



**THE IMPACT OF MARKETING MIX ELEMENTS ON THE
CONSUMER BUYING BEHAVIOUR, IN THE CASE OF RETAIL
SUPERMARKETS IN ADDIS ABABA.**

BY: TEWODROS BEYENE

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDY

PROGRAM UNIT OF MARKETING MANAGEMENT

JANUARY 2018

ADDIS ABABA

**THE IMPACT OF MARKETING MIX ELEMENTS ON THE
CONSUMER BUYING BEHAVIOUR, IN THE CASE OF RETAIL
SUPERMARKETS IN ADDIS ABABA.**

BY

TEWODROS BEYENE

ADVISOR: DR. ASFAW YILMA (PHD)

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENT FOR DEGREE OF MASTER IN
MARKETING MANAGEMENT**

ST. MARY'S UNIVERSITY

PROGRAM UNIT OF MARKETING MANAGEMENT

JAN, 2018

ADDIS ABABA

**THE IMPACT OF MARKETING MIX ELEMENT ON THE
CONSUMER BUYING BEHAVIOUR. IN CASE OF SUPERMARKETS
IN ADDIS ABABA**

BY

TEWODROS BEYENE

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature and Date

Thesis Advisor

Signature and Date

Internal Examiner

Signature and Date

External Examiner

Signature and Date

DECLARATION OF AUTHORSHIP

I, Tewodros Beyene, declare that this thesis and the work presented in it are my own and have been generated by me as the result of my own original research.

Title of thesis: The Impact of marketing mix elements on the consumer buying behavior. In the case of retail super markets in Addis Ababa.

Signed: _____

Date: _____

ENDORSEMENT

This is to certify that *Tewodros Beyene* carried out his thesis on “*The Impact of Marketing Mix Elements on the Consumer Buying Behavior in Ethiopia, In The Case Of Retail Supermarkets in Addis Ababa*” and submitted in partial fulfillment of the requirements for the award of the degree of Masters of Art in Marketing Management at St. Marry University with my approval as university advisor.

Signature: _____

Date: _____

Asfaw Yilma (PhD) – Advisor

TABLE OF CONTENT

LIST OF TABLES	I
LIST OF FIGURES	II
ABSTRACT.....	III
ACKNOWLEDGMENTS	IV
CHAPTER ONE	1
1. INTRODUCTION	1
1.1 STATEMENTS OF THE PROBLEM	2
1.2 RESEARCH QUESTIONS	3
1.3 OBJECTIVE OF THE STUDY	3
1.3.1 General Objective of the study	3
1.3.2 Specific Objectives	3
1.4 SIGNIFICANCE OF THE STUDY	3
1.5 LIMITATION OF THE STUDY	4
1.6 ORGANIZATION OF THE STUDY	4
CHAPTER TWO	5
2. LITERATURE REVIEW.....	5
2.1 THEORETICAL LITERATURE	5
2.2 COMPLEX AND SIMPLIFIED MODELS OF CONSUMER BEHAVIOR.....	6
2.3 BENEFITS OF STUDYING CONSUMER BEHAVIOR	7
2.3.1 Product.....	8
2.3.2 Price	8
2.3.3 Shopping Convenience	9
2.3.4 Promotion	10
2.3.5 Store Atmosphere	10
2.3.6 Personnel.....	11
CHAPTER THREE	12
3. RESEARCH METHODOLOGY AND DESIGN	12
3.1 RESEARCH METHODOLOGY	12
3.2 RESEARCH DESIGN	12
3.3 TARGET POPULATION	12
3.4 SAMPLING DESIGN	13

3.5 DATA SOURCE AND COLLECTION METHOD	14
3.6 RELIABILITY ANALYSIS	14
3.7 DATA ANALYSIS TOOL	15
3.8 METHOD OF DATA ANALYSIS AND PRESENTATION OF RESULT	15
CHAPTER FOUR.....	17
4. RESULT AND DISCUSSION.....	17
4.1 DESCRIPTIVE ANALYSIS.....	17
4.1.1 Demographic Profile of the Respondents	17
4.2 FACTOR ANALYSIS.....	18
4.3 CORRELATION ANALYSIS.....	19
4.4 MULTIPLE LINEAR REGRESSION	22
4.4.1 Assumption of Multiple Linear Regression.....	22
4.4.1.1 Normality of Residuals	22
4.4.1.2 Independent of Error (Auto-correlation).....	22
4.4.1.3 Homoscedasticity.....	23
4.4.1.4 Multicollinearity	24
4.5 HYPOTHESIS TESTING	27
4.6 UNDERLYING FACTORS AFFECTING PURCHASE BEHAVIOR BASED ON RESPONDENTS’ PROFILE	28
4.6.1 Underlying Factors of Purchase Behavior Based on Age Group.....	29
4.6.2 Underlying Factors of Purchase Behavior Based on Educational Background.....	29
4.6.3 Underlying Factors of Buying Behavior Based on Monthly Income	30
CHAPTER FIVE	32
5. SUMMARY, CONCLUSION AND RECOMMENDATION.....	32
5.1 SUMMARY & MAJOR FINDING	32
5.2 CONCLUSION.....	32
5.3 RECOMMENDATION.....	33
5.4 FUTURE RESEARCH.....	34
REFERENCES	35
APPENDIX 1A: QUESTIONNAIRE (AMHARIC VERSION).....	39
APPENDIX 1B (QUESTIONNAIRE) ENGLISH VERSION.....	42

LIST OF TABLES

Table 1. 1 Reliability Statistics	15
Table 1. 2 Operational definition	16
Table 1. 3 Participant Profile Based On Selected Demographic Factor	17
Table 1. 4 KMO and Bartlett's Test.....	19
Table 1. 5: illustrate the Correlation between Dependent variable (Purchase behavior) and Independent Variable (Retail Marketing Mix Elements).....	21
Table 1. 6 Durbin-Watson statistics.....	23
Table 1. 7 Multicollinearity Statistic	24
Table 1. 8 Regression Model Summary.....	25
Table 1. 9 Table ANOVAa (Analysis of variance).....	25
Table 1. 10 Coefficients table of the regression model	26
Table 1. 11 Summary of the overall outcome of the research hypothesis	28
Table 1. 12 One Way ANOVA between Age and Marketing Mix Elements.....	29
Table 1. 13 One Way ANOVA between educational Background and retail marketing mix elements.	30
Table 1. 14 One Way ANOVA between Income Group and retail marketing mix elements.	31

LIST OF FIGURES

Figure 1. 1: The proposed research model.....	11
Figure 1. 2 P-P Plot for Regression standardized residuals	22
Figure 1. 3 Scatter Plot standardized residuals vs predicted values	23

ABSTRACT

The study of consumer behavior is very essential in the field of marketing as it helps firms to construct a smarter marketing strategy by getting an insight about what affect the decision making of consumers. The purpose of this study is to investigate the impact of marketing mix elements on consumer buying behavior of supermarket consumers in Addis Ababa. Empirical evidence from 150 participants shopping at five supermarkets validates a theoretical model, indicating a significant positive relationship between marketing mix variables and consumer purchasing behavior. Factors or the marketing mix elements examined are product, price, shopping convenience, promotion, store atmosphere and personnel. Out of the 200 distributed questionnaires, 173 were collected 27 were not returned. During data editing, the collected questionnaires were checked for errors and 22 incomplete questionnaires were identified and discarded. Therefore 150 questionnaires were found to be valid and used for the final analysis All responses were collected by using questionnaire through convenience sampling (n=150). Data was analyzed using descriptive statistics, comparing mean analysis (i.e. one-way ANOVA) and other analysis (correlation and multiple linear regression) Results reveal that personnel, promotion and price factors exerts greatest influence on consumer buying decision, followed by shopping convenience, store atmosphere, and product respectively. The finding of the study also shows that there is a significant difference between supermarkets product consumers who belongs to different age group, educational background and Income level with regard to product, shopping convenience, promotion, price and store atmosphere and personnel. These findings contribute to the literature relating to retail marketing and have marketing implications for bringing traffic into supermarkets and increasing sales. Supermarkets should set up a comfortable buying atmosphere, drafting more influencing and informative promotion, give up to date training to their employees, should consider level of competition, access to transportation, availability of parking, easy accessibility and long opening hours while making store location decision, should maintain the right pricing decision and carrying deep assortment of products lead them to become super specialist.

KEY WORDS: Consumer behavior, Retail marketing mix, Supermarkets.

ACKNOWLEDGMENTS

My thanks go first for almighty God. God helped me in all walk of my life. I could not be where I am right now without His guidance and unfailing love.

My warmest gratitude and appreciation goes to my advisor Dr. Asfaw Yilma for his unreserved professional and technical assistance. I would like to thank him for his helpful review, comment and suggestion. Indeed, without his helpful comment the successful completion of this study would have been very difficult.

I would like to thank my friends who works as a wholesale distributor: they took the responsibility in centrally coordinating the data collection task on my behalf that would otherwise have taken me so long affecting timely completion of the study

Furthermore, special thanks and appreciation goes to my beloved wife Atsede Negash, my mother Yeshi Ayele and my father Beyene Negewo for their unreserved material and moral support during the course of the study.

Tewodros Beyene.

