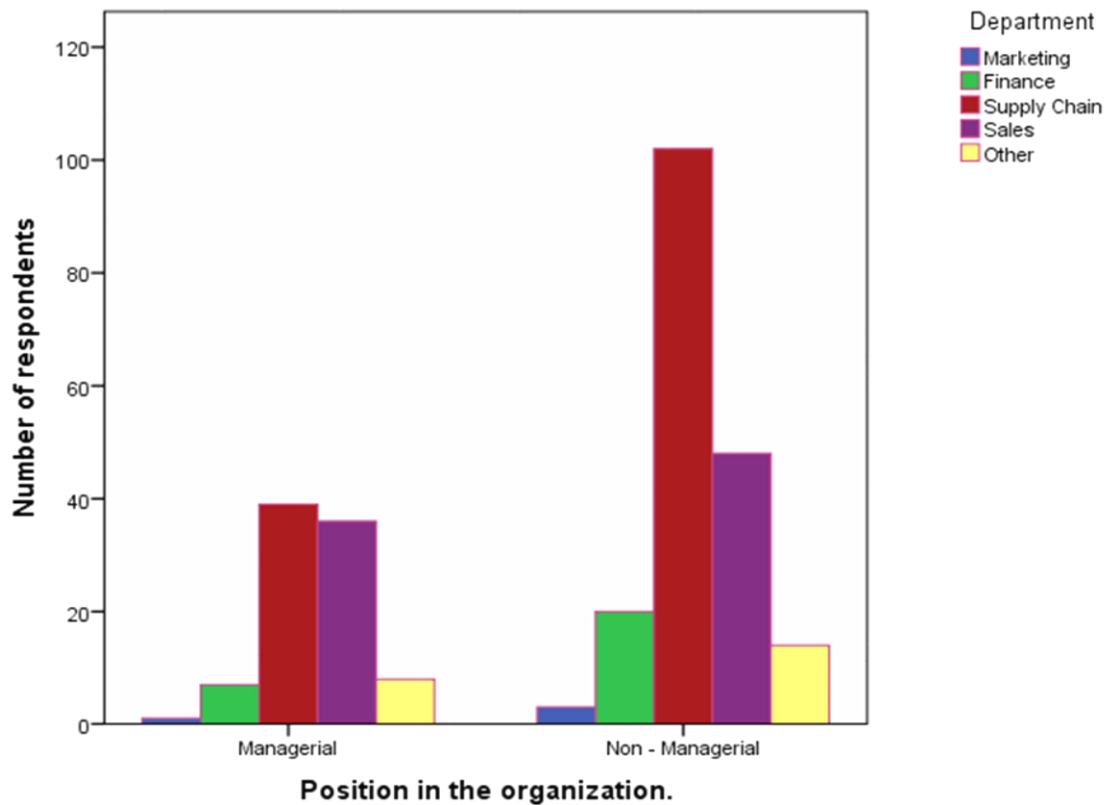


Figure 3. Distribution of positions as per departments of the organization

Table 7. Respondent's position and department in the organization

		Department.					Total
		Marketing	Finance	Supply Chain	Sales	Other	
Position in the organization.	Managerial	1	7	39	36	8	91
	Non - Managerial	3	20	102	48	14	187
Total		4	27	141	84	22	278

The distribution of different positions held by respondents under different departments of the organization as calculated in the cross tabulation is shown in Fig3. The majority of managerial positions *i.e* out of the 91 managerial positions (1) were held in the marketing department followed by (7), (39), (36) and (8) under finance, supply chain, sales and other departments respectively. On the other side, out of 187 non-managerial positions, 3 of them were held in the marketing department followed by 20, 102, 48 and 14 under finance, supply chain, sales and other departments respectively (Table 7). It was found that the majority of respondents (187) held non-managerial positions (Fig3).

4.2 Measurement: levels of agreement of respondent’s perception towards different variables

The different variables including: product, price, place, promotion, people, process, productivity and quality, and physical environment establish the degree of agreement levels by respondents are presented in detail in Tables 8-20.

4.2.1 Product

Table 8. Perception levels of respondents agreement towards product effect

Effect of Product	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Heineken Ethiopia provides a variety of products	Frequency	206	70	1	1	0
	%	74.1	25.2	.4	.4	0
Heineken Eth several processes on new product development	Frequency	190	85	3	0	0
	%	68.3	30.6	1.1	0	0
Heineken Eth has more products to offer consumers than competitors.	Frequency	113	103	62	0	0
	%	40.6	37.1	22.3	0	0
Preference for alcoholic and non – alcoholic products of Heineken Eth ..	Frequency	83	153	39	3	0
	%	29.9	55.0	14.0	1.1	0

With “product effect” as the main variable respondents’ agreement levels were considered on the following aspects such as variety of products, provision by Heineken new product development, having more products to offer, and availing preference of alcoholic & nonalcoholic beverages to customers, are described in detail in Table 8.

Firstly, The response towards the effects particularly that of variety of products 206 (74.1%) of the respondents strongly agreed, and 70 (25.2%) entered the levels as agree. On the other hand, only one (4%) disagree, while another 1 (4%) respondent remained neutral.

Secondly, on aspect about the several process by Heineken on new product development, 190 (68.30%) strongly agreed and 85 (30.6%) answered agreed. The majority of the respondents strongly agreed.

Thirdly, different levels of agreements on the aspect that Heineken Ethiopia avail more products offer to consumers than competitors receive response by 113 (40.60%) as strongly agree, while 103 (37.10%) agreed, and 62 (22.3%) responded as neutral. This indicate that Heineken Ethiopia having more products to offer to consumers than its competitors have product effect in general and offering more product types in particular has effect on performance.

Fourthly, responses levels of agreement on the effect of provision of preference of alcoholic & nonalcoholic beverages to customers showed that 83 (29.9%) responded as strongly agree; 153 (55%) agree, and only 3 (1.1%) disagree, while 39 (14%) responded as neutral. This result indicate that the majority of respondents agreed that the production and availability of preferences on both alcoholic and non-alcoholic products of Heineken have products effect on performance.

4.2.2 Price

Table 9. Perception levels of respondents agreement on price effect

Effect of Price	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Prices of Heineken products are appropriate ..	Frequency	91	173	14	0	0
	% t	32.7	62.2	5.0	.0	0
Prices are appropriate compared to product quality provided	Frequency	128	141	9	0	0
	%t	46.0	50.7	3.2	0	0
The prices are competitive compared to other breweries	Frequency	96	171	7	4	0
	%	34.5	61.5	2.5	1.4	0

Table 9 shows how respondents react to different questions that probe whether price has effect on market performance. With regard to this, for the query that price of Heineken Ethiopia products are appropriate, about 91 (32.7%) of respondents strongly agreed, whereas 173 (62.2%) agreed, and only 14 (5%) of the respondents replied as neutral. The majority of respondents This shows that majority of the respondents agreed that Heinekens' prices are appropriate.

At the same time when respondents were asked how they express their agreement on the fact that price of Heineken is appropriate compared to the product quality, 128 (46%) responded as strongly agree, and 141 (50.7%) as agree, while 9 (3.2%) as neutral. Again this

response depict that price still has effect on marketing performance provided that products fulfill quality standards. About 96 (34.5%), and 171 (61.5%) of respondents strongly agreed and agreed that

prices of Heineken products were competitive compared to prices of products of other brewery companies respectively. However, only about 4 (1.4%) respondents replied as neutral. In general, it is possible to summarize that the price effect on market performance showed the highest response rate.

4.2.3 Place

Table 10. Perception levels of respondents agreement on place effect

Effect of Place	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Easy availability of products of Heineken Eth within residence region	Frequency	141	87	44	6	0
	%	50.7	31.3	15.8	2.2	0
Easy to find any brands of Heineken Eth within residence region	Frequency	104	119	48	7	0
	%	37.4	42.8	17.3	2.5	0
Number of outlets of products of Heineken Eth more than its competitors	Frequency	121	113	32	12	0
	%	43.5	40.6	11.5	4.3	0

The perception levels of respondents on place effect on market performance was summarized from different responses on the three questions including: easy availability of Heineken products within residence region; all brands are easily found in residence region as well as outlets of Heineken products are more than its competitors (Table 10) were responded by 141 (50.7%), 104 (37.4%), and 121 (43.5%) respondents as strongly agreed respectively. On the other hand 87 (31.3%), 119 (42.8%) and 113 (40.6%) interviewee responded as agreed, and at the same time, 44 (15.8%), 48 (17.3%), and 32 (11.5%) responded as neutral respectively when asked how they agree on the three questions mentioned above (Table 10).

4. 2.4 Promotion

Table 11. Perception levels of respondents agreement on promotion effect

Effect of Promotion	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Advertising campaigns of Heineken Eth more creative, compared to other competing brands	Frequency	95	107	53	19	4
	%	34.2	38.5	19.1	6.8	1.4
In general, there is credibility in the advertisements	Frequency	58	173	32	13	2
	%	20.9	62.2	11.5	4.7	0.7
There is a significant effect of ban of advertisements on sales of Heineken Eth products	Frequency	201	62	10	5	0
	%t	72.3	22.3	3.6	1.8	0
Promotion is a strong tool in tapping into consumers' buying power	Frequency	200	73	4	1	0
	%	71.9	26.3	1.4	0.4	0

Promotion effects on performance was assessed. To this effect 107 (38.5%) of respondents act in response to the question that they strongly agree, and at the same time among the target respondents 107 (38.5%) replied as agree, while 4 (1.4%) strongly disagree, 19 (6.8%) disagree. But, neutral responses was given by 53 (19.1%) respondents.

As shown in Table 11, 58 (20.9%) and 173 (62.2%) of the respondents strongly agreed and agreed respectively to statements showing that the majority of respondents considered advertisements have convincing power on consumers. The third statement asked how significant effect of ban of advertisement affect sales of products, and the response revealed that 201 (72.3%) and 62 (22.3%) of the respondents strongly agreed and agreed respectively to the statement showing that the ban of advertisement of alcoholic products has brought a significant effect on sales of the products of Heineken Ethiopia. However, when asked whether promotion had influential effect as key instrument in tapping into consumers' buying power, a response of 200 (71.9%) strongly agree, and 73 (26.3%) agree that it has promotion effect.