January, 2018

CHAPTER ONE

1. INTRODUCTION

Companies and academics have researched heavily the relationship between marketing stimuli and consumer response Kotler et al, (2002). There are many different models that attempt to model buyer's behavior Smith, Marketing Communication: An Integrated Approach, (2004). However, most academic studies and modeling on consumer behavior have taken place in developed nation's e.g. Howard, (1969). The bulk of conceptual literature on shopping behavior in retail supermarket sector also comes from developed countries e.g. McGoldrick, (1990) and so have most of the publicly accessible commercial studies in this domain e.g. Euromonitor, (1986). Theorizing in the marketing stimuli components of the two pioneering complex models Engel, J.K, (1968); Howard, (1969) and six simplified frameworks of consumer behavior has been limited to McCarthy, (1960) traditional marketing mix or the four Ps of marketing i.e. 'product', 'price', 'promotion', and 'place'. The marketing mix is a set of controllable tactical tools that the firm blends to produce the response it wants in the target market Kotler et al, (2002). Although the Engel, J.K, (1986) model has gone through several revisions and a fact also admitted by its revisers i.e. Engel, J.B, (1995) the revisions have not categorically incorporated the additional Ps of marketing i.e. 'people', 'physical evidence' and 'processes'. Diversity in management practices around the world has been recognized in management literature in the United States of America for more than 30 years but it has taken much longer for American academics to accept that not only practices but also the validity of theories may stop at national borders Hofstede, (1993). The paper argues that by limiting marketing stimuli to the traditional four Ps of marketing, the existing complex and simplified models of consumer behavior are somewhat limited. Literature from a number of specialist areas of marketing now acknowledges the significance of the additional Ps of marketing. A clear understanding of why customers patronize one store and not another has become a major objective of retail strategists and researchers McGoldrick, (1990). Retailers have long been criticized for not being well informed as to their customers' patronage motives. There is abundant attention paid on 4P's of marketing: Price, product, Place and Promotion and there is sufficient research done on it. However,

there is lack of research pertaining to the relationship between consumer buying behavior and factors that influence the consumer purchasing process and decision. This paper will help marketing managers in getting a better understanding about what affects the decision making of consumers and help them to utilize these factors in constructing better marketing strategies.

Keeping in mind the importance of understanding consumer behavior, taste and preference, the present study is conducted with the objective of identifying the impact of marketing mix elements on the consumer purchase behavior of goods and services from the supermarkets in Addis Ababa.

1.1 Statements of the Problem

Consumer behavior is defined as the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. The preferences, choices and tastes of individual determine their purchasing behavior. There are other different factors that determine the consumer behaviors some of which marketers cannot control, such as cultural, social, personal, and psychological factors. Over the decades, Ethiopia has seen a surge in the number of retail stores opening in the capital city of Addis Ababa. This growing trend which is expected to continue into the future is primarily attributed to the country double digit growth over the last decades, urbanization and expanding population of Addis Ababa. In addition, the presence of sizeable expats and Diasporas community is contributing to increasing demand for certain imported items. There is an estimated five million people living in the ever expanding and developing capital. As Addis Ababa city grows, there is an increasing share of city dwellers that are opting to live in condominiums where they are unable to cook traditional foods, like the traditional fermented flat bread called injera in their indoor kitchen or butcher animals in their backyards. As a consequence, more and more urban middle class consumers are turning to grocery stores, mini marts and neighborhood kiosks to satisfy their day to day shopping demand.

There are a number of factors influencing the buying behavior of consumers. According to marketing literature the buying behavior is a function of 6Ps in retail context namely Price, product, shopping convenience, store atmosphere, promotion and personnel as well as a

buyer's characteristics, Kotler and Keller (2009). It is obviously that most of retail marketing mix strategy implementation of supermarkets in Addis Ababa not designed in line with the consideration of cultural, social and psychological factor of the people in Addis Ababa. The following statement reflects the problem of this study.

1.2 Research Questions

This study is expected to answer the following basic research questions:

- i. To what extent the factors (Marketing Mix Elements) influence on consumer buying behavior.?
- ii. Do the determinant factors of purchase behavior vary across demographic profile of the respondent?

1.3 Objective of the Study

1.3.1 General Objective of the study

This study attempts to investigate the impact of marketing mix elements on the consumer buying behavior of retail supermarket consumers in the context of Ethiopia.

1.3.2 Specific Objectives

- i. To examine the relationship between marketing mix variables and a consumer buying behavior.
- ii. To identify which elements exert greater influence on retail product buying decision.
- iii. To examine if there is a difference among the demographic profile of consumers and factors they perceived to be important influencing their purchase behavior.

1.4 Significance of the Study

This study will add knowledge regarding consumer-buying behavior towards goods and services from retail supermarket outlets. a clear understanding of factors that are perceived to be important in influencing consumer purchase behavior is critical to insure that, retail outlets marketing efforts are matched with the need of consumer intention. Therefore, this study will help supermarkets to design a better marketing strategy by identifying factors that are perceived to be very important in influencing consumer purchase behavior. Furthermore, the study will give insight for other researchers to explore and investigate more in the area, in broader scope and wider context.

Finally, this research has significance for the researcher to fulfil the partial requirement for his master's degree program in marketing management.

1.5 Limitation of the Study

The population of the study is limited to Addis Ababa, capital city of Ethiopia. This geographical limitation is not only chosen because of time, access and cost restriction but also believed that a considerable number of supermarket consumers are available in Addis Ababa. Another concern is the fact that, the research focus only factors (marketing mix elements) those customers perceived to be very important in motivating their purchase intention towards buying goods and services from the supermarkets. The marketing mix elements that influence consumer buying behavior towards goods and services from the supermarket may differ in other product categories, so generalization of findings of this research beyond the retail supermarket industry is not recommended.

1.6 Organization of the Study

This thesis is categorized into five chapters. The first chapters concentrate on introductory parts of the paper that mainly pinpoints the statement of the problems and objective of the study. The second chapters provide related literature review with specific emphasis to theoretical, methodological and empirical aspects. The third chapter deals with research methodology and design. The fourth chapter includes data presentation and analysis of the descriptive and regression results. The fifth chapter is focus on summary, conclusion and recommendation on the basis of the research outcome.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Theoretical Literature

Although the literature does not acknowledge any challenges in defining consumer behavior the variations in the definitions given by different authors suggest otherwise. “The field of consumer behavior 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 these processes have on the consumer and society” Hawkins, (2004) “Consumer buying behavior refers to the buying behavior of final consumers’ individuals and households that buy goods and services for personal consumption” Kotler et al, 2002:189). Schiffman, (2000:173) states that “The study of consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, and how often they use it.”

Hawkins, (2004) definition of consumer behavior is the broadest as it also includes organizations. Organizational buying is in some ways similar to consumer buying since it is not “organizations” making the buying decisions but people within those organizations. Buying behavior is often more complex than it appears Smith, Marketing Communication: An Integrated Approach, (2004). Several consumer buying behavior models drawn from various social sciences including marketing have been suggested in the literature. Consumer behavior is a relatively new field with multi-disciplinary roots. Theoretical frameworks borrowed from psychology, sociology, social psychology, cultural anthropology and economics are now added to by both commercial and academic marketing research into consumer and industrial buyer behavior Smith, Marketing Communication: An Integrated Approach, (2004). Research in these disciplines coupled with later research in marketing combined to form a comprehensive model of consumer behavior that reflects both the cognitive and emotional aspects of consumer decision making Schiffman, (2000).

2.2 Complex and Simplified Models of consumer behavior

Since the advent of the early complex models of buyer behavior i.e. Engel J.K, (1968); Howard, (1969) and even the more recent simplified black box frameworks e.g. Kotler P, Marketing Management,(2000); Peter, (1994) Schiffman, (2000), theorizing in the marketing stimuli component of these models has been limited largely to the traditional four Ps of marketing. Although Loudon and Bitta (1993) point out that the Engel-Kollat-Blackwell model has gone through several revisions, a fact also admitted by its revisers Engel, Blackwell and Miniard (1995), the changes in the framework's marketing stimuli dimension have not gone beyond the four Ps. First referred to as the marketing mix by McCarthy, (1960), the four Ps of marketing are 'product', 'price', 'promotion', and 'place'. The 4Ps were originally used by FMCGs marketers although they were also borrowed and used by service marketers (e.g. restaurants) until they [service marketers] developed the seven Ps Smith, Marketing Communication: An Integrated Approach, (2004). The additional Ps in the seven Ps of marketing are 'physical evidence', 'people' and 'processes'. The forerunners of complex and simplified (black box) models of consumer behavior are the Engel, Kollat, and Blackwell's (1968) and Howard and Sheth's (1969) models. Unlike the latter simplified models the Howard and Sheth model, for example, has four parts: the inputs (stimulus display), perceptual constructs, learning constructs and outputs. The inputs component of the Howard and Sheth model has three subparts namely significative, symbolic and social. The significative and symbolic subparts reflect the marketing mix as they both contain the following items: quality, price, distinctiveness, service, and availability. However, it is not clear whether these items apply to the traditional four Ps of marketing only or the seven Ps of marketing.