4.2.5 People

Table 12. Perception levels of respondents agreement on people effect

Effect of People	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Production staff produce products as per required level of quality	Frequency	120	100	38	20	0
	%	43.2	36.0	13.7	7.2	0
Production staff is well-trained & knows how to operate machines	Frequency	86	136	46	10	0
	%	30.9	48.9	16.5	3.6	0
Staff at Head office knows how to deal with customers & stakeholders	Frequency	143	114	18	3	0
	%	51.4	41.0	6.5	1.1	0
There is good customer management & customer relationship in Heineken Eth	Frequency	106	151	21	0	0
	%	38.1	54.3	7.6	0	0

Table 12 shows that 120 (43.2%) of respondents strongly agreed that people *i.e.* production staff has effect on performance as they have decisive impact to produce products as per the required level of quality, while 100 (36%) of respondents' levels of agreement was as agreed. Whereas, 86 (30.9%) and 136 (48.9%) of respondents strongly agreed, and agreed respectively that production staff training and knowhow in machine operation did have effect on performance. The majority of respondents believe that people and the impact of training have effect on performance.

Respondents agreement levels on the statement that company's Head Office staff acquiring knowhow in dealing with customers and stakeholders management has effect on performance was responded by 143 (51.4%) as strongly agreed followed by 114 (41%) respondents as agree. Only 3 (1.1%) responded as disagree and 18 (6.5%) as neutral. Good customers management and customer relationship similarly responded by 106 (38.1%) and 151 (54.3%) as strongly agree, and agree respectively. In general, this shows that staff induced practices of good customer management and customer relationship exert influence on performance.

4.2.6 Process

Table 13. Perception levels of respondents agreement on process effect

Effect of Process	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Production process consistency & staff care to produce quality products have effect	Frequency	165	84	29	0	0
	%	59.4	30.2	10.4	0	0
Procedures required for Heineken products are easy, quick & immediate	Frequency	79	143	53	3	0
	%	28.4	51.4	19.1	1.1	0
Heineken Eth is committed to conditions offered to distributors in purchase policy	Frequency	127	122	28	1	0
	%	45.7	43.9	10.1	.4	0
Kilinto, Bedele & Harar are technologically advanced & production team knows how to deal with machines & equipment	Frequency	83	135	59	1	0
	%	29.9	48.6	21.2	.4	0

Table 13 indicate that 165 (59.4%) of the respondents strongly agree on the statement that production processes consistency, and its utmost care for product quality products. At the same time, about 84 (30.2%) responded as agree, while 29 (10.4%) of the respondents choose as neutral. The agreement made by the majority of respondents indicate that the consistency of production process and the utmost care of staff for quality products of Heineken have major effect on marketing and sales performance.

The majority of respondents 79 (28.4%) and 143 (51.4%) strongly agreed and agreed respectively, when they were assessed by allowing to express their degrees of agreement on the statement that the procedures to get Heineken products were easy, quick and immediate.

Similarly, the majority of respondents, 127 (45.7%) and 122 (43.9%) strongly agreed and agreed respectively when they were assessed by asking them to convey their degrees of agreement on the statement that Heineken is committed to conditions offered to distributors in the purchase policy. On the other side, the majority of respondents 83 (29.9) and 135 (48.6%) strongly agreed and agreed respectively that the breweries at Kilinto, Harar and Bedele are technologically advanced and the production team knows how to operate the

machines and equipment. Assumption can be made from these responses that effect of production process, and commitment and conditions offered for easy and quick purchase and distribution policy have positive effect on performance...

4.2.7 Productivity and Quality

Table14. Perception levels of respondents agreement on productivity & quality effects

Effect of Productivity and Quality	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Products of Heineken Eth are of good quality	Frequency	173	74	31	0	0
	%	62.2	26.6	11.2	0	0
Heineken Eth uses quality raw materials to produce alcoholic & non-alcoholic products	Frequency	278	0	0	0	0
	%	100.0	0.0	0.0	0.0	0
Products of Heineken differentiated from products of competitors by their high quality brewery standards	Frequency	134	130	13	1	0
	%	48.2	46.8	4.7	.4	0

Table 14 presents results of respondents' answer when asked if there is productivity and quality effect on performance of marketing. To draw inferences towards a common response figure, a diverse related statements were given to respondents to express their degrees of agreements. Hence, the majority of respondents 173 (62.2%) , and 74 (26.6%) responded as strongly agreed and agreed respectively when assessed by allowing respondents to express their degrees of agreement on the statement that products of Heineken Ethiopia are of good quality. However, 31 (11.2%) of the respondents entered their response as agreed and as neutral respectively on the statement about Heineken's products quality..

All 278 (100%) of the respondents strongly agree that Heineken uses quality raw materials like water, malted barley and hops to produce its alcoholic and non-alcoholic products. As seen on Table14, 134 (48.2%) and 130 (46.8%) of respondents answered as strongly and as agreed that the products of Heineken Ethiopia can be differentiated from products of its competitors as they are brewed with high quality standards.

4.2.8 Physical Environment

Table 15. Perception levels of respondents agreement on physical environment effect

Effect of Physical Environment	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Heineken Ethiopia utilizes resources efficiently and effectively	Frequency %	197 70.9	64 23.0	16 5.8	1 .4	0 0
Heineken Eth. manages Co2 emission to reduce it as much as possible	Frequency %	200 71.9	62 22.3	15 5.4	1 .4	0 0
No Heineken Ethiopia production site discharges untreated wastewater to surface water	Frequency %	213 76.6	53 19.1	11 4.0	0 .0	1 .4
Heineken Ethiopia has methods and procedures to mitigate environmental threats	Frequency %	219 78.8	42 15.1	13 4.7	4 1.4	0 0

Heineken Ethiopia utilizes resources efficiently and effectively. The company is also capable of managing its CO₂ and other waste materials such as waste water using methods and procedures for mitigation. The current study using this questionnaire survey reaffirm that the majority of respondents react towards diverse questions. On the statement that said Heineken has good resource utilization practice, it is observed in (Table 15) that the majority of respondents 197 (70.9%) and 64 (23%) of them responded as strongly agree and agree in that order.

200 (71.9) and 62 (22.3%) of respondents strongly agreed and agreed respectively to the extent of agreements on the statement that Heineken manages its CO₂ emission and takes measures to reduce it as much as possible. Similarly, respondents answered their degrees of agreements on various statements, see (Table 15) for details.

4.2.9 Business Performance

Table 16 below shows that 40 (14.4%), 176 (63.3%) and 59 (21.2%) of the respondents strongly agreed, agreed and were neutral respectively to the superiority of Heineken Ethiopia's return on asset (ROA) compared to its competitors. The majority of respondents believed Heineken's return on assets perform in a much better way than other brewery companies.

The level of agreements entered by respondents on the statement that Heineken Ethiopia's superiority on the rate of average sales growth showed a response of 44 (15.8%), 169 (60.8%) and 53 (19.1%) as strongly agreed, agreed and as neutral in that order. Similarly, the statement that the superior status of the company reached that stage because of sales from new product were reacted by respondents with different levels of agreements as shown in (Table 16) where 30 (10.8%), 173 (62.2%), 64 (23%) and 10 (3.6%) were answered as strongly agree, agreed, as neutral and disagree in that order. The extent of response on the statement that the new product success rate of the Heineken Ethiopia also showed very interesting outcome where 55 (19.8%), 152 (54.7%), and 61 (21.9%) of respondents responded as strongly agree, agree and as neutral respectively. On the superiority of Heineken Ethiopia's new product success rate, the response result indicate that the highest number of respondents agree to this fact.

In the current study about 51 (18.3%), 180 (64.7%) and 41 (14.7%) respondents expressed their extent of agreement on the statement as strongly agree, agree and as neutral in that order, describing the fact that Heineken Ethiopia doing its business more successfully by establishing its market shares.

Effective brewery business that include work for the realization of customers satisfaction is very crucial as it contributes for tangible business performance. This impression was assessed in the current questionnaire survey, where level of agreements were responded on the statement that Compared to major competitors, Heineken's customers are more satisfied. The majority of respondents 168 (60.4%) as agree and about 50 (18%) responded as strongly agree (Table 16). From the total respondents, however, 51 (18.3%) responded as neutral. Opinions and perceptions of interviewee, indicate that consumers are highly satisfied with alcoholic and non-alcoholic beverage of Heineken Ethiopia.

Table 16. Perception levels of respondents agreement on business performance effect

Effect of Business Performance	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Compared to major competitors Heineken’s return on assets is superior	Frequency	40	176	59	3	0
	%	14.4	63.3	21.2	1.1	0
Compared to major competitors Heineken’s mean sales growth rate is superior	Frequency	44	169	53	12	0
	%	15.8	60.8	19.1	4.3	0
Compared to major competitors Heineken’s percentage of sales from new product is superior	Frequency	30	173	64	10	1
	%	10.8	62.2	23.0	3.6	.4
Compared to major competitors Heineken’s new product success rate is superior	Frequency	55	152	61	9	1
	%	19.8	54.7	21.9	3.2	.4
Compared to major competitors Heineken is more successful achieving & establishing market share	Frequency	51	180	41	6	0
	%	18.3	64.7	14.7	2.2	0
Compared to major competitors Heineken’s customers are more satisfied	Frequency	50	168	51	8	1
	%	18.0	60.4	18.3	2.9	.4

4.2.10 Customer Orientation

Table 17 below illustrates that 120(43.2%), 148(53.2%) and 9(3.2%) of the respondents strongly agreed, agreed and were neutral respectively to the organization having a strong commitment to its customers. The result shows that majority of the respondents agreed with the statement.

The second statement assessed value creation in the organization. The table shows that 116(41.7) and 146(52.5%) of the respondents strongly agreed and agreed respectively to creating customer value in the products. The result shows that majority of the respondents agreed with the statement.

The third statement assessed if marketing’s most important job was identifying and helping to meet the needs of customers. The table shows that 84(30.2%), 109(39.2%) and 70(25.2%) of the respondents strongly agreed, agreed and were neutral to the statement. The majority of the respondents believed that the marketing department mainly focused on identifying the needs and wants(preferences) of the consumers.

The last statement assessed for the degree of agreement of the respondents to quality defining the level of satisfaction of the consumers. 127(45.7%) and 132(47.5%) of the

respondents strongly agreed and agreed that the quality of the products can be defined by the level of satisfaction of consumers.