Although the simplified models of consumer behavior have three parts, Kotler P. Marketing Management, (2000) did not use the terms input, processor and output which Schiffman, (2000) used. However, from the arrangement of the items in Kotler's model it is clear that his model has the three named parts too. The marketing stimuli element of the input component of Kotler's and Schiffman and Kanuk's models comprise product, price, place and promotion—the four Ps of marketing. In addition, the output or buyer's responses dimension of Kotler's model contains product choice, brand choice, dealer choice, purchase timing, and

purchase. In Schiffman and Kanuk's framework the output element has two sub components – purchase and post-purchase evaluation. It is clear in Kotler's framework the product subsumes product choice and brand choice; price encompasses purchase amount, while place covers dealer choice. Promotion can also be paired with purchase timing. Periodicity and seasonality are part of the marketing mix falling under the service mix. Researchers propose different frameworks of retail marketing mix. For example, Dunne, (2010) suggest that key marketing elements in retailing include merchandise, price, advertising and promotion, customer services, store layout and design and people while Kotler and Keller (2009) argue for an integrative approach, indicating that store retailers' marketing decisions involve target market, product assortment, services provided by personnel, store atmosphere, price, promotion and place. This study particularly focuses on six common elements of retail marketing mix, namely product, price, place (shopping convenience), promotion, store atmosphere and personnel.

The dependent variable is “buying behavior” and the independent variable is “Retail Marketing Mix Elements”. There are six sub variables of independent variables: product, Price, Place/Convenience, Promotion, Store atmosphere and Personnel.

2.3 Benefits of Studying Consumer Behavior

Gilaninia, Taleghani and Azizi (2013) examined marketing mix and consumer behavior and they indicate that, consumer behavior analysis is an important domain for a marketing manager as it gives insight into a number of factors which affect sales and relationships that are not in the control of a company. Some of the importance of studying consumer buying behavior includes

Brand Equity: It helps to improve brand equity in which consumer insight that the brand decide it needs to restructure itself, to change its perception in the mind of the people, thereby getting higher turnovers. This can happen when the firm analyses consumer buying behavior.

Product Portfolio: Continues observation of consumer buying behavior can enable the firm in finding gaps in its product portfolio, which can in turn help the firm to launch a new product to its customers.

Segmentation and targeting: also become easier when the firm observing consumer behavior.

Forecasting: where it be demand forecasting or sales forecasting both of them are possible and therein lies the importance of consumer buying behavior. The company will not waste its resources for a product which is going to sell for example in summer, because the company knows that the consumer is not going to buy it in winter. Hence by analyzing the consumer buying behavior, the company can have saved warehousing cost, manufacturing cost and marketing cost as well.

The retail supermarkets endeavor to achieve some competitive advantage over their competitors in the dynamic business environment by using different marketing strategies that influence consumers to purchase products and services. It can be concluded that the marketing mix strategy of any business should consider on the buying behavior of the consumer.

Based on the literature review above the following six hypotheses were developed.

2.3.1 Product

The central role that the product plays in marketing management makes it such an important subject that mismanagement in this area is unlikely to be compensated for by good management in other areas McDonald, (2002). A product is anything that is offered to a market for attention, acquisition, use or consumption that might satisfy a need or want, Kotler & Keller, (2009). Broadly defined, products include physical objects, services, persons, places, organizations, ideas or mixes of these entities. Some of the important product decisions in any marketing context are product, variety, product performance, product features, product quality, product design, product presentation, sizes and brand names, easy to use which shapes the retailer reputation and influence consumer buying decision.

H1: Retailer product decision has a positive influence on consumer buying behavior.

2.3.2 Price

Many Authors agree that 'in the broadest sense price is anything that one party is prepared to part with in order to get something' most leading marketing academics e.g. Etzel, (1997), Kotler P, Marketing Management , (2000), Doyle, (2002), Palmer A, (2001) tend to emphasize the monetary side of price. Price, however, manifests in other forms. These include opportunity cost i.e. when a person foregoes one thing to get another, anxiety or fear

e.g. when one stops smoking fearing to get lung cancer, suicide in order to avoid shame, payment in kind payment for one thing using another thing not necessarily money Pitt, (1987) & Schwartz (1981) also agrees that opportunity cost is a form of price. Price plays a significant role in the marketing mix by influencing profit for the seller and value for the buyer or final consumer. McDonald, (2002). The pricing decision is important for two main reasons: price not only affects the margin through its impact on revenue; it also affects the quantity sold through its influence on demand. The company adjusts product prices to reflect changes in costs and demand, and to account for variations in buyers and situations Barbara, (1996). In many studies, the following scale items measuring the significance of price were used e.g. 'price competitiveness' 'value for money', 'Price incentive' etc Mintel, (1998).

H2: Price has a positive influence on consumer buying behavior.

2.3.3 Shopping Convenience

This concerns where and how consumers can get a product- the distribution strategy. The Literature acknowledges that there are three basic distribution strategies: mass or intensive, selective, and exclusive. Distribution adds costs to the value chain hence the profitability of both manufacturers and intermediaries is affected Kotler P.A, (2002); Doyle, (2002); Etzel, (1997). Location strategies of retailers are one of the most important determinants of consumer behavior Engel, Blackwell and Miniard, (1995:837). Some of the key components of site evaluation are: site description (size, shape, etc), lease requirements/land costs, parking space, pedestrian flow, traffic flow (numbers and average speed), public transportation access, visibility, signage, ambiance, affinities (neighbors), access to trade area Davidson, (1984). Retail studies have proven that distribution is an important factor in influencing consumer choice of store. Euromonitor, (1986) found that 'easy walking distance' was a critical determinant for store choice while Engel, Blackwell and Miniard, (1995) used the item 'location' to assess the same variable. Bates, (1987) used 'nearest to home and workplace' to gauge the importance of place while Mintel, (1998) used 'location or easy to get to'

H3: Shopping Convenience has a positive influence on consumer buying behavior.

2.3.4 Promotion

Belch, (2004) define promotion as the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea'. Therefore, promotion is critical in determining shopping behavior. Promotion is also known as marketing communications. The successful application of the marketing communications mix is helped by an understanding of communication theory and buyer behavior theory Smith, Marketing Communication: An Integrated Approach, (2004). It helps the supermarket to attract more traffic and boost sales by communicating their offering to the target audience Dunne et al.,(2010, p. 392). Specifically, it can snatch sales from other retail outlets and increase the current consumption of the existing consumer. The four basic promotional tools as Dunne et al. (2010) suggests includes personal selling, advertising, sales promotion and publicity. of which two of them create boundaries between the retail supermarkets and manufacturers are in-store promotion and advertising.

H4: Promotion factor has a positive influence on consumer buying behavior.

2.3.5 Store Atmosphere

Palmer A, (2003) define store atmospherics “the effort to design buying environments to produce specific emotional effects on consumers that enhance their purchase probability”. He added, “store atmosphere causes several reactions on the consumer. It can influence conative replies (i.e. upgrade their purchase, expenditure, impulse buying, the desire to spend more time in store) It can also have an impact on his affective replies pleasure, mood, emotion cognitive (perceived quality of service and the value of trade name)” Retailers seek to plan and change their stores’ physical surrounding or environmental cues to influence shopping behavior of patrons Bitner, (1992). Many researches tries to dismantle the influence on a unique atmospheric key. This study focus on the general interior attribute includes lighting, odor, color schemes, temperature, music and cleanness.

H5: Store atmosphere has a positive influence on consumer buying behavior.

2.3.6 Personnel

This is a significant element of the marketing mix. Rust,(1993) and Heskett,(1994) service-profit chain demonstrates the importance of employees in creating satisfied and loyal customers, which results in healthy service-profits and growth. Reaching service profits and growth goals begins with taking care of those who take care of customers Kotler P.A, (2002). The importance of employees in marketing is also reflected in corporate identity, image and reputation literature. Corporate image associations may reflect characteristics of the employees of the company Keller, (2000). Kotler P.A., (2002) suggest that in order to achieve favorable service outcomes; service marketing requires more than just traditional marketing but also internal marketing and interactive marketing. Internal marketing means that employees in the firm must be trained and kept happy in order for the firm to achieve its goals. Keller, (2000) adds that retail stores derive much brand equity from employees within the organization. Customers buy products from supermarkets: retail supermarkets have employees who interact with customers and try to create strong impact on consumers by screening, counseling and convincing in the selling and buying process. Their friendliness, support and knowledge significantly influence the purchase decision.

H6: Personnel factor has a positive influence on consumer buying behavior.

The below framework illustrate the relationship b/n six elements of retail marketing mix elements and consumer buying behavior.

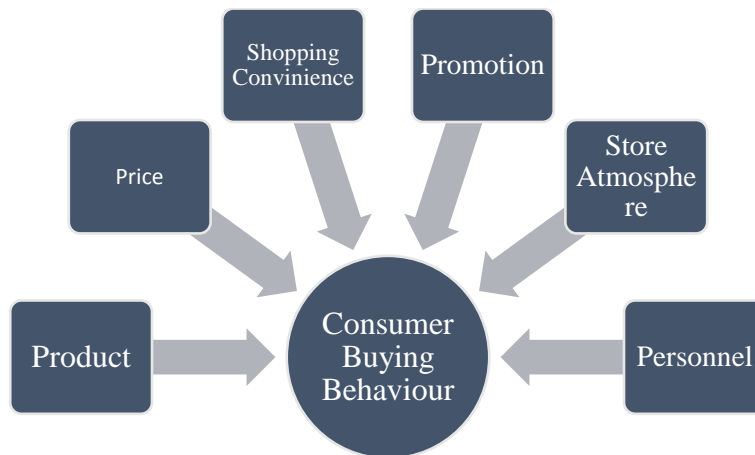


Figure 1. 1: The proposed research model

Source: Kotler and Keller, 2009

CHAPTER THREE

3. RESEARCH METHEDODOLOGY AND DESIGN

3.1 RESEARCH METHODOLOGY

This chapter presents a detail discussion about the type of research methodology and methods that are employed in this research. The first section highlights an outline of the study design. This is followed by the instruments development, survey administration procedures. The third section contains a description of the sample and the data collection procedures while the last section presents the statistical methods which are used to analyze the data.