Table 17. Perception levels of respondents agreement on customer orientation effect

Effect of Customer Orientation	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Heineken Eth. Has a strong commitment to its customers	Frequency	120	148	9	1	0
	%	43.2	53.2	3.2	.4	0
Heineken Eth. looks ways to create customer value in its products	Frequency	116	146	10	6	0
	%	41.7	52.5	3.6	2.2	0
In Heineken Eth marketing's most important job is to identify & help meet the needs of our customers	Frequency	84	109	70	15	0
	%	30.2	39.2	25.2	5.4	0
We define quality as the extent to which our customers are satisfied with our products/services	Frequency	127	132	18	1	0
	%	45.7	47.5	6.5	.4	0

4.2.11 Competitor Orientation

Table 18. Perception levels of respondents agreement on competitor orientation effect

Competitor Orientation	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
We frequently collect marketing data on our competitors to help direct our marketing plans	Frequency	134	110	33	1	0
	%	48.2	39.6	11.9	.4	0
We respond rapidly to competitors' actions	Frequency	120	110	29	15	4
	%	43.2	39.6	10.4	5.4	1.4
Our top managers often discuss competitors' actions	Frequency	127	121	21	9	0
	%	45.7	43.5	7.6	3.2	0
We consider opportunities based on competitive advantage	Frequency	102	145	29	2	0
	%	36.7	52.2	10.4	.7	0

Table 18 illustrates that 134(48.2%), 110(39.6%) and 33(11.9%) of the respondents strongly agreed, agreed and were neutral respectively to collecting and analyzing marketing data on our competitors to make good marketing plans.

The second statement assessed if the organization responds to actions of competitors. 120(43.2%) and 110(39.6%) of the respondents strongly agreed and agreed respectively with the organization responding to competitors' actions (Table 18).

The third statement assessed if managers discussed competitors' actions. 127(45.7%) and 121(43.5%) of the respondents strongly agreed and agreed respectively with managers discussing competitors' actions.

The last statement assessed if opportunities were considered based on competitive advantage. Table 18 illustrates that 102(36.7%), 145(52.2%) and 29(10.4%) of the respondents strongly agreed, agreed and were neutral respectively to the statement.

4.2.12 Inter-functional coordination

Table 19. Perception levels of respondents agreement on Inter-functional co-ordination

Effect of Inter-functional Coordination	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
In our firm the marketing people have a strong input into the development of new products/services	Frequency	104	133	29	6	6
	%	37.4	47.8	10.4	2.2	2.2
We do a good job integrating the activities of all departments	Frequency	84	122	63	5	4
	%	30.2	43.9	22.7	1.8	1.4
The marketing people regularly interact with other departments on a formal basis	Frequency	50	128	73	19	8
	%	18.0	46.0	26.3	6.8	2.9

Table 19 indicates that 104(37.4%), 133(47.8%) and 29(10.4%) of the respondents strongly agreed, agreed and were neutral respectively to marketing people having a strong input into the development of new products. The majority of the respondents agreed with the statement.

Table 19 also illustrates that 84(30.2%) and 122(43.9%) of the respondents strongly agreed and agreed respectively that activities in all departments are integrated.

The last statement assessed if the marketing people regularly interacted with the other departments on a formal basis. The result shows that 50(18%), 128(46%) and 73(26.3%) of

the respondents strongly agreed, agreed and were neutral respectively to the statement. The majority of the respondents agreed with the statement.

4.2.13 Profit Orientation

Table 20. Perception levels of respondents’ agreement on profit orientation effect

Item - Profit Orientation	Count	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Marketing department quickly determine profitability of major customers	Frequency (%)	95 34.2	134 48.2	34 12.2	9 3.2	6 2.2
Marketing department quickly determine profitability of product lines	Frequency (%)	113 40.6	118 42.4	32 11.5	13 4.7	2 0.7
Marketing department quickly determine profitability of sales territories	Frequency (%)	133 47.8	102 36.7	31 11.2	10 3.6	2 0.7
Marketing department quickly determine profitability of distribution channels	Frequency (%)	132 47.5	100 36.0	33 11.9	9 3.2	4 1.4

Table 20 shows levels of agreements or disagreement and neutrality levels of respondents on profit orientation effects. On the perception that marketing department can quickly determine the profitability of major customers; about 95 (34.2%) respondents reacted as strongly agree and 134 (48.2%) of them responded as agree. On the other hand, 9 (3.2%) answered as disagree, and 6 (2.2%) strongly disagree, while 34 (12.2%) respondents preferred to neutral. Similarly, the perception that marketing department can quickly determine the profitability on product lines, on sales territories and on distribution channels , the extent of agreement levels showed that 113 (40.6%), 118(42.4%) and 32 (11.5%) of respondents responded as strongly agree, agreed and as neutral in that order. Differing these levels, about 13 (4.7%) respondents answered as disagree and 3 (0.7%) as strongly disagree. For further details on the agreement levels on the profit orientation effect on sales territories and on distribution see (Table 20).

4.3 Correlation Analysis

To study the strength of association in the model between variables, there is a need to conduct Pearson correlation analysis to indicate a linear association between the predicted and explanatory (independent and dependent) variables or among the latter. Further, it can be explained that a correlation analysis is a statistical technique that can show whether and

how strongly pairs of variables are related (Cohen, 2002). Correlation is only appropriate for certain kinds of data, correlation works for quantifiable data in which numbers are meaningful, usually quantities of some sort. It cannot be used for purely categorical data, such as gender, or position in the organization.

From the findings (Table 21), the study found a strong positive correlation between product and business performance at significance level of 0.258 (P-value – 0.000), place and business performance at significance level of 0.378 (P-value – 0.000), promotion and business performance at significance level of 0.441 (P-value – 0.000), people and business performance at significance level of 0.343 (P-value – 0.000), process and business performance at significance level of 0.213 (P-value – 0.000), productivity and quality and business performance at significance level of 0.230 (P-value – 0.000), physical environment and business performance at significance level of 0.307 (P-value – 0.000), and market orientation and business performance at significance level of 0.602 (P-value – 0.000).

The study also found that price and business performance are correlated at significance level of 0.018 (P-value – 0.761), which is not significant as the P-value is greater than 0.05 ($P > 0.05$).

The Pearson correlation (Table 21) shows that the flagged ones are significant correlations among the variables in the study as their linear relationship is significant ($P < 0.05$) with a value of less than 0.05 (flagged with **, correlation is significant at the 0.01 level and flagged with *, correlation is significant at the 0.05 level). The dependent variable, business performance has a significant correlation with Product, Place, Promotion, People, Process, Productivity and Quality, Physical Environment and Market Orientation as significance values were: 0.258, 0.378, 0.441, 0.343, 0.213, 0.230, 0.307, and 0.602 respectively, each of which was less than 0.01 ($P < 0.01$). The correlation of business performance with the above mentioned variables is positive which implies as they increase, business performance also increases. The correlation of business performance with Price has a significance level of 0.018 at P-level of 0.761 which is greater than 0.05 ($P > 0.05$), as can be seen in Table 21, it is not flagged like the other variables. Price has a negative relationship with business performance. The correlations in the main diagonal are all equal to 1. This is because a variable is always perfectly correlated with itself.

In statistics, the correlation coefficient r measures the strength and direction of a linear relationship between two variables on a scatter-plot. The value of r is always between positive 1 and negative 1 (Deborah, 2016).

- Exactly -1 . A perfect downhill (negative) linear relationship
- -0.70 - A strong downhill (negative) linear relationship
- -0.50 - A moderate downhill (negative) relationship
- -0.30 - A weak downhill (negative) linear relationship
- 0 - No linear relationship
- $+0.30$ - A weak uphill (positive) linear relationship
- $+0.50$ - A moderate uphill (positive) relationship
- $+0.70$ - A strong uphill (positive) linear relationship
- Exactly $+1$ - A perfect uphill (positive) linear relationship

Based on the above, all the marketing mix elements as well as the mediator (market orientation) have a positive linear relationship with business performance. Product, Price, Process and Productivity & Quality have a weak linear relationship with business performance since their Pearson correlation coefficients are between 0 and $+0.30$; Place, Promotion, People and Physical Environment have a moderate linear relationship with business performance since their Pearson correlation coefficients are between $+0.3$ and $+0.5$ and Market Orientation has a strong linear relationship with business performance since its Pearson correlation coefficient is greater than $+0.50$.

Table 21. Pearson correlation analysis

Pearson Correlations										
	1	2	3	4	5	6	7	8	9	10
1 - Product	1									
2 - Price	.247**	1								
	0.000									
3 - Place	.185**	.174**	1							
	0.002	0.004								
4 - Promotion	0.057	-0.027	.227**	1						
	0.343	0.659	0.000							
5 - People	.218**	.130*	.186**	.284**	1					
	0.000	0.031	0.002	0.000						
6 - Process	0.078	.156**	0.113	0.076	-0.032	1				
	0.194	0.009	0.060	0.204	0.597					
7 - Productivity and Quality	.234**	.235**	0.100	0.042	.256**	-0.007	1			
	0.000	0.000	0.095	0.490	0.000	0.901				
8 - Physical Environment	.177**	.133*	.126*	.310**	.201**	0.063	.127*	1		
	0.003	0.027	0.035	0.000	0.001	0.293	0.035			
9 - Market Orientation	.166**	.131*	.468**	.448**	.416**	.134*	.210**	.380**	1	
	0.005	0.028	0.000	0.000	0.000	0.026	0.000	0.000		
10 - Business Performance	.258**	0.018	.378**	.441**	.343**	.213**	.230**	.307**	.602**	1
	0.000	0.761	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

** . Correlation is significant at the 0.01 level (2-tailed).
 * . Correlation is significant at the 0.05 level (2-tailed).

4.4 Regression analysis

In order to check the effectiveness of the data the following assumptions namely Normality Test, Test of Kurtosis and Skewness, Test for Linearity and Homoscedasticity, Test of Multi-Collinearity, Test of Independence of Residuals and Reliability test are conducted and discussed as follows.

4.4.1 Normality test

The researcher employed multiple regression model to regress independent variables and the dependent variable. The test of normal distribution could be checked by graphical (histogram and dot plot) method of tests. The fulfillment of regression model assumption should be checked first. A normality test is used to determine whether sample data has been

drawn from a normally distributed population. The dependent and independent variables of this research are normality distributed as shown in figure 4.