3.2 Research Design

The purpose of this research is to identify the impact of marketing mix elements on the consumer buying behavior and extent of their influence. According to Gatara (2010), descriptive design is appropriate because it's less expensive and can enable the researcher to examine data from a wider area within a short time. Descriptive design provides quantitative or numeric description of trends, attitudes and perceptions of population by studying the sample of that population, Kothari, (2008); Best & Khan, (2003).

The research design for this study is quantitative method in the study because, first, quantitative data can be administered and evaluated quickly and the response can be tabulated within a short time frame. Second numerical data obtained through this approach facilitate comparisons between organizations or groups as well as allowing determination of the extent of agreement or disagreement between respondents. In comparison of relative costs with other methods, the quantitative research method is viewed as a more proper and controllable tool to test this context.

3.3 Target Population

Marczyk G, (2005) define target population as a group of people that the researcher wants to draw a conclusion about once the research study is finished. Population is a complete set of elements (person or objects) that poses some common characteristics defined by the sampling criteria established by the researcher. The major players in the retail industry establish eight

major supermarket chains, with a total of 21 stores are open across Addis Ababa. These major stores are: Shoa, Fantu, Safeway, Friendship, Bambis, All-Mart, Novis and Loyal supermarkets supply a wide array of products which makes them to be the preferred place to satisfy the shopping demand for these consumer segments in return also making it a better place for this study.

The target population (unit of analysis) of this study comprises all individual consumers who were occasional and/or regularly buyers of goods and services in these five major supermarkets.

3.4 Sampling Design

Sampling involves any procedures that draws conclusion based on measurements of a portion of the entire population. According to Marczyk G,(2005) a sample is usually drawn because it is less costly and less time consuming to survey than the population, or it may be impossible to survey the entire population. Because of the large number of the sample unit, time and cost constraint, the sample was drawn from the targeted population by using convenience sampling techniques which is a non-probability sampling. As Stevens R.E, (2006) explain statistical methods of establishing sample size are only applied to probability samples. Convenience sampling is where the respondents are selected because they happen to be at the right place and at the right time. It is used to obtain a sample of element because it is impossible to estimate or calculate the probability of the selection for each element in the population. The researcher just needs to contact the target element in Addis Ababa who are easily located and willing to participate. Convenient locations include specific places in which the researcher collected the data in these five major supermarkets (Shoa, Safeway, Bambis, Novis and All-Mart). Most of the time, in small inquiries and researches by individuals, this design may be adopted because of the relative advantage of time and money inherent in this method of sampling.

The sample size for this study was 200. Out of the giant eight supermarkets, five of them selected on a random basis and distribute 40 questioners for each outlet. Out of the 200 distributed questionnaires, 172 were collected 27 were not returned. During data editing, the collected questionnaires were checked for errors and 22 incomplete questionnaires were identified and discarded. Therefore 150 questionnaires were found to be valid and used for

the final analysis. In the case of non-probability samples, the choice of sample size was determined by the insight, judgment, experience or financial resource of the researcher.

3.5 Data Source and Collection Method

The data for this study was obtained from two sources, primary and secondary. The primary data were collected from the research participants (i.e supermarket consumers) through structured self-administered questionnaire which were adapted from Chaniotakis, Lymperopoulos, and Soureli, (2010). Secondary data were extracted from journals, articles, magazines, newspapers and other relevant publications. The primary instrument for data collection in this research is adopted structured questionnaire. Questionnaires using 5-point Likert scale with anchor of (1) very important" to (5) very unimportant" can reduce variability in the results that may be differences and enhances reliability of the responses. Besides, it also simplifies coding, analysis and interpretation of data. In the first section, data regarding respondents" age, gender, income, occupational status, marital status, education level and Purchase behavior attribute (i.e. average monthly shopping expenditure) was obtained. The second part of the questionnaire requires respondents to rate their perception toward the influence of marketing mix elements on their buying behavior according to their level of importance with the statements, i.e. price, product, promotion, shopping convenience, store atmosphere and personnel.

3.6 Reliability Analysis

In order to test the internal consistency of variables in the research instrument Cronbach's alpha coefficient was calculated. Zikmund, (2010) state scales with coefficient alpha between 0.6 and 0.7 indicates fair reliability. Overall the internal reliability of for the entire constructs are moderate strong to very strong as all of the coefficient are more than 0.70. A Cronbach's Alpha above 0.7 is considered acceptable for most research objectives Allen & Bennett, (2012). Overall, the internal reliability coefficients for the entire constructs are very strong as all alpha coefficients are more than 0.70 Singh,(2007). Thus, the internal reliability test indicates that all of the measures adopted have internal consistency reliability. The internal reliability test of purchase behavior, product, shopping convenience, price, store atmosphere, promotion and personnel, are above 0.7, which is acceptable for further analysis. Thus, we

can conclude that all the items that used to measure the 6 constructs are stable and consistent. In conclusion, the relationships among the items are reliable for further analysis.

Table 1. 1 Reliability Statistics

Cronbach's Alpha	No of Item
0.937	16

Item-total Statistics

Variable	No of Item	Cronbach's Alpha
Price	3	0.965
Store Atmosphere	3	0.913
Product	3	0.888
Shopping Convenience	3	0.881
Personnel	2	0.943
Promotion	2	0.939

Source: Own computation, 2017

3.7 Data Analysis Tool

All statistical procedures were conducted using statistical package for social sciences (SPSS) version 23 Software and relevant data analysis needed to answer the research question was carried out.

3.8 Method of Data Analysis and Presentation of Result

Prior to the analysis, the completed questionnaires were checked for completeness to ensure consistency. The data analysis was made by using both descriptive and inferential statistics. Descriptive statistics such as frequencies and percentage was used to summarize the data. In addition to this, Pearson correlation coefficient was used to show the interdependence between the independent and dependent variables. With regard to inferential statistics, regression analysis was used to test the significance and contribution of each independent variable to the dependent variable.

The regression equation

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \varepsilon$$

Whereby Y = Consumer Buying Behavior

X1= Product

X2= Price

X3= Shopping convenience

X4= Promotion

X5= Store Atmosphere

X6= Personnel

ε = Error Term

Moreover, one-way ANOVA was used to see the mean difference among demographic profile of respondents on the factor they perceive important while making purchase decision.

Table 1. 2 Operational definition

Product: includes features like quality, nutrition, safety, size, weight range, easy to use, brand and package...etc	Nevin & Suzan Seren, (2010); Spinks & Bose, (2002)
Price: Price competitiveness, value for money and Incentive	French, (2003); Jabir et al., (2010); Nevin & Suzan Seren, (2010)
Shopping convenience: it refers to the location of store, parking places, opening hours, availability and accessibility	Jabir et al., (2010); Jaravaza & Chitando, (2013)
Promotion: refers to in-store promotional activities and advertising(Broadcast + Print)	Hansen, (2003); Maruyama & Trung, (2007)
Store Atmosphere: it deals with the general interior including lighting, color schemes, temperature, scents, music and cleanliness	Berman & Evans, (2013); Sharma & Stafford,(2010)
Personnel: deal with the staff friendliness, knowledge and support they have.	Baker et al., (2002); Maruyama & Trung, (2007); Sharma & Stafford, (2000)
Buying behavior: refers to average money spent within the last month	Ajzen, (2002); Chan, (2001)

CHAPTER FOUR

4. RESULT AND DISCUSSION

This chapter presents the data analysis and discussion of the research findings. The data analysis was made with the help of Statistical Package for Social Science (SPSS v. 23). The data obtained from the main data collection were subjected to descriptive statistics analysis, comparing mean analysis (i.e. ANOVA) and other analyses (i.e. correlation analysis and multiple linear regressions).

4.1 Descriptive Analysis

4.1.1 Demographic Profile of the Respondents

Before starting the analysis of the data some background information such as demographic data, is useful in order to make the analysis more meaningful for the readers. The samples of this study have been classified according to several background information collected during supplementary questionnaire survey. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the number of respondents, proportion of males and females in the sample, range of age, income, education level, marital status... etc. In this study some of demographic related question such as (gender, age, education, and income) were related with other questions to make analysis from different perspectives. The frequency distribution of some demographic variables is presented below. The table exhibited characteristics of the sample based on key demographic factors.

Table 1. 3 Participant Profile Based On Selected Demographic Factor

Characteristics		Frequency	Percentage%
Gender	Male	57	38.0
	Female	93	62.0
Total		150	100
Age	18-27 Years	23	15.3
	28-45 Years	85	56.7
	46-60 Years	42	28.0
Total		150	100
Monthly Income	< 5000 Birr	62	41.3
	5000-15000 Birr	42	28.0
	15000-25000 Birr	45	30.0
	25000-30000 Birr	1	.7
Total		150	100

The gender analysis illustrated on Table: 1.3 showed that most of the participants were female representing 62 per cent of the sample and 38 percent were male. These table indicated that females were responsible for purchasing various item from retail supermarkets in the household. Whereas the age statistics showed 56.6 percent of the participants were between (28-45) years followed by the group of (46-60) years representing 28 percent and group of (18-27) years representing 15.3 percent of the sample.

Regarding the monthly income illustrated on table:1.3, from the total sample of 41.3 percent of the participants had monthly income less than Birr (<5000) per month while only 0.67 per cent had family monthly income b/n Birr 25,000-30,000/Month. Majority of the respondent fall in the income category of (5,000-25,000birr) range.