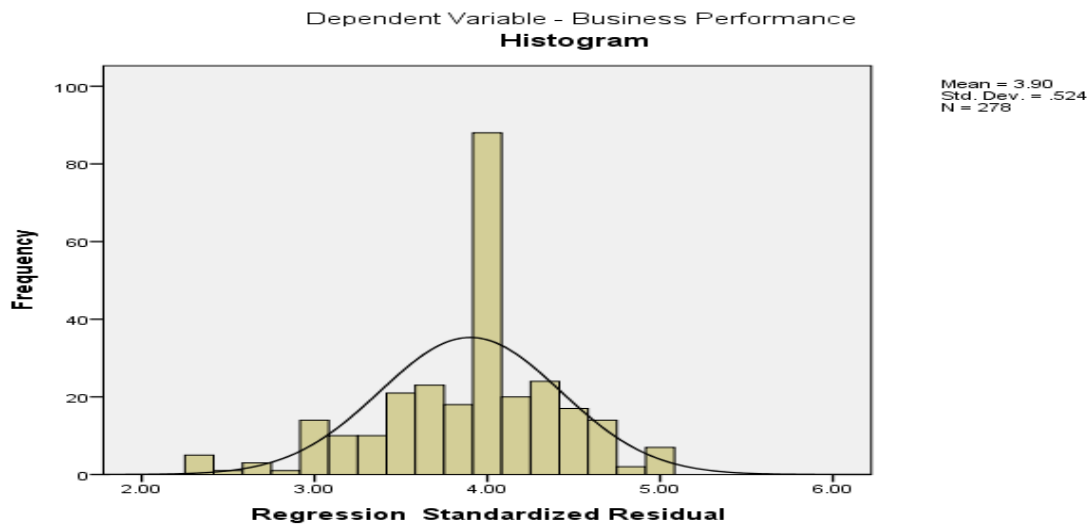


Figure 4. Regression Analysis: Normality Test

4.4.2 Test of Kurtosis and Skewness

Kurtosis value provides an indication about how peak the distribution is and skewness provides an indication of symmetry of the distribution. If the distribution is perfectly normal, the value of kurtosis is zero otherwise approach zero. skewness is a measure of the asymmetry of the probability distribution of a random variable about its mean. In other words, skewness tells you the amount and direction of skew (departure from horizontal symmetry). Kurtosis tells you the height and sharpness of the central peak, relative to that of a standard bell curve (Table 22).

The z-score value should be less than 1.96 for the data to approach normal and it fulfills normality test, which indicates that the distribution and the data are perfectly normal.

Table 22. Test of Kurtosis and Skewness

Statistics										
	Business Perform	Product	Price	Place	Prom	People	Process	P&Q	PE	MO
Valid Number	278	278	278	278	278	278	278	278	278	278
Missing Number	0	0	0	0	0	0	0	0	0	0
Skewness	-.595	-.623	-.380	-1.186	-1.032	-.228	-.598	-.454	-1.583	-1.525
Std. Error of Skewness	.146	.146	.146	.146	.146	.146	.146	.146	.146	.146
Z Calculated	-4.069	-4.264	-2.600	-8.117	-7.065	-1.563	-4.091	-3.104	-10.831	-10.435
Kurtosis	.691	.033	.411	2.313	1.453	-.204	.671	-.865	1.568	3.495
Std. Error of Kurtosis	.291	.291	.291	.291	.291	.291	.291	.291	.291	.291
Z Calculated	2.373	.112	1.412	7.942	4.989	-.700	2.305	-2.969	5.384	11.999

4.4.3 Test for Linearity and Homoscedasticity

Multiple linear regression model assumes there is a linear relationship between the independent variables and the dependent variables. Homoscedasticity assumption means the range of variance for the dependent variable is uniform for all values of the independent variables.

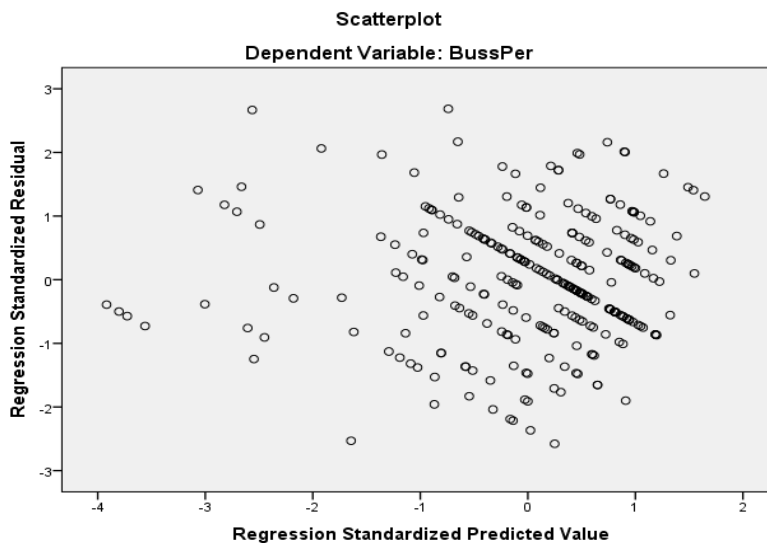


Figure 5: Test of Homoscedasticity

The figure does not have an obvious pattern, the points seem to be distributed fairly above and below zero on the X axis and to the left and right of zero on the Y axis showing that the data is homoscedastic (no heteroscedasticity is observed in the study) (Figure 5).

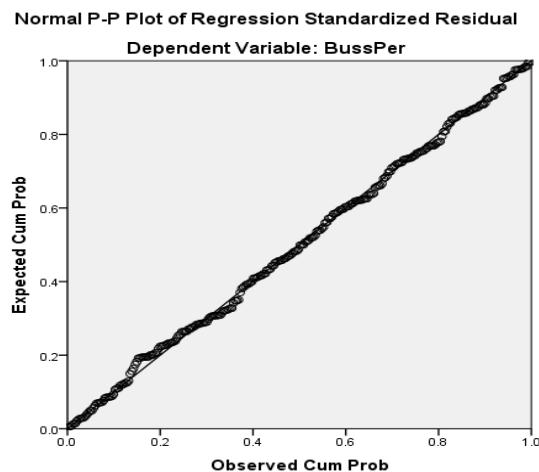


Figure 6: Test for Linearity

Figure 6 shows that the data used for this study is normal since the line follows the Normality line, only a slight deviation is observed. This means the data used in this study meets the linearity assumption.

4.4.4 Test of Multi-Collinearity

Another assumption that has to be met to undertake multiple linear regression model is the assumption of multi - collinearity. It's an indication for a linear relationship between the independent variables. When correlation exists among predictor's the standard error of predictors coefficients will increase and consequently the variance of predictor's coefficients are inflated. The VIF is a tool to measure and quantify how much the variance is inflated. Tolerance is associated with each independent variable and ranges from 0 to 1. (Allison, 1999) notes that there isn't a strict cutoff for tolerance, but suggests a tolerance of below .40 is cause for concern. (Weisburd & Britt, 2013) state that anything under .20 suggests serious multicollinearity in a model.

Table 23. Test of Multicollinearity

Coefficients ^a		
Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Product	0.859	1.164
Price	0.858	1.165
Place	0.887	1.127
Promotion	0.808	1.237
People	0.819	1.220
Process	0.953	1.049
Productivity and Quality	0.869	1.150
Physical Environment	0.859	1.164

a. Dependent Variable: Business Performance

Table 23 illustrates that the tolerance value of the independent variables in the study is less than 1 and the VIF of all independent variables is less than ten ($VIF < 10$), which indicates that this model is free from multicollinearity between the independent variables .

4.4.5 Test of Independence of Residuals

Multiple linear regression model assumes the residuals are independent of one another. The Durbin-Watson statistic is used to test for the presence of serial correlation among the residuals. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are not correlated if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.5.

Table 24. Test of independence of residuals

Model Summary ^d					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.210a	.044	.030	.51563	1.893
2	.652b	.425	.399	.40584	
3	.706c	.499	.474	.37962	

As a general rule, the residuals are not correlated if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.5. Table 24 describe the Durbin-

Watson statistic of 1.893, which shows that the residuals are not correlated and are independent.

4.4.6 Reliability Test

Reliability analysis measures the internal consistency on group of items which are used in questionnaire. Cronbach's alpha simply provides you with an overall reliability coefficient for a set of variables. Reliability analysis examines the homogeneity or cohesion of the items that comprise each scale. Cronbach's alpha coefficient is the most frequently used index of reliability. Cronbach's alpha Coefficient is the most common way to assess reliability.

An instrument's internal consistency is based on the correlation between different items of the same test. This correlation indicates if a number of items supposed to measure the same construct produce similar scores. For Cronbach's Alpha, computed with correlations between all pairs of items, internal consistency can vary between zero and one, although there are sometimes aberrant negative values, as well (this implies a negative average covariance among items, which could mean that while the true population covariance among items are positive, sampling error has produced a negative average covariance in a given sample of cases or that the items do not truly have positive covariance, and therefore may not form a single scale, they are not measuring the same thing). A general accepted rule is that alpha of 0.6-0.7 indicates an acceptable level of reliability, and 0.8 or greater a very good level. However, values higher than 0.95 are not necessarily good, since they might be an indication of redundancy (Hulin, Netemeyer, and Cudeck, 2001).

Table 25. Item- Total statistics Cronbach's alpha

Item-Total Statistics					
Variables	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Product	38.7906	5.896	.319	.168	.718
Price	38.8892	5.901	.215	.170	.735
Place	38.9911	5.295	.415	.264	.704
Promotion	38.8967	5.326	.405	.288	.706
People	38.9821	5.588	.417	.247	.704
Process	38.9740	6.183	.165	.092	.737
Product Q	38.5751	6.082	.281	.159	.723
Physical E	38.5388	5.436	.382	.199	.710
Market Orient	39.0348	4.822	.661	.527	.658
Bus-Perform	39.3197	4.962	.607	.478	.669

Table 25 illustrates that the Cronbach's alpha of all the variables is above 0.7 which is good except for market orientation and business performance whose Cronbach alphas are 0.658 and 0.669 respectively but still fall into the acceptable range. Table 25 demonstrates that the alphas of all the variables are in the acceptable range indicating a high level of internal consistency.

Therefore, the study discussed the major assumptions that must be fulfilled for one to analyze data using multiple linear regression model and reliability analysis. Since the sample size of the study is 278, i.e., above 200, the probability of meeting the 5 assumptions was very high and as explained above, all the five assumptions were not violated, the researcher examined the data collected by the questionnaires using multiple regression model as follows.

4.5 Results of regression analysis

4.5.1 Mediation regression analysis

By following the four steps of Baron and Kenny's mediation analysis, the following results were obtained.

Step 1. Conducting a simple regression analysis with independent variables predicting the dependent variable.

A simple regression analysis was conducted with independent variables (the marketing mix elements) predicting the dependent variable (business performance of Heineken Ethiopia) while controlling the demographic variables. The below results were obtained.