Overall from the descriptive statistics we learned that, the main consumers of supermarket products in these selected outlets were adult women with relatively moderate budget; hence they would be likely to carefully consider product offerings to maximize expected value when making purchasing decision.

4.2 Factor Analysis

This study employs factor analysis to perform the reduction of a large set of variable items into a smaller number of factors. The principal component method of extraction begins by finding a linear combination of variables (components) that accounts for as much variation in the original variables as possible. Usually a few components will account for most of the variation and these components can be used to replace the original variables. This method is most often used to reduce the number of variables in the data set. The suitability of using factor analysis as a validation tool was checked by applying the Kaiser-Meyer- Olkin (KMO) measure of sampling and Barlett's test of sphericity. The measurements are strived to measure the KMO at $\geq .70$ and the Bartlett's significance < 0.05 . The KMO measures is utilized to examine the appropriateness of factor analysis. The Barlett test of sphericity is used to determine if each set correlates perfectly with itself ($r=1$) or has no correlation with other variables($r=0$). For statement meets the KMO and Barlett test of sphericity requirement factor analysis was done. Only factor loadings of 0.4 and higher Field, (2007) are considered to validate the items that measure each of purchase behavior influence. The variance explained by the factor analysis serves as indicator to determine the relative importance of

retail marketing mix elements influence. Then each table provides a component matrix representing factor loading of each questions and explain the percentage variance of each category of factors.

Table 1. 4 KMO and Bartlett’s Test

Variable	KMO	Bartlett’s Test
Product Factor	0.74	.000
Price Factor	0.76	.000
Shopping Convenience	0.72	.000
Store Atmosphere	0.74	.000
Promotion Factor	0.72	.000
Personnel Factor	0.77	.000

Source: Own computation, 2017

For all independent variables the KMO score is greater than 0.70 requirement and the Bartlett’s’ score equally satisfactory at 0.000. This means that the data is suitable for factor analysis.

4.3 Correlation Analysis

Correlation analysis was used to investigate the strength and direction of relationships between the studied variables. Strength refers to the larger absolute value of the coefficient, the stronger the relationship between the variables. A value of 0 indicates the absence of a relationship whereas direction refers to the sign of the coefficient indicates the direction of the relationship. If both variables tend to increase or decrease together, the coefficient is positive. If one variable tends to increase as the other decreases, the coefficient is negative.

Pearson correlation analysis was used to provide evidence of convergent validity. Correlations are perhaps the most basic and most useful measure of association between two or more variables Marczyk, (2005). General guidelines correlations of .10 to .30 are considered small, correlations of .30 to .70 are considered moderate correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large. Based on the above assumption, bivariate correlation was computed to analyze the proposed relationship between variables. The Pearson’s correlation coefficients illustrated below here on

Table:1.10 confirmed significant positive relationship between all the predictors and the dependent variables at P-value 0.01 level.

Table 1. 5: illustrate the Correlation between Dependent variable (Purchase behavior) and Independent Variable (Retail Marketing Mix Elements)

		Correlations						
		Purchase behavior	Personnel	Store atmosphere	Promotion	Place	Price	Product
Purchase behavior	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	150						
Personnel factor	Pearson Correlation	.809**	1					
	Sig. (2-tailed)	.000						
	N	150	150					
Store atmosphere factor	Pearson Correlation	.698**	.636**	1				
	Sig. (2-tailed)	.000	.000					
	N	150	150	150				
Promotion factor	Pearson Correlation	.730**	.753**	.585**	1			
	Sig. (2-tailed)	.000	.000	.000				
	N	150	150	150	150			
Place factor	Pearson Correlation	.728**	.739**	.666**	.597**	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
	N	150	150	150	150	150		
Price factor	Pearson Correlation	.730**	.720**	.604**	.624**	.684**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
	N	150	150	150	150	150	150	
Product factor	Pearson Correlation	.320**	.229**	.267**	.171*	.208*	.194*	1
	Sig. (2-tailed)	.000	.005	.001	.036	.011	.017	
	N	150	150	150	150	150	150	150

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

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

Source: Own computation, 2017

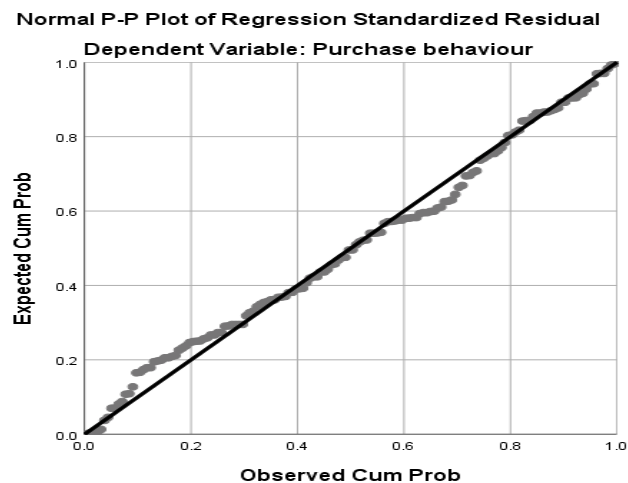
4.4 Multiple Linear Regression

4.4.1 Assumption of Multiple Linear Regression

Most statistical tests rely upon a certain assumption about the variables used in the analysis. When these assumption does not meet the result may not be trustworthy, resulting in a Type I or Type II error, or over or under estimation of significance or effect size. Prior to running the analysis, regression assumptions were checked Field, (2009).

4.4.1.1 Normality of Residuals

Normality of residuals can be checked with a normal p-p plot. The plot shows that the points generally follow the normal(diagonal)line with no strong deviation. This indicates that the residuals are normally distributed.



Source: Own computation, 2017

Figure 1. 2 P-P Plot for Regression standardized residuals

4.4.1.2 Independent of Error (Auto-correlation)

It is a characteristics of data in which the correlation between values of the same variable is based on related objects. It violets the assumption of instance independence which underlies most conventional model.

Table 1. 6 Durbin-Watson statistics

Model	Durbin-Watson
1	1.830

a. Predictors: (Constant), Product, Promotion, Shopping Convenience, Store Atmosphere, Price, Personnel

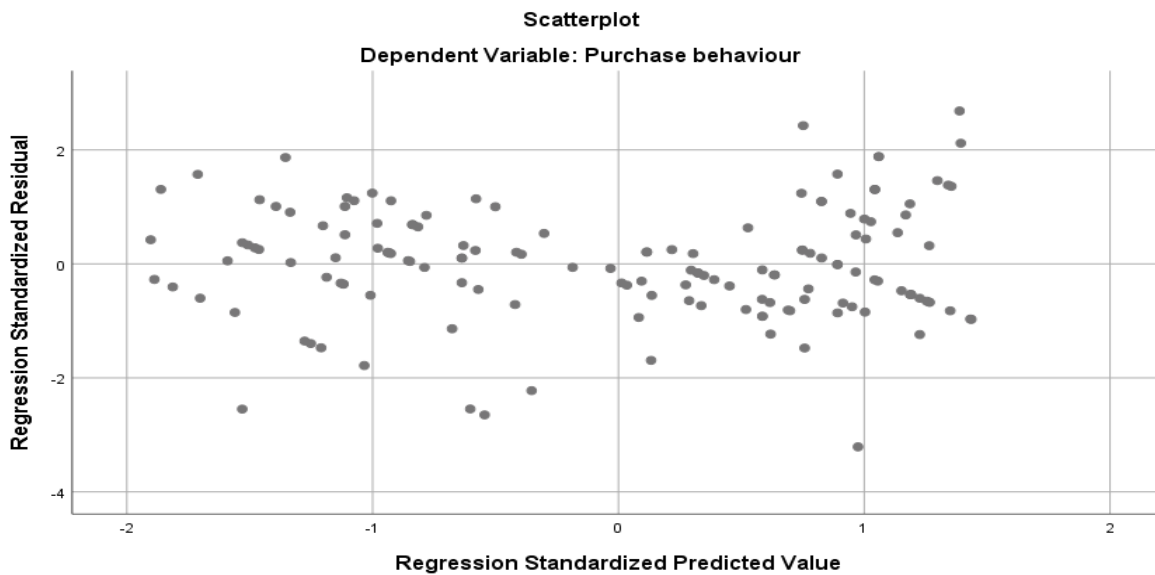
b. Dependent Variable: Purchase behavior

Source: Own computation, 2017

The Durbin Watson statistics 1.83 which is between two critical values of $1.5 < d < 2.5$. Therefore, we can assume that there is no first order auto-correlation in our multiple regression data.

4.4.1.3 Homoscedasticity

The variance of the error term is constant across cases and independent of the variables in the model. An error term with non-constant variance is said to be heteroscedastic. Because the dots are scattered randomly without any pattern, it means the variance of the residuals are constant.



Source: Own computation, 2017

Figure 1. 3 Scatter Plot standardized residuals vs predicted values

4.4.1.4 Multicollinearity

It is the state of very high inter correlation or inter association between independent variables. It is therefore a type of disturbance in the data, and if present in the data inferences made about the data may not be reliable.