Table 26. Step 1. Model summary and Coefficients

Model Summary and Coefficients ^a														
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.		
		B	Std. Error	Beta				B	Std. Error	Beta				
	1	(Constant)	3.056	.275		11.107	.000	2	(Constant)	-2.192	.551		-3.981	.000
		Position	.086	.074	.077	1.164	.246		Position	.075	.059	.067	1.271	.205
		Department	.058	.038	.090	1.500	.135		Department	-.064	.032	-.099	-1.973	.050
		Education	.166	.068	.161	2.430	.016		Education	.098	.056	.095	1.744	.082
		Experience	.049	.044	.077	1.118	.265		Experience	.030	.036	.048	.847	.398
									Product	.168	.070	.125	2.389	.018
									Price	-.155	.054	-.145	-2.885	.004
									Place	.211	.048	.222	4.391	.000
									Promotion	.259	.050	.271	5.166	.000
									People	.225	.063	.189	3.564	.000
									Process	.255	.066	.189	3.893	.000
									Prod&Qual	.249	.080	.158	3.110	.002
									PhyEnviro	.127	.051	.128	2.496	.013
R		0.210					0.652							
R Square		0.044					0.425							
Adjusted R Square		0.030					0.399							
R Square Change		0.044					0.381							
a. Dependent Variable: Business Performance														

According to table 26, Heineken’s performance increases by 0.168, 0.211, 0.259, 0.225, 0.225, 0.249 and 0.127 units if product, place, promotion, people, process, productivity and quality and physical environment increase by one unit respectively and vice versa. Performance of Heineken decreases by 0.155 units if price increases by one unit and vice versa.

The R (Coefficient of Correlation) measures the degree of linear association between the dependent variable and the independent variables jointly. R square is the square of R and indicates the percentage of variation explained by the regression line out of the total variation. R square is a statistical measure of how close the data are to the fitted regression line. In this step, the value of R which is 0.210 and 0.652 in model 1 and 2 respectively shows that the demographic factors influence business performance by 21% and the independent variables, the eight marketing mix elements, while the demographic factors are controlled influence the dependent variable, business performance by 65.2%. The R square of model 1 and model 2 is 0.044 and 0.425 respectively (Table 26).

The ANOVA test produced a P-value of 0.000 which is below the alpha level, i.e., 0.05 which means the independent variables have a significant relationship with the dependent variable, i.e., business performance.

Table 26 illustrates that education is significant (0.016, P-Value is less than the alpha level, i.e., 0.05) in measuring business performance and the rest of the demographic factors are insignificant (Model 1). Model 2 illustrates that department and all the marketing mix elements (Product, Price, Place, Promotion, People, Process, Product Quality, and Physical Environment) are statistically significant in measuring the dependent variable, business performance with significance levels of 0.050, 0.018, 0.004, 0.000, 0.000, 0.000, 0.000, 0.002 and 0.013 since each of them show a significance level below the alpha level, i.e., 0.05.

Therefore in the first step, only department was found to be significant in measuring business performance from the demographic factors and all the independent variables, i.e., marketing mix elements were significant.

Step2. Conducting a simple regression analysis with independent variables predicting the mediator.

A simple regression analysis was conducted with independent variables (the marketing mix elements) predicting the mediator (market orientation) while controlling the demographic variables. Results are presented in Table 27.

Table 27. Step 2 - Model summary and Coefficients

Model Summary and Coefficients ^a														
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.		
		B	Std. Error	Beta				B	Std. Error	Beta				
	1	(Constant)	3.749	.132		28.364	.000	2	(Constant)	-1.240	.509		-2.435	.016
	1	Department	.131	.039	.201	3.405	.001	2	Department	.017	.031	.026	.537	.592
								2	Product	-.034	.067	-.025	-.510	.611
								2	Price	-.005	.053	-.005	-.102	.919
								2	Place	.322	.046	.334	7.012	.000
								2	Promotion	.225	.049	.231	4.623	.000
								2	People	.273	.061	.226	4.472	.000
								2	Process	.100	.063	.073	1.581	.115
								2	Prod&Qual	.140	.077	.087	1.805	.072
								2	PhyEnviro	.209	.049	.207	4.272	.000
R				0.201								0.679		
R Square				0.040								0.461		
Adjusted R Square				0.037								0.443		
R Square Change				0.040								0.421		

a. Dependent Variable: Market Orientation

According to table 27, Heineken’s performance increases by 0.322, 0.225, 0.273, 0.100, 0.140, and 0.209 units if place, promotion, people, process, productivity and quality and physical environment increase by one unit respectively and vice versa. Performance of Heineken decreases by 0.034 and 0.005 units if product and price increase by one unit respectively and vice versa.

The R (Coefficient of Correlation) measures the degree of linear association between the dependent variable and the independent variables jointly. R square is the square of R and indicates the percentage of variation explained by the regression line out of the total variation. R square is a statistical measure of how close the data are to the fitted regression line. In this step, the value of R which is 0.201 and 0.679 in model 1 and 2 respectively shows that the demographic factor department (since only department remained significant in step 1) influence business performance by 20.1% and the independent variables, the eight marketing mix elements, while the demographic factor is controlled influence the dependent variable, business performance by 67.9%. The R square of model 1 and model 2 is 0.040 and 0.461 respectively (Table 27).

The ANOVA test produced a P-value of 0.000 which is below the alpha level, i.e., 0.05 which means the independent variables have a significant relationship with the mediator, i.e., market orientation.

Table 27 illustrates that the remaining demographic factor, department is no longer significant (0.592, P-Value is greater than the alpha level, i.e., 0.05) in measuring business performance (Model 1). Model 2 illustrates that from the marketing mix elements only place, promotion, people and physical environment are statistically significant in measuring the dependent variable, business performance with P-Values of 0.000 each, which is below the alpha level, i.e., 0.05.

Therefore in step 2, no demographic factor was found to be significant and from the eight marketing mix elements, only place, promotion, people and physical environment were found to be significant in measuring business performance.

Step 3. Conducting a simple regression analysis with the mediator predicting the dependent variable.

A simple regression analysis was conducted with the mediator(market orientation) predicting the dependent variable(business performance) while controlling the demographic variables. Results are presented in Table 28.

Table 28. Step 3. Model summary and Coefficients

Model Summary and Coefficients ^a							
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta			
	1	(Constant)	1.422	.200		7.127	.000
		Market Orientation	.592	.047	.602	12.524	.000
R	0.602						
R Square	0.362						
Adjusted R Square	0.360						
R Square Change	0.362						
a. Dependent Variable: Business Performance							

According to table 28, Heineken’s performance increases by 0.592 units if market orientation increases by one unit and vice versa.

The R (Coefficient of Correlation) measures the degree of linear association between the dependent variable and the independent variables jointly. R square is the square of R and indicates the percentage of variation explained by the regression line out of the total variation. R square is a statistical measure of how close the data are to the fitted regression line. In this step, the value of R which is 0.602 shows that market orientation influences business performance by 60.2%. The R square of market orientation is 0.362 (Table 28).

The ANOVA test produced a P-value of 0.000, which is less than the significance level (alpha level, < 0.05). The dependent variable has a significant relationship with the mediator, i.e., Market orientation.

Table 28 illustrates that market orientation is statistically significant in measuring the dependent variable which is Business Performance, as its significance level is 0.000 which is less than alpha .05 (see Table 28).

Therefore in step 3, market orientation was found to be significant in measuring business performance.

Step 4. Conducting a multiple regression analysis with the independent variables and the mediator predicting the dependent variable.

A multiple regression analysis was conducted with the independent variables (the marketing mix elements) and the mediator (market orientation) predicting the dependent variable (business performance) while controlling the demographic variables. Results are presented in Table 29.

Table 29. Step 4 - Model summary and Coefficients

Model Summary and Coefficients ^a													
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta				B	Std. Error	Beta			
	1	(Constant)	.061	.348		.175	.862	2	(Constant)	.240	.326	.738	.461
		Place	.248	.049	.261	5.091	.000	Place	.118	.050	.124	2.374	.018
		Promotion	.271	.052	.283	5.218	.000	Promotion	.182	.050	.190	3.604	.000
		People	.218	.062	.184	3.509	.001	People	.104	.061	.087	1.704	.090
		PhyEnviro	.149	.052	.149	2.849	.005	PhyEnviro	.063	.051	.064	1.255	.211
								Mar.Ori	.392	.061	.398	6.403	.000
R	0.577					0.648							
R Square	0.333					0.420							
Adjusted R Square	0.323					0.409							
R Square Change	0.333					0.087							
a. Dependent Variable: Business Performance													

According to the results observed in Table 29, Heineken’s performance increases by 0.240 if marketing mix elements and market orientation remain zero. Heineken’s performance

increases by 0.118, 0.182, 0.104, 0.063 and 0.392 units if place, promotion, people, physical environment and market orientation increase by one unit respectively and vice versa.

The R (Coefficient of Correlation) measures the degree of linear association between the dependent variable and the independent variables jointly. R square is the square of R and indicates the percentage of variation explained by the regression line out of the total variation. R square is a statistical measure of how close the data are to the fitted regression line. In this step, the value of R which is 0.577 and 0.648 in model 1 and 2 respectively shows that the remaining significant marketing mix elements in step 3 (place, promotion, people and physical environment) influence business performance by 57.7% and the remaining marketing mix elements together with the mediator influence the dependent variable, business performance by 64.8%. The R square of model 1 and model 2 is 0.333 and 0.420 respectively (Table 29).

Table 30. Step 4 - Regression analysis – ANOVA

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.252	4	6.313	34.011	.000 ^b
	Residual	50.672	273	.186		
	Total	75.924	277			
2	Regression	31.890	5	6.378	39.397	.000 ^c
	Residual	44.034	272	.162		
	Total	75.924	277			
a. Dependent Variable: Business Performance b. Predictors: (Constant), Physical environment, Place, People, Promotion c. Predictors: (Constant), Physical environment, Place, People, Promotion, Market Orientation						

The result in the ANOVA table (Table 30) confirmed the significance of model 1 and 2 by p- values of 0.000 both, which are below the alpha level, i.e. 0.05 meaning the independent variables and the mediator taken together have a statistically significant relationship with the dependent variable under study.

Table 29 – Model 1 demonstrates that all four marketing mix elements are significant in measuring business performance with significance levels less than alpha, 0.05. Model 2 illustrates that people and physical environment are no longer significant (0.090 and 0.211 respectively, P-Values are greater than the alpha level, i.e., 0.05) in measuring business performance when the mediator, market orientation is included in the regression. Model 2 illustrates that from the marketing mix elements only place and promotion are statistically significant in measuring the dependent variable, business performance with P-Values of

0.018 and 0.000 respectively as well as the mediator, market orientation with P-Value of 0.000; all are below the alpha level, i.e., 0.05.

If the independent variables are not significant, when the mediator is included in the regression, there is said to be a full mediation. If the independent variables remain to be significant when the mediator is included, i.e., if both the independent variable, and the mediator significantly predict the dependent variable, then there is a partial mediation. As can be observed in (Table 29), in the mediation regression analysis, only place and promotion remained significant upon the inclusion of the mediator in the analysis with significance levels of 0.018 and 0.000 respectively while all the other independent variables, marketing mix elements, were insignificant. Therefore it can be concluded that market orientation fully mediates the effect of product, price, people, process, productivity and quality and physical environment on business performance as they are no longer significant when market orientation was introduced into the regression. Place remained significant in measuring business performance(P-Value of 0.018) even when market orientation was included in the regression but its standardized beta coefficient decreased from 0.222 to 0.124 when compared to the direct regression of the independent variables and business performance. Similarly, promotion remained significant in measuring business performance(P-Value of 0.000) even when market orientation was included in the regression but its standardized beta coefficient decreased from 0.271 to 0.190 when compared to the direct regression of the independent variables and business performance. Hence, market orientation partially mediated the effect of place and promotion on business performance in Heineken Ethiopia.

Therefore, the last step concluded that market orientation fully mediates the effect of product, price, people, process, productivity and quality and physical environment on business performance as they were no longer significant when the mediator, market orientation was included in the regression. Market orientation partially mediates the effect of place and promotion since they remained significant upon the inclusion of the mediator in the regression but their standardized beta coefficients decreased.

4.5.2 Regression Results

The model for the study that depicts marketing mix elements affecting the business performance of Heineken Ethiopia:

$$BP = \alpha + PRX1 + PCX2 + PLX3 + PMX4 + PPX5 + PSX6 + PQX7 + PEX8 + MOX9 + e$$

Where, BP = Business Performance,

PR = Product

PC = Price

PL = Place

PM = Promotion

PP = People

PS = Process

PQ = Productivity and Quality

PE = Physical Environment

MO = Market Orientation

α is constant and PR, PC, PL, PM, PP, PS, PQ and PE are coefficients of marketing mix elements to estimate, MO is the coefficient of market orientation to estimate and e is the error term.

In Table 29, the first model represents the remaining marketing mix elements that underwent mediation regression analysis. The second model represents the regression while the mediator is included.

The value of R which is 0.577 and 0.648 in model 1 and 2 respectively show that the remaining significant marketing mix elements in step 3 (place, promotion, people and physical environment) influence business performance by 57.7% and the remaining marketing mix elements together with the mediator influence the dependent variable, business performance by 64.8%. The R square of model 1 and model 2 is 0.333 and 0.420 respectively (Table 31).

Table 29 – Model 1 demonstrates that all four marketing mix elements are significant in measuring business performance with significance levels less than alpha, 0.05. Model 2 illustrates that people and physical environment are no longer significant (0.090 and 0.211 respectively, P-Values are greater than the alpha level, i.e., 0.05) in measuring business performance when the mediator, market orientation is included in the regression. Model 2 illustrates that from the marketing mix elements only place and promotion are statistically

significant in measuring the dependent variable, business performance with P-Values of 0.018 and 0.000 respectively as well as the mediator, market orientation with P-Value of 0.000; all are below the alpha level, i.e., 0.05.

If the independent variables are not significant, when the mediator is included in the regression, there is said to be a full mediation. If the independent variables remain to be significant when the mediator is included, i.e., if both the independent variable, and the mediator significantly predict the dependent variable, then there is a partial mediation. As can be observed in (Table 29), in the mediation regression analysis, only place and promotion remained significant upon the inclusion of the mediator in the analysis with significance levels of 0.018 and 0.000 respectively while all the other independent variables, marketing mix elements, were insignificant. Therefore it can be concluded that market orientation fully mediates the effect of product, price, people, process, productivity and quality and physical environment on business performance as they are no longer significant when market orientation was introduced into the regression. Place remained significant in measuring business performance (P-Value of 0.018) even when market orientation was included in the regression but its standardized beta coefficient decreased from 0.222 to 0.124 when compared to the direct regression of the independent variables and business performance. Similarly, promotion remained significant in measuring business performance (P-Value of 0.000) even when market orientation was included in the regression but its standardized beta coefficient decreased from 0.271 to 0.190 when compared to the direct regression of the independent variables and business performance. Hence, market orientation partially mediated the effect of place and promotion on business performance in Heineken Ethiopia.

Therefore, the researcher concluded that market orientation fully mediates the effect of product, price, people, process, productivity and quality and physical environment on business performance of Heineken Ethiopia as they were no longer significant when the mediator, market orientation was included in the regression. Market orientation partially mediates the effect of place and promotion on business performance of Heineken Ethiopia since they remained significant upon the inclusion of the mediator in the regression but their standardized beta coefficients decreased.

Thus, from Table 29, the following model can be driven:

$$BP = 0.240 + 0.118PL + 0.182PM + 0.392MO + ei$$

4.6 Hypothesis Testing

Hypothesis testing is used to determine the likelihood that a statement is true and can be accepted. This study had nine hypothesis to investigate if there is a relationship between the marketing mix elements and business performance in Heineken Ethiopia.

- **Ho1:** Product has no positive significant impact on business performance.
The first hypothesis is Accepted(failed to be rejected) because the result in Table 27 shows that the significance level of Product effect on business performance is 0.611, ($P > 0.05$); $\beta_1 = 0.034$
- **Ho2:** Price has no positive significant impact on business performance.
The second hypothesis is Accepted(failed to be rejected) because the result in Table 27 shows that the significance level of Price effect on business performance is 0.919, ($P > 0.05$); $\beta_2 = 0.005$
- **Ho3:** Place has no positive significant impact on business performance.
The third hypothesis is Rejected because the result in Table 29 shows that the significance level of Place effect on business performance is 0.018, ($P < 0.05$); $\beta_3 = 0.118$
- **Ho4:** Promotion has no positive significant impact on business performance.
The fourth hypothesis is Rejected because the result in Table 29 shows that the significance level of Promotion effect on business performance is 0.000, ($P < 0.05$); $\beta_4 = 0.182$
- **Ho5:** People has no positive significant impact on business performance.
The fifth hypothesis is Accepted(failed to be rejected) because the result in Table 29 shows that the significance level of People effect on business performance is 0.090, ($P > 0.05$); $\beta_5 = 0.104$
- **Ho6:** Process has no positive significant impact on business performance.
The sixth hypothesis is Accepted(failed to be rejected) because the result in Table 27 shows that the significance level of Process effect on business performance is 0.115, ($P > 0.05$); $\beta_6 = 0.100$
- **Ho7:** Productivity and quality has no positive significant impact on business performance.

The seventh hypothesis is Accepted(failed to be rejected) because the result in Table 27 shows that the significance level of Productivity and Quality effect on business performance is 0.072, ($P > 0.05$); $\beta_7 = 0.140$

- **Ho8:** Physical Environment has no positive significant impact on business performance. The eighth hypothesis is Accepted(failed to be rejected) because the result in Table 29 shows that the significance level of Physical Environment effect on business performance is 0.211, ($P > 0.05$); $\beta_8 = 0.063$

- **Ho9:**Market Orientation does not mediate the relationship between marketing mix elements and business performance.

The ninth hypothesis is Rejected because the result in Table 29 shows that the significance level of Market Orientation effect on business performance is 0.000, ($P < 0.05$); $\beta_9 = 0.392$ and Market Orientation partially mediates the effect of place and promotion on business performance and fully mediates the effect of product, price, people, process, productivity and quality and physical environment on business performance of Heineken Ethiopia.

Table 311. Hypothesis Testing

Hypothesis	Result
Ho1: Product has no significant impact on business performance	Accepted (the outcome of the coefficient of correlation supports the hypothesis; $\beta_1 = 0.034$, $P > 0.05$).
Ho2: Price has no significant impact on business performance	Accepted (the outcome of the coefficient of correlation supports the hypothesis; $\beta_2 = 0.005$, $P > 0.05$).
Ho3: Place has no significant impact on business performance	Rejected (the outcome of the coefficient of correlation supports the hypothesis; $\beta_3 = 0.118$, $P < 0.05$).
Ho4: Promotion has no significant impact on business performance	Rejected (the outcome of the coefficient of correlation supports the hypothesis; $\beta_4 = 0.182$, $P < 0.05$).
Ho5: People has no significant impact on business performance	Accepted (the outcome of the coefficient of correlation supports the hypothesis; $\beta_5 = 0.104$, $P > 0.05$).
Ho6: Process has no significant impact on business performance	Accepted (the outcome of the coefficient of correlation supports the hypothesis; $\beta_6 = 0.100$, $P > 0.05$).
Ho7: Productivity and quality has no significant impact on business performance	Accepted (the outcome of the coefficient of correlation supports the hypothesis; $\beta_7 = 0.140$, $P > 0.05$).
Ho8: Physical Environment has no significant impact on business performance	Accepted (the outcome of the coefficient of correlation supports the hypothesis; $\beta_8 = 0.063$, $P > 0.05$).
Ho9:Market Orientation does not mediate the relationship between marketing mix elements and business performance	Rejected (the outcome of the coefficient of correlation supports the hypothesis; $\beta_9 = 0.392$, $P < 0.05$).

4.7 General discussion

The ANOVA of the direct relationship between the marketing mix elements and business performance in Heineken Ethiopia produced a P-value of 0.015 and 0.000 for model 1(demographic factors) and 2(independent variables) respectively; both of which are below the alpha level, i.e. 0.05. That means the demographic factors as well as the independent variables have an overall statistically significant relationship with that of the dependent variable, i.e. Business performance of Heineken Ethiopia.

The ANOVA of the relationship between the mediator in the study(market orientation) and business performance produced a P-value of 0.000 indicating a statistically significant relationship with the dependent variable of the study.

The ANOVA of the impact of both the marketing mix elements and market orientation on business performance of Heineken Ethiopia also produced a P-value of 0.000 indicating a statistically significant relationship between variables in the study.

The R (Coefficient of Correlation) is a measure which measures the degree of linear association between the dependent variable and the independent variables jointly. It measures the degree of association or co - variation between the two variables (Gujarati, 2004). In this study, the value of R is 0.577 and 0.648 respectively for model 1 and 2 in the mediation analysis of Baron and Kenny. It shows that the inclusion of the mediator in the regression analysis has brought more significant relationship between the marketing mix elements and business performance of Heineken Ethiopia rather than the independent variables alone have with the dependent variable (Table 29).