Table 1. 7 Multicollinearity Statistic

Model	Collinearity Statistics	
	Tolerance	VIF
1	(Constant)	
	Personnel	.273 3.668
	Store Atmosphere	.471 2.124
	Promotion	.406 2.464
	Shopping Convenience	.364 2.749
	Price	.411 2.432
	Product	.922 1.085

a. Dependent Variable: Purchase behavior

Source: Own computation, 2017

The statistics showed that each variable had a tolerance value of more than 0.1 and a VIF of less than ten, hence multicollinearity would not interfere the outcome of multiple regression analysis Hair, (2006); Field A, (2009)

In order to see contribution of the retail marketing mix elements on the consumer purchase behavior, multiple linear regression analysis was employed. Purchase Behavior was used as the dependent variable while factors (Marketing Mix Elements) which are perceived to be important in purchasing products from the supermarket were used as the independent variables. Table: 1.8 provides the results of the multiple regression analysis.

The regression model presents how much of the variance in the measure of consumers purchase behavior is explained by the underlying retail marketing mix elements (the model).

Table 1. 8 Regression Model Summary

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.875 ^a	.765	.756	.13568

a. Predictors: (Constant), Product, Promotion, Shopping Convenience, Store Atmosphere, Price, Personnel

b. Dependent Variable: Purchase behavior

As table 1.8 shown above, the model or the predictor variables have accounted for 76% (adjusted R square) of the variance on the dependent variable. The remaining 24% are explained by other variables out of this model.

Table 1. 9 Table ANOVAa (Analysis of variance)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.587	6	1.431	77.746	.000 ^b
	Residual	2.632	143	.018		
	Total	11.220	149			

a. Dependent Variable: Purchase behavior

b. Predictors: (Constant), Product, Promotion, Shopping Convenience, Store Atmosphere, Price, Personnel

Similarly, the ANOVA table shows the overall significance/acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value of 77.74 and p-value (.000), which is less than $p < 0.05$, the model is significant. This indicates that the variation explained by the model is not due to chance. As it is stated earlier in this chapter, this study aims to identify the most contributing independent variables in the prediction of the dependent variable. Thus, the strength of each predictor (independent) variable influence on the criterion (dependent) variable can be investigated via standardized Beta coefficient. The regression coefficient explains the average amount of change in dependent variable that is caused by a unit of change in the independent variable. The larger value of Beta coefficient

that an independent variable has, the more support to the independent variable as the more important determinant in predicting the dependent variable.

Compared to coefficient of determination or R-square, Adjusted R-square is more reliable in measuring a regression model's goodness of fit. The main disadvantage of using coefficient of determination or R-square is more to do with bias of number of independent variables included into the model, which implies that the more independent variable added into the model, the more R-square increasing. Worst of all, this condition does not take into consideration whether independent variable included is significant or insignificant influencing dependent variable. Meanwhile, that situation will not apply in the case of using Adjusted R-square (Pallant, 2010)

Table 1. 10 Coefficients table of the regression model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.512	.011		46.185	.000
	Personnel	.085	.021	.309	3.987	.000
	Store Atmosphere	.045	.016	.165	2.786	.006
	Promotion	.053	.017	.193	3.041	.003
	Shopping Convenience	.036	.018	.131	1.954	.043
	Price	.048	.017	.176	2.785	.006
	Product	.030	.012	.111	2.622	.010

Source: Own computation, 2017

According to Table:1.10, all independent variables contribute significantly for the regression model at p-value less than 0.05. the regression standardized coefficients for all independent variables, i.e. product, shopping convenience, price, promotion, store atmosphere and personnel are 0.111, 0.131, 0.176, 0.193, 0.165 and 0.309 respectively. Thus it supports all the hypothesis claiming marketing mix elements have a positive influence on consumer buying behavior. The study reveals that personnel (0.309) is the most influential variable impacting purchase behavior followed by promotion (0.193) and price (0.176) respectively.

4.5 Hypothesis Testing

One of the most commonly used methods in statistical decision making is hypothesis testing. In general, a hypothesis test is a process in which we assume an initial claim to be true and then test this claim using sample data. Ordinarily, the initial claim refers to a population parameter of interest such as the population mean.

Hypothesis tests include two hypotheses: the null hypothesis (denoted by H_0) and the alternative hypothesis (denoted by H_1). The null hypothesis is the initial claim and is often specified using previous research or common knowledge. The alternative hypothesis is what we may believe to be true or hope to prove true. The alternative hypothesis is sometimes referred to as the research hypothesis.

The decision-making process for a hypothesis test can be based on the probability value (p-value) for the given test.

- If the p-value is less than or equal to a predetermined level of significance, then we reject the null hypothesis and claim support for the alternative hypothesis.
- If p-value is greater than the α -level, we fail to reject the null hypothesis and cannot claim support for the alternative hypothesis.

Based on the literature review the following six hypotheses are developed

Since, coefficients of the all predictor variables are statistically significant at less than five percent; the null hypotheses related with all independent variables is rejected. Here below Table:1.11 provides the hypothesis test result with its justification for either accepting or rejecting the null hypothesis

Table 1. 11 Summary of the overall outcome of the research hypothesis

Hypothesis	Result	Reason
H1: Product factor has a positive influence on consumer buying behavior.	Ho: Rejected H1: Accepted	$\beta = 0.111, P < 0.05$
H2: Promotion factor has a positive influence on consumer buying behavior.	Ho: Rejected H1: Accepted	$\beta = 0.193, P < 0.05$
H3: Personnel factor has a positive influence on consumer buying behavior.	Ho: Rejected H1: Accepted	$\beta = 0.309, P < 0.05$
H4: Shopping Convenience has a positive influence on consumer buying behavior.	Ho: Rejected H1: Accepted	$\beta = 0.131, P < 0.05$
H5: Price has a positive influence on consumer buying behavior.	Ho: Rejected H1: Accepted	$\beta = 0.176, P < 0.05$
H6: Store Atmosphere has a positive influence on consumer buying behavior.	Ho: Accepted H1: Rejected	$\beta = 0.165, P < 0.05$

Source: own computation, 2017

4.6 Underlying Factors Affecting Purchase Behavior Based on Respondents' Profile

In order to achieve the objective that aims to examine if there is a difference between the demographic profile of consumers and the factors they consider to be important in influencing their buying behavior, one inferential statistics techniques were employed. one-way ANOVA to compare demographic characteristics and investigate how they are related with product, price, store atmosphere, personnel, promotion and shopping convenience.

Similarly, ANOVA is a test of mean comparisons. ANOVA can compare means across more than two groups or conditions Marczyk, Dematteo and Festinger, (2005). Hence, One-Way ANOVA analysis between the factors (retail marketing mix elements) and four age groups, five educational levels, five income groups, were executed.

4.6.1 Underlying Factors of Purchase Behavior Based on Age Group

The result of the analysis shows that all factors perceived differently between different age group of respondent as p-value less than 0.05.

Table 1. 12 One Way ANOVA between Age and Marketing Mix Elements

		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
Personnel factor	Between Groups	23.162	2	11.581	14.018	.000
	Within Groups	121.443	147	.826		
	Total	144.605	149			
Store atmosphere factor	Between Groups	8.061	2	4.031	4.284	.016
	Within Groups	138.313	147	.941		
	Total	146.374	149			
Promotion factor	Between Groups	21.712	2	10.856	12.972	.000
	Within Groups	123.023	147	.837		
	Total	144.735	149			
Place factor	Between Groups	13.433	2	6.716	7.881	.001
	Within Groups	125.276	147	.852		
	Total	138.709	149			
Price factor	Between Groups	22.062	2	11.031	13.584	.000
	Within Groups	119.375	147	.812		
	Total	141.438	149			
Product factor	Between Groups	6.933	2	3.467	3.730	.026
	Within Groups	136.604	147	.929		
	Total	143.537	149			

Source: Own computation, 2017

4.6.2 Underlying Factors of Purchase Behavior Based on Educational Background

ANOVA result in Table:1.12 shows that there is a significant difference between the respondent's educational level and the retail marketing mix elements as their p-value <0.05. According to the finding of the research, there are all factors except product are perceived differently among respondents, who are in different educational groups.

Table 1. 13 One Way ANOVA between educational Background and retail marketing mix elements.

		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
Personnel factor	Between Groups	46.206	4	11.552	17.022	.000
	Within Groups	98.399	145	.679		
	Total	144.605	149			
Store atmosphere factor	Between Groups	40.790	4	10.198	14.005	.000
	Within Groups	105.584	145	.728		
	Total	146.374	149			
Promotion factor	Between Groups	31.844	4	7.961	10.226	.000
	Within Groups	112.890	145	.779		
	Total	144.735	149			
Place factor	Between Groups	42.994	4	10.748	16.283	.000
	Within Groups	95.715	145	.660		
	Total	138.709	149			
Price factor	Between Groups	51.024	4	12.756	20.457	.000
	Within Groups	90.413	145	.624		
	Total	141.438	149			
Product factor	Between Groups	6.068	4	1.517	1.600	.177
	Within Groups	137.469	145	.948		
	Total	143.537	149			

Source: Own computation, 2017

4.6.3 Underlying Factors of Buying Behavior Based on Monthly Income

The results of the analysis are presented in Table:1.13 From the six factors, significance difference between income levels is observed with regard to all factors (product, shopping convenience, promotion, price, store atmosphere and personnel).

Table 1. 14 One Way ANOVA between Income Group and retail marketing mix elements

		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
Personnel factor	Between Groups	90.891	3	30.297	82.351	.000
	Within Groups	53.714	146	.368		
	Total	144.605	149			
Store atmosphere factor	Between Groups	71.255	3	23.752	46.163	.000
	Within Groups	75.119	146	.515		
	Total	146.374	149			
Promotion factor	Between Groups	67.090	3	22.363	42.051	.000
	Within Groups	77.645	146	.532		
	Total	144.735	149			
Place factor	Between Groups	85.274	3	28.425	77.665	.000
	Within Groups	53.434	146	.366		
	Total	138.709	149			
Price factor	Between Groups	80.970	3	26.990	65.168	.000
	Within Groups	60.467	146	.414		
	Total	141.438	149			
Product factor	Between Groups	10.015	3	3.338	3.650	.014
	Within Groups	133.523	146	.915		
	Total	143.537	149			

Source: Own computation, 2017

As Table 1:14 shows different income groups perceive product, shopping convenience, promotion, price, store atmosphere and personnel differently at $F=3.650, 77.665, 42.051, 65.168, 46.163$ and 82.351 $p<0.05$, which is $0.014, 0.000, 0.000, 0.000, 0.000$ and 0.000 respectively.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary & Major Finding

In this study, the researcher finds out the results based on the data presentation and data analysis by using correlation, multiple linear regression and percentage analysis. Based on the result made in the fourth chapter, the research indicates the finding. The research was carried out to measure the impact of marketing mix elements on the consumer buying behavior who buys goods and services from supermarkets in Addis Ababa. Further its objective was to measure the relationship between sub variables of marketing mix and buying behavior. Certain tools were used to identify the impact of marketing mix element on buying behavior.

- All sub variables of marketing mix elements (i.e.: product, shopping convenience, price, promotion, store atmosphere and personnel) are significantly correlated with consumer buying behavior.

Another objective was to find out to what extent the marketing mix elements influence the consumer buying behavior.

- Regression analysis indicates the marketing mix elements contribute significantly in influencing buying behavior of consumers of supermarket products in Addis Ababa at 76% and the remaining 24% can be contributed by other factors.

The last objective was to figure out the difference among the demographic profile of consumers and factors they perceived to be important influencing their purchase behavior.

- One-way anova analysis indicates that all marketing mix elements perceived differently by respondent age and Income group. However, with Educational background only product is perceived the same since p-value greater than 0.05. while other variables perceived differently among respondent.

5.2 Conclusion

Despite the fact that the retail industry is getting highly competitive and dynamic from time to time. It is characterized by limited and very similar offering of product and services to the

market which are not enough of differential element any more. Therefore, retail marketing mix elements are a key differentiator to enable the supermarkets to gain a competitive advantage in the industry. Based on the conceptual framework and measuring instrument employed there are six factors which are identified and measured. Among the factors, the finding provides evidence that consumer buying behavior is significantly influenced by factors such as personnel, price and promotion. The remaining factors namely product, shopping convenience and store atmosphere have a moderate influence on consumer buying behavior in supermarket.

5.3 Recommendation

Depending on the finding of the study and conclusion made, the researcher came up with some important recommendation that can be used to influence the consumer buying behavior in retail supermarket outlets. The recommendations given are the following.

- Based on the result, supermarkets have to put more effort to create product variety by carrying deep assortment of products lead them to become super specialist. By doing so, they can improve their sales; get a competitive edge and can leave a small environmental footprint.
- By considering the size and characteristics of the surrounding population, level of competition, access to transportation, availability of parking, easy accessibility and long opening hours while making store location decision enables supermarkets to reduce transaction cost and can increase consumer purchase pattern.
- Supermarkets should give up to date training to their employees to be supportive and competent so as to enhance the interaction with consumers will lead to long term success.
- Today, although non-price factors are becoming increasingly important since consumers have more parameters to consider, price remains significant and essential. The influence of price as a product cue is usually greater when little else is known about the product, and decreases when consumers have extensive information from which to base a decision. Therefore, the more product information, the more likely consumers are willing to purchase because it could enhance purchase intention, in spite of the price charged.

- Theory and empirical research on consumer's affective response behavior clearly indicates that positive thoughts concerning promotion can influence the consumer's willingness to purchase that product. So retail supermarkets should make more effort in drafting more influencing and informative promotion to show more clearly, the different product attributes to the consumer.
- Renovation of store atmosphere leads to subsequent changes in shopper's evaluation of the store and shopping behavior. So supermarkets should set up a comfortable buying atmosphere in terms of lighting, color combination, temperature and interior design aspect.... etc. of the store.

5.4 Future Research

Every research has certain limitations therefore it is necessary to acknowledge them before moving on to generalizations of findings. As the convenience sampling was used, bias may exist. Notably, the research focused only on retail marketing variables. Future research should incorporate personal factors (e.g. demographics and psychographics) and macro environment stimuli (e.g. economic and socio-cultural variables) to explain consumer purchasing behavior. Finally, data collection in different geographic areas would be useful for increasing sample representativeness and clarifying regional differences in consumers' purchase behavior towards goods and services

References

- Ajzen, I. (2000). *Constructing a TPB questionnaire: Conceptual and methodological considerations*.
- Allen, P. & Benneth, K (2012). *SPSS: a Practical Guide Version 20.0*. Cengage Learning Australia.
- Barbara, O. Lois, S Bobby (1996). *A psychographic study of the elderly and retail store attributes*. *Journal of Consumer Marketing*.
- Bates, J. and Gambor, A. (1987). Changes in subjective welfare and purchase behaviour. *Journal of Marketing Research Society*, 2, 183-207.
- Belch, G.E. and Belch, M.A (2004). *Advertising and Promotion: An Integrated Marketing Communications Perspective* (6th ed.). New York: McGraw-Gill/Irwin.
- Berman, B. R and Evans. (2013). *Retail Management: A Strategic Approach*. Pearson Education.
- Bitner, MJ. (1992). Servicescapes: The impact of physical surroundings on customers and employees. *Journal of Marketing Research*, 35, 57-71.
- Chan, R. Y. (2001). Determinants of Chinese consumers' green purchase behavior. *Psychology & Marketing*, 18(4), 389-413.
- Chaniotakis, I.E Lymperopoulos, C and Soureli, M (2010). Consumers' intentions of buying own-label premium food products. *Journal of product and Brand Management*, 19(5), Pp.327-334.
- Chaudhuri, A. & Ligas, M (2009). Consequences of Value in Retail Markets. *Journal of Retailing*, 85(3), 406-419.
- Davidson, W. Sweeney, D.J and Stampfl, R.W . (1984). *Retailing Management* (5th ed.). New York: John Wiley & Sons.
- Doyle, P. (2002). *Marketing Management and Strategy* (3rd ed.). Pearson Education.
- Dunne, P. Lusch, R and Carver, J . (2010). *Retailing* (7th ed.). Cengage Learning.

- Engel, J. Blackwell, R.D and Mineard, P.W (1995). *Consumer Behaviour* (8th ed.). Orlando: Dryden Press.
- Engel, J. Kolatt, D.T and Blackwell, R.D. (1968). *Consumer Behaviour*. New York.
- Etzel, M. Walker, B.J and Stanton, W.J . (1997). *Marketing* (7th ed.). USA: McGraw-Hill.
- Euromonitor. (1986). *The Changing Face of Grocery Retailing*. London: Euromonitor.
- Field. (2007). *Discovering Statistics using SPSS for Windows*. London: Sage.
- Field, A. (2009). *Discovering Statistics Using SPSS*.
- French, S. A. (2003). Pricing Effects on Food Choices. *The Journal of Nutrition*, 133(3), 841S-843S.
- Gilaninia, S., Taleghani, M. and Azizi, N. (2013). Marketing Mix and Consumer Behavior. Kuwait Chapter of Arabian Journal of Business and Management Review Vol. 2, No.12;
- Hair, J. F. Black, W.C, Babin, B.J, Anderson, R.E and Tatham, R.M (2006). *Multivariate data analysis* (6 ed.). NJ: Pearson Prentice Hall Upper Saddle River.
- Hawkins, D.I, Best, R.J and Coney, K.A (2004). *Consumer Behaviour: Building Marketing Strategy*. New York: McGraw-Hill/Irwin.
- Heskett, J. (1994). Putting the service-profit chain to work. *Harvard Business Review*, 164-174.
- Hofstede. (1993). *Cultural Constraints in Management Theories*, *Academy of Management Executive* (7th ed.).
- Howard, J. a. (1969). *The Theory of Buyer Behaviour*. New York.
- Jabir, A. Sanjeev, K and Janakiraman, M. (2010). Buying behaviour of consumers for food products in an emerging economy. *British Food Journal*, 112(2), 109-124.
- Keller, K. (2000). Building and Managing Corporate Brand Identity. 115-137.
- Kotler, P. & Keller K.L. (2009). *Marketing Management*. Pearson Prentice Hall.
- Kotler, P. (1999). *Marketing Management* (10 ed.). Prentice-Hall of India LTD.
- Kotler, P. (2000). *Marketing Management* (10th ed.). New Jersey: Prentice Hall, Upper Saddle River.
- Kotler, P. Armstrong, G. Saunders, J and Wong, Y (2002). *Principles of Marketing* (3rd ed.). England: Pearson Education.