R-squared is a statistical measure of how close the data are to the fitted regression line. It is also known as the coefficient of determination, or the coefficient of multiple determination for multiple regression. The R-squared values for model 1 and 2 are 0.333 and 0.420 respectively showing that the data are to the fitted regression line (Table 29).

The adjusted R square (Coefficient of Determination), can be defined as the proportion of the total variation or dispersion in the Business performance of Heineken (dependent variable) that is explained by the variation in independent variables in the regression. (Gujarati, 2004). So with adjusted R Square value of 0.323, and 0.409 respectively for model 1 and 2, the percentage variation in business performance of Heineken is explained by the linear relationship of the independent variables (Table 29).

Generally speaking, the regression model developed under the study can be considered as a good fit or predictor of Business performance of Heineken Ethiopia. The individual effects of the significant independent variables and the mediator can be explained by their respective beta coefficients. The beta coefficient of place, promotion and market orientation is 0.118, 0.182 and 0.392 respectively showing that all three have a positive relationship with business performance. An increase in these variables as well as the mediator will have an increasing effect in business performance. The rest of the independent variables were no longer significant upon the inclusion of the mediator in the mediation regression analysis, their P-value was found to be greater than the alpha level, i.e., 0.05 (Table 29).

Based on the study conducted, there is a significant effect of marketing mix elements on business performance.

Concerning the independent variables, only place and promotion (beta levels of 0.118 and 0.182 and P-values of 0.018 and 0.000 respectively) were found to significantly affect business performance when market orientation mediated the relationship between the marketing mix elements and business performance in Heineken Ethiopia. Owomoyela, (2013); Amine & Cavusgil, (2001); and McNaughton,(2002) agree that place has significant effect on business performance. Kotler, (2007) illustrates that promotion has become a critical factor in the product marketing mix that a company uses to pursue its advertising and marketing objective. Previous researches (Amine & Cavusgil, 2001) have established significant relationship between promotion and business performance.

Market orientation partially mediates the relationship between place and promotion with business performance since both remained significant while the mediator was included in the regression even though their beta coefficients decreased when compared to the direct relationship between the independent variables and business performance. By following Baron and Kenny's mediation analysis, product, price, people, process, productivity and quality and physical environment were no longer significant in influencing business performance even though they significantly affected the dependent variable in their direct relationship; market orientation fully mediates the relationship between them and business performance in Heineken Ethiopia (Table 29).

The first variable under study was Product. Business performance of Heineken Ethiopia and Product had a positive relationship of 0.168 in their direct relationship, indicating a one-unit increase in product will positively affect business performance by 16.8% (Table 26). When

the relationship between the two was mediated by market orientation, the P-value of product was 0.611, it was no longer significant in influencing business performance (Table 27). Market orientation fully mediates the effect of product on business performance in Heineken Ethiopia.

The second variable under study was Price. According to my study, price had a negative relationship with business performance of -0.155 in their direct relationship indicating that a one birr increase in price of products of Heineken Ethiopia will negatively affect the business performance by 15.5% (Table 26). When the relationship between the two was mediated by market orientation, the P-value of price was 0.919, it was no longer significant in influencing business performance (Table 27). Market orientation fully mediates the effect of price on business performance in Heineken Ethiopia.

The third variable was Place. According to my study, Place had a positive relationship with business performance of 0.211 in their direct relationship and a significance level of 0.000. It indicates that the more Heineken distributes its products at different places or markets, it will positively affect business performance by 21.1% (Table 26). When the relationship between the two was mediated by market orientation, the P-value of place was 0.018, it remained significant in influencing business performance though the beta coefficient decreased from 21.1% to 11.8% (Table 29). Therefore, market orientation partially mediates the effect of place on business performance in Heineken Ethiopia.

The fourth variable was Promotion. According to my study, Promotion had a positive relationship with business performance of 0.259 in their direct relationship and a significance level of 0.000 . It indicates that the more Heineken promotes its products by using different promotional tools, it will positively affect business performance by 25.9% (Table 26). When the relationship between the two was mediated by market orientation, the P-value of promotion was still 0.000, it remained significant in influencing business performance though the beta coefficient decreased from 25.9% to 18.2% (Table 29). Therefore, market orientation partially mediates the effect of promotion on business performance in Heineken Ethiopia.

The fifth variable was People. According to my study, People had a positive relationship with business performance of 0.225 in their direct relationship. It indicates that the more experienced the employees are in the head office, the more experienced are the brewery teams in operating the machines and equipment and the more employees are aware of

customer and stakeholder management, it will positively affect business performance by 22.5% (Table 26). When the relationship between the two was mediated by market orientation, the P-value of people was 0.090, it was no longer significant in influencing business performance (Table 29). Market orientation fully mediates the effect of people on business performance in Heineken Ethiopia.

The sixth variable was Process. According to my study, Process had a positive relationship with business performance of 0.255 in their direct relationship. It indicates that the more Heineken's processes are consistent, it will positively affect business performance by 25.5% (Table 26). When the relationship between the two was mediated by market orientation, the P-value of process was 0.115, it was no longer significant in influencing business performance (Table 27). Market orientation fully mediates the effect of process on business performance in Heineken Ethiopia.

The seventh variable was Productivity and Quality. According to my study, Productivity and Quality had a positive relationship with business performance of 0.249 in their direct relationship. It indicates that the more Heineken improves its productivity and quality, it will positively affect business performance by 24.9% (Table 26). When the relationship between the two was mediated by market orientation, the P-value of productivity and quality was 0.072, it was no longer significant in influencing business performance (Table 27). Market orientation fully mediates the effect of productivity and quality on business performance in Heineken Ethiopia.

The eighth variable was Physical Environment. According to my study, Physical environment had a positive relationship with business performance of 0.127 in their direct relationship. It indicates that the more Heineken protects the environment it operates in, it will positively affect business performance by 12.7% (Table 26). When the relationship between the two was mediated by market orientation, the P-value of physical environment was 0.211, it was no longer significant in influencing business performance (Table 29). Market orientation fully mediates the effect of physical environment on business performance in Heineken Ethiopia.

The last variable was Market Orientation, which was the mediator between the marketing mix elements and business performance. According to the result of the study, Market Orientation had a positive relationship with business performance of 0.592 in their direct relationship (Table 28). The study further strengthens the positive link between market

orientation and business performance, a result obtained by previous studies of the same nature (Narver and Slater, 1990).

While regressing to find the impact of both the independent variables and market orientation, market orientation had a positive relationship with business performance of 0.392. It indicates that the more Heineken is market oriented, it will positively affect business performance by 39.2% (Table 29). As already observed in the regression analysis, only place and promotion remained to be significant in influencing business performance and the rest of the marketing mix elements were insignificant upon the inclusion of the mediator (market orientation) in the regression analysis. The finding supports that market orientation fully mediates the effect of product, price, people, process, productivity and quality and physical environment on business performance in Heineken Ethiopia. Moreover, the mediator (market orientation) partially mediates the effect of place and promotion on business performance as they remained significant (P-values less than alpha, i.e., 0.05).

It can be concluded from the findings that that marketing mix elements as well as the mediator (Market Orientation) have significant effect on business performance. All the marketing mix elements had a positive relationship with business performance except price in their direct relationship. An increase in any of the independent variables (marketing mix elements) except price will have an increasing effect on the dependent variable (business performance) and as price increases, it will negatively affect the performance of Heineken Ethiopia. The mediation regression analysis has illustrated that only place and promotion remained significant while the rest of the marketing mix elements were fully mediated by market orientation.

In comparison of the impact of the independent variables on the dependent variable, standardized beta coefficients will be used. From the regression result, the standardized beta coefficients of Place and Promotion are 0.124 and 0.190 respectively indicating that promotion influences business performance the most in Heineken Ethiopia (19% change in business performance will be due to promotional factors) (Table 29).

If the independent variables are no longer significant when the mediator is included in the regression, there is said to be full mediation. If the independent variables are still significant when the mediator is included, i.e., if both the independent variables and the mediator significantly predict the dependent variable, there is said to be a partial mediation. Market Orientation is concluded to fully mediate the effect of all marketing mix elements except

place and promotion, i.e., product, price, people, process, productivity and quality and physical environment on business performance in Heineken Ethiopia as their P-values were greater than the alpha level in the mediation regression analysis. Place and promotion remained to significantly affect business performance even when market orientation was included in the regression, even though their beta coefficients decreased; market orientation partially mediates the effect of place and promotion on business performance of Heineken Ethiopia.

In this study, place and promotion significantly predict the dependent variable, while the rest of the marketing mix elements could not while the mediator was included in the regression. The researcher concludes that the finding supports partial mediation between market orientation and place and promotion and full mediation between market orientation and product, price, people, process, productivity and quality and physical environment.

CHAPTER - 5

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This concluding chapter summarizes the objectives of the study, the major findings and conclusions. It also discusses the managerial and theoretical implications of the study, and makes recommendation for further research.

5.1 Summary

The purpose of the study was to identify the effects of marketing mix elements: product, price, place, promotion, people, process, productivity and quality, and physical environment on business performance and examine the mediation effect of Market Orientation on the relationship between marketing mix elements and business performance.

As the study was conducted using the structured questionnaire, it helped the researcher to understand and get insight into how the marketing mix elements affect business performance and its multi linear regression model. Based on the analysis of data and discussion of results, the followings are the summaries of major findings of the study.

The ANOVA of the impact of both the marketing mix elements and market orientation on business performance of Heineken Ethiopia also produced a P-value of 0.000 indicating a statistically significant relationship between variables in the study.

The R (Coefficient of Correlation) is a measure which measures the degree of linear association between the dependent variable and the independent variables jointly. It measures the degree of association or co - variation between the two variables (Gujarati, 2004). In this study, the value of R is 0.577 and 0.648 respectively for model 1 and 2 in the mediation analysis of Baron and Kenny. It shows that the inclusion of the mediator in the regression analysis has brought more significant relationship between the marketing mix elements and business performance of Heineken Ethiopia rather than the independent variables alone have with the dependent variable (Table 29).

The adjusted R square (Coefficient of Determination), can be defined as the proportion of the total variation or dispersion in the Business performance of Heineken (dependent variable) that is explained by the variation in independent variables in the regression. (Gujarati, 2004). So with adjusted R Square value of 0.323, and 0.409 respectively for

model 1 and 2, the percentage variation in business performance of Heineken is explained by the linear relationship of the independent variables (Table 29).

If the independent variables are no longer significant when the mediator is included in the regression, there is said to be full mediation. If the independent variables are still significant when the mediator is included, i.e., if both the independent variables and the mediator significantly predict the dependent variable, there is said to be a partial mediation. Market Orientation is concluded to fully mediate the effect of all marketing mix elements except place and promotion, i.e., product, price, people, process, productivity and quality and physical environment on business performance in Heineken Ethiopia as their P-values were greater than the alpha level in the mediation regression analysis. Place and promotion remained to significantly affect business performance even when market orientation was included in the regression, even though their beta coefficients decreased; market orientation partially mediates the effect of place and promotion on business performance of Heineken Ethiopia.

5.2 Conclusion

The purpose of the study was to identify the effects of marketing mix elements: product, price, place, promotion, people, process, productivity and quality, and physical environment on business performance and examine the mediation effect of Market Orientation on the relationship between marketing mix elements and business performance.

Therefore, after gathering data using Questionnaire and analyzing it using SPSS and a five point likert scale, the study came up with the following results;

By undertaking a review of literature and documents, the researcher came up with marketing mix elements that affect business performance which are product, price, place, promotion, people, process, productivity and quality and physical environment.

By using multiple regression on SPSS, the researcher analyzed the relationship between the dependent and independent variables of the research. And based on the findings, the study concludes that there exists a significant positive relationship between marketing mix elements and business performance except for price which has a negative relationship with business performance in the study undertaken indicating an increase in any of the marketing mix elements will result in an improved business performance but price which will decrease the performance of the business. As observed from the study, Promotion influences business

performance the most in Heineken Ethiopia which is in line with Kotler, (2007) discovering that Promotion is a critical factor in the product marketing mix. The study further strengthens the positive link between market orientation and business performance, a result obtained by previous studies of the same nature (Narver and Slater, 1990). The findings of the study support that Market Orientation is a partial mediator between place and promotion and business performance and a full mediator between product, price, people, process, productivity and quality and physical environment and business performance in Heineken Ethiopia.

5.3 Recommendation

In this ever growing competitive brewery industry, a brewing company must be at the head of the game on every aspect of the finished product delivery. And to do that it's advisable for the brewery management team to utilize different scientific models to predict major contributing factors towards business performance.

Based on the findings of the study the following recommendations aimed at strengthening the marketing mix elements on performance of Heineken Ethiopia are given.

- The study provides empirical support that the performance of Heineken Ethiopia could be significantly influenced by improving the level of Product quality that can win over the products of other brewery companies. The company should produce its products by using quality raw materials, it should also make sure that the products meet the required standards before they are available for sale. The marketing department of the company must be able to determine the needs and wants of the target market so that the products can be preferred to other products of other brewery companies.
- In order for Heineken brewery to keep its steady performance, the study recommends the improvement of the pricing strategy by fine-tuning to new circumstances that enables the prices to be competitive to products of other competitors in the brewery industry while still prices are set based on cost of production, quality of products and brand images.
- Easy access to Heineken brewery products to customers have positive impacts on business performance. Therefore, it is recommended that Heineken Ethiopia establishes convenient places of distribution and delivery channels that enable products to reach vast geographical areas and to existing and new customers.

- Promotion significantly affects the performance of business, therefore, this study recommends that Heineken Ethiopia needs to search alternate means that may replace traditional media promotion with new innovative ideas of using modern promotional tools that address and retain existing customers, while convincing new ones.
- The production staff should be trained to have adequate knowledge of operating the machines, and the staff at the office must be aware of stakeholder management.
- The quality of the raw materials used to produce products should be checked regularly.
- The practice of resource utilization must be observed at all times so that the physical environment is not negatively affected during and after production of alcoholic and non – alcoholic products of Heineken Ethiopia.
- This study recommends Heineken Ethiopia to enhance market research with particular emphasis on desirable product mix to find out the needs and requirements of consumers.

Recommendation for future research

- This study was carried out in Heineken Ethiopia, a brewery company. Similar studies can be done in other sectors of the economy such as manufacturing, banking, transport and other sectors in order to compare the findings with this one.
- This study used Market Orientation as a mediator between marketing mix elements and business performance. Further study can be conducted by using other factors as mediators to compare the results and findings with this one.
- Further research should be undertaken other than marketing mix elements affecting business performance since many other factors can influence the performance of a business like brand image, ERP and employee satisfaction.

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APPENDICES
ADDIS ABABA UNIVERSITY
MASTER OF BUSINESS ADMINISTRATION

RESPONDENTS' QUESTIONNAIRE

Dear Respondent,

My name is Beza Desalegn. I am currently undertaking a Master of Business Administration (MBA) program in the University of Addis Ababa. As part of my final assessment, I am required to submit a master's thesis. I am therefore conducting a research study on the effect of marketing mix elements on business performance: in case of Heineken Brewery, Ethiopia.

I am kindly requesting you to spare some time and respond to this questionnaire for me as honestly as possible by ticking or filling in the spaces provided. The information provided will be treated with strict confidentiality and will be used for academic purposes only.

Your dedication and participation are highly valued and I would like to thank you very much in advance for your cooperation. If you have any queries, do not hesitate to contact me with the address indicated below.

Addis Ababa,
Beza Desalegn
Bezadesalegn1996@gmail.com
0920748744

With kindest regards,

RESPONDENTS QUESTIONNAIRE

Section 1: Demographic Information

Q1. Please indicate your position in the organization

- Managerial Non-managerial

Q2. Which department of Heineken Ethiopia do you work in?

- Marketing Supply chain Other
 Finance Sales

Q3. What is your highest level of education?

- Diploma Degree
 Masters Other

Q4. How long have you worked in this organization?

- < 2 years
 2-5 years
> 5 years

Section 2: Adoption of Marketing Strategies

In this section, please indicate your agreement or disagreement about the marketing mix elements for the following statements by putting a tick mark (√) in the appropriate box. Please note that 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = Strongly Disagree.

2	Section 2: Marketing Mix Elements	5	4	3	2	1
Q5.	Product					
	5.1 Heineken Ethiopia provides a variety of products.					
	5.2 Heineken Ethiopia undertakes several processes upon new product development.					
	5.3 In comparison to other brewing companies, Heineken Ethiopia has more products to offer to consumers.					
	5.4 Both the alcoholic and non – alcoholic products of Heineken Ethiopia are preferred to products of other brewing companies.					
Q6.	Price					
	6.1 The prices of Heineken products are appropriate to me.					

	6.2 The prices are appropriate compared to the quality of services provided.					
	6.3 The prices are competitive compared to the other breweries.					
Q7.	Place					
	7.1 It is easy to find the products of Heineken Ethiopia within my region of residence.					
	7.2 It is easy to find any of the brands of Heineken Ethiopia within my region of residence.					
	7.3 The number of outlets that deal with the products of Heineken Ethiopia are more than those of its competitors.					
Q8.	Promotion					
	8.1 Before the recent policy against TV advertisement of beer and other alcohol, the advertising campaigns of Heineken Ethiopia seemed very creative, compared to campaigns of competing brands.					
	8.2 In general, I can feel that there is credibility in the advertisements.					
	8.3 There is a significant effect of the ban of advertisements on sales of the products of Heineken Ethiopia.					
	8.4 Promotion is a strong tool in tapping into consumers' buying power.					
Q9.	People					
	9.1 The production staff is able to produce the products as per the required level of quality.					
	9.2 The production staff is well-trained and knows how to operate the machines.					
	9.3 The staff at the head office knows how to deal with customers and different stakeholders.					
	9.4 There is good customer management and customer relationship in Heineken Ethiopia.					
Q10.	Process					
	10.1 The production processes are consistent and the production staff takes utmost care to produce quality products.					
	10.2 The procedures to get the required Heineken products are easy, quick and immediate.					
	10.3 Heineken Ethiopia is committed to all of the conditions offered to distributors in the purchase policy.					
	10.4 All three of the breweries; Kilinto, Bedele and Harar are technologically advanced and the production team knows how to deal with the machines and equipment.					
Q11.	Productivity and Quality					
	11.1 I believe the products of Heineken Ethiopia are of good quality.					

	11.2 Heineken uses quality raw materials (water, malted barley, hops) to produce its alcoholic and non – alcoholic products.				
	11.3 The products of Heineken Ethiopia are differentiated from the products of its competitors as they are brewed with high quality standards.				
Q12.	Physical Environment				
	12.1 Heineken Ethiopia utilizes resources efficiently and effectively.				
	12.2 Heineken Ethiopia manages its Co2 emission and takes measures to reduce it as much as possible.				
	12.3 No Heineken Ethiopia production site discharges untreated wastewater to surface water.				
	12.4 Heineken Ethiopia has methods and procedures to mitigate environmental threats.				

Section 3: Organization performance

In this section, please indicate your agreement or disagreement about the performance of the organization for the following statements by putting a tick mark (✓) in the appropriate box. Please note that 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = Strongly Disagree.

Section 3: Business Performance	5	4	3	2	1
Q13. Compared to our major competitors our company's return on assets is superior.					
Q14. Compared to our major competitors our company's average sales growth rate is superior.					
Q15. Compared to our major competitors our company's percentage of sales from new product is superior.					
Q16. Compared to our major competitors our company's new product success rate is superior.					
Q17. Compared to our major competitors our company is more successful in achieving and establishing market share.					
Q18. Compared to our major competitors our company's customers are more satisfied.					

Section 4: Market Orientation

In this section, please indicate your agreement or disagreement about market orientation for the following statements by putting a tick mark (√) in the appropriate box. Please note that 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = Strongly Disagree.

4.	Section 4: Market Orientation	5	4	3	2	1
Q19.	Customer Orientation					
	19.1 We have a strong commitment to our customers					
	19.2 We are always looking at ways to create customer value in our products					
	19.3 In our company marketing's most important job is to identify and help meet the needs of our customers					
	19.4 We define quality as the extent to which our customers are satisfied with our products/services					
Q20.	Competitor orientation					
	20.1 We frequently collect marketing data on our competitors to help direct our marketing plans					
	20.2 We respond rapidly to competitors' actions					
	20.3 Our top managers often discuss competitors' actions					
	20.4 We consider opportunities based on competitive advantage					
Q21.	Inter-functional co-ordination					
	21.1 In our firm the marketing people have a strong input into the development of new products/services					
	21.2 We do a good job integrating the activities of all departments					
	21.3 The marketing people regularly interact with other departments on a formal basis					
Q22.	Profit orientation					
	22.1 Our marketing department can quickly determine the profitability of our major customers					
	22.2 Our marketing department can quickly determine the profitability of our product lines					
	22.3 Our marketing department can quickly determine the profitability of our sales territories					
	22.4 Our marketing department can quickly determine the profitability of our distribution channels					