- Marczyk G, Dematteo, D and Festinger, D. (2005). *Essentials of Research Design and Methodology*. New Jersey: John Wiley and sons Inc.
- Maruyama, M. & Trung, L.V (2007). Supermarkets : Opportunities and Obstacles. *Asian Economic Journal*, 21(1), 19-46.
- McCarthy, E. (1960). *Basic Marketing: A Managerial Approach*.
- McDonald, M. (2002). *Marketing Plans: How to Prepare Them, How to Use Them* (5th ed.). Butterworth-Heinemann.
- McGoldrick, P. (1990). *Retail Marketing*,. UK.
- Mintel. (1998). *Factors influencing choice of store for main grocery shopping in Britain*. London: Mintel.
- Nevin, Suzan & Suren,K. (2010). Evaluation of food purchasing behaviour of consumers from supermarkets. *British Food Journal*, 112(2), 140-150.
- Palmer, A. (2001). *Principles of Services Marketing* (3rd ed.). McGraw-Hill.
- Palmer, A. (2003). The Marketing of Services', in Baker, M.J. *Butterworth-Heinemann*, 584-609.
- Pan, Y. & Zikhan, J.M. (2006). Determinants of retail patronage: A meta-analytical perspective. *Journal of retailing*, 82(3), 229-243.
- Peter, J.P and Olson, J.C (1994). *Understanding Consumer Behaviour*. USA.
- Pitt, L.F and Abratt,R. (1987). *Pricing in non-profit organizations* (2nd ed.). Durban: Butterworths.
- Rust, R.T and Zahoric, A.J (1993). Customer satisfaction, customer retention, and market share. *Journal of Retailing*, 69, 193-215.
- Schiffman, L.G and Kanuk, L.L (2000). *Consumer Behaviour* (7th ed.). New Jersey.
- Schwartz,M. (1981). *Research Methods for Business Students*. Pearson.
- Sharma, A. & Stafford,P.F(2000). The Effect of Retail Atmospherics on Customers' Perceptions of Salespeople and Customer Persuasion. *Journal of Business Research*, 49(2), 183-191.
- Singh, K. (2007). *Quantitative Social Research Methods*. New Delhi: Sage Publications India.

Smith, P.R and Taylor.J . (2004). *Marketing Communications: An Integrated Approach* (5th ed.). London: Kogan Page.

Smith, P.R and Taylor.J (2004). *Marketing Communications: An Integrated Approach* (4th ed.). London.

Stevens R. E., Sherwood, P.K. Wrenn, B and Ruddick,M.E . (2006). *The Marketing Research Guide* (2nd ed ed.). NY: Hawrth press Inc.

Turley, L. W and Milliman. (2000). Atmospheric Effects on Shopping Behavior. *Journal of business research*, 49(2), 193-211.

Zikmund, W.G. (2010). *Business Research Methods*. (7th ed.). Western, Ohio: Thompson.

Appendix 1A: Questionnaire (Amharic Version)

መግቢያ፡ ይህ ጥናት ለሁለተኛ ድግሪ ማጠናቀቂያ መመሪያ ጽሁፍነት የሚቀርብ ሆኖ ዋና አላማውም ሽማግሌዎችንና አገልግሎቶችን በዋነኝነት ከሱፐርማርኬቶች ለመገባባት ሲወስኑ በዙጠው ጊዜ ግምት ውስጥ የሚያስገቡ ዋቅታትን መለኪያዎች መረጃ ለመሰብሰብ ሲሆን የእርሶተሳትፎ በዚህ ጥናት ምርመራ ላይ የሚኖረው ፋይዳ ዳክፍተኛ መሆኑን በመግለጽ ይህን መጠይቅ በመሙላት ለሚያደርጉት ብብርብ ቅድሚያ ምስጋና ይቀርባል።

የመጠይቅ አሞላል አቅጣጫ፡

ይህ መጠይቅ ምርመራ ያላቸውን እንዲሁም የለምርጫ በተሳታፊዎች በቀጥታ የሚሞሉ ጥያቄዎች የያዘሲሆን እያንዳንዱ ተሳታፊ የመረጠውን መልስ ላይ “X” ምልክት በማድረግ ወይም ክፍት ቦታውን በመሙላት በቀላሉ መሳተፍ ይቻላል።

1) ፆታ

ወንድ ሴት

2) የእድሜ ክልል

18-27 አመት 28-45 አመት 46-60 አመት > 60 አመት

3) የስራ ሁኔታ

ተማሪ ሰራተኛ ተማሪና ሰራተኛ ስራ ፈጣሪ (entrepreneur) በጡረታ የተሰናበተ

4) የጋብቻ ሁኔታ

ያላገባ ያገባ ፍቺ የፈጸመ ሌላ, እባክዎ ይግለጹ _____ ::

5) የትምህርት ደረጃ

ሁለተኛ ደረጃ ያጠናቀቀ/ች

ዲፕሎማ ያጠናቀቀ/ች

የመጀመሪያ (Bachelor) ዲግሪ ያጠናቀቀ/ች

የሁለተኛ (Masters) ዲግሪ ያጠናቀቀ/ች

የ PHD ዲግሪ ያጠናቀቀ/ች

የ Doctorate ዲግሪ ያጠናቀቀ/ች

መልስዎ ሌላ ከሆነ እባክዎ ይግለጹ

::

6) Average ወርሃዊ የገቢ ሁኔታ

<5000 ብር 5000-15000 ብር 15000-25000 ብር 25000-30000 ብር >30000 ብር

7) ሸቀጥና አገልግሎቶችን ከሱፐርማርኬት ለመሸመት አማካይ ወጭዎ በወር:

ከዚህ በታች የተዘረዘሩትን ጥያቄዎች ደምበኞች ሸቀጥና አገልግሎት ሲሸምቱ በአብዛኛው ግምት ውስጥ የሚያስገቡዎቸው መለኪያዎች ሲሆኑ እንዳስፈላጊነታቸው መጠን ከ 1 እስከ 5 የ አስፈላጊነት ደረጃ ተሰጥቶቸው ተሳታፊዎቻቸው በቀላሉ እንዲሞሉዎቸው ታስበው የተዘጋጁ ናቸው::

በጣም	በመጠኑ	ግድ	ብዙም	በጭራሽ
አስፈላጊ	አስፈላጊ	የለኝም	አያስፈልግም	አያስፈልግም
1	2	3	4	5

ዋጋን በተመለከተ	ውጤት
1. Price competitiveness	

ዋጋን በተመለከተ	ውጤት
2. Price incentive	
3. Value for Money	
ሸቀጡን ወይም አገልግሎቱን በተመለከተ	ውጤት
4. ለጠቃቀም ቀላል መሆኑ፤	
5. የንግድ ስያሜው እና አስተሻሽጉ	
6. የሸቀጡ ወይም የአገልግሎቱ ጥራት	
ለግብይት አመቺነትን በተመለከተ	ውጤት
7. ሱፐርማርኬቱ የተከፈተበት ቦታ	
8. የመኪና ማቆሚያ መኖሩ	
9. የሱፐርማርኬቱ መከፈቻና መዘገያ ሰአት	
ማስታወቂያን በተመለከተ	ውጤት
10. ሱፐርማርኬት ውስጥ የሚደረጉ የተለያዩ ማስታወቂያዎች	
11. የቴሌቪዥን፣ የሬድዮ፣ የጋዜጣ... ወዘተ ማስታወቂያዎች	
የሱፐርማርኬቱን የውስጥ ገጽታ በተመለከተ	ውጤት
12. Cleanness and attractiveness	
13. Odure and Lighting	
14. Room Temperature	
የሱፐርማርኬቱን ሰራተኞች በተመለከተ	ውጤት
15. የሱፐርማርኬቱ ሰራተኞች የደምበኞች አያያዝ	
16. የሱፐርማርኬቱ ሰራተኞች ክህሎት እና የደምበኞች ድጋፍ አሰጣጥ	

Appendix 1B (Questionnaire) English version

General Information: The purpose of this questionnaire is to gather primary data on factors which you most often consider while making a purchase decision from retail supermarket

Direction: There are multiple choice questions and open-ended questions designed to gather the information required to meet the purposes of this research paper. Please show your responses by putting tick mark (✓) on the answer you choose from the choices provided under each question and fill in the spaces provided for open ended questions.

Demographic Question,

1, Please specify your gender...?

Male Female

2, How old are you...?

18-27 28-45 46-60 > 60

3, Your Occupational Status..?

Student Employed Retired Entrepreneur other please specify

4, Marital Status...?

Single Married Divorced other, Please specify:_____

5, What is the highest level of education you have completed?

High school graduate, diploma or equivalent

Associate degree

Bachelor Degree

Master's Degree

PHD

Doctorate Degree

Others, please specify: _____

5, Income Level Per Month

< 5,000Birr 5000-15,000Birr 15,000-25,000Birr 25,000-30,000Birr >
30,000Birr

Buying Behavior Question

6, The average money spent within a month in birr to shop items from retail supermarkets

Perceptions The following statements relate to How important each of the following attributes in your decision to purchase products from your preferred retail supermarket.

Here, we are interested in a number from 1 to 5 that shows your perceptions about these attributes.

You should rank each statement as follows:

Very	Somewhat	Less	Totally
Important	Important	Neutral	Unimportant
1	2	3	4
			5

Price Attribute	Score
Price Incentive	
Value for money	
Competitiveness	
Product Attribute	
Easy to use	
Brand and package	
Quality	
Shopping Convenience Attributes	Score
Location of the retail store	

Parking Availability & transportation access	
Opening Hours	
Promotion Attributes	Score
Advertisement(print & Broadcast)	
Sales promotion	
Atmosphere Attributes	Score
Cleanness and attractiveness	
Odor and lighting	
Room Temperature	
Personnel Attributes	Score
Employees friendliness	
Knowledge & Support	