



ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

**THE EFFECT OF PROMOTION MIX ON CONSUMER
PURCHASE DECISION: THE CASE OF ETHIOPIA
TELECOMMUNICATION ADDIS ABABA**

BY:

NEGESE TAFAL LEMMA

DEC, 2018

ADDIS ABABA, ETHIOPIA

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**THESIS SUBMITTED TO ST. MARY UNIVERSITY, SCHOOL OF GRADUATE
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Declaration

I declare that this thesis is my original work, prepared under the guidance of my advisor. All sources of materials used for the thesis have been duly acknowledged. I further confirm that this thesis has not been submitted either in part or in full to any other higher learning institution for earning any degree.

Negese Tafa

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Dec, 2018

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Abstract

Promotion is a very relevant factor that influences the purchase decision of customer. The aim of this study was to evaluate the effect of promotion mix on customer purchase decision in case of Ethiopia telecommunication. Descriptive and explanatory research design was used to examine the effect of promotion mix on customer purchase decision. Out of customer of the company, 403 responded giving response rate of 95%. A Likert scale type of questionnaire was used to collect the necessary data from respondent. Data was analyzed by using SPSS version 23. Appropriate statistical tools including Pearson correlation and multiple linear regression analysis were utilized. The results of this study showed that sales promotion, advertising, personal selling, public relation, and direct marketing effect purchase decision by the value of 35.8%, 17.6%, 14%, 0.67%, and 0.50% respectively. In conclusion, the study indicates advertising, personal selling, sales promotion have significant effect on consumer purchase decision. This indicates that ETC should work on the promotion to stimulate the purchase decision of customer to increase its sales.

Key terms: Effects, promotion mix and consumer purchase decision.

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Acronyms

CPD	Consumer Purchase Decision
ETB	Ethiopian Birr
VIF	Variance Inflation Factor
CLRM	Classical Linear Regression Model

CHAPTER ONE

INTRODUCTION OF THE STUDY

1.1. Background

Promotion mix is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers (Nor Amira et al, 2013). In addition Promotion – Mix is used to refer to the combination of different kinds of promotional tools used by a firm to advertise and sell its products. Promotion strategy involves the five elements of the promotion mix i.e. advertising, sales promotion, personal selling, public relations, and direct marketing (Czinkota and Ronkainen, 2004). In order to keep up with the competition and changing consumer needs and wants, for increase customer satisfaction firms are forced to adopt effective promotional strategies to promote growth beyond borders thus creating awareness and increase usage rates of their products and services. Promotional strategies enable firms to attract and retain customers thus increased growth in terms of return on investments due to expanded client base (Kotler, 2003).

Promotions are very significant elements of marketing activities. All over the world, the large multinational corporations to medium and even small firms recognize that there is no best alternative than promotion to communicate with consumers and motivate them to purchase their products or services (Laboni, 2015). The role of promotion has been redefined into managing long term-relationship with carefully selected customers, including construction of learning relationship where the marketer maintains a dialogue with an individual customer (Dawes & Massey, 2006).

Market penetration strategy is also called the concentrated growth strategy because a firm thoroughly develops and exploits their knowledge and expertise in a specific market with known products (Ballowe, 2009). This can be achieved through increasing the size of the purchase, maximizing the rate of product obsolescence, finding new users for the product, advertising other uses and offering incentives for increased use (Zhanting, 2009).

When the companies have made their promotional strategies they must focus on their target market and use the right channel in order to ensure their target market is aware of the promotion for their products and will accept as well as buy their products (Dong-Jenn, 2015). Good promotion strategies will get good response and all promotional activities organized by the

company were done to increase sales and indirectly to get more profit for the company ((Fill & Jamieson, 2011).). In addition, these promotional strategies also measure how strong it influences the buying decision among consumers and to find out whether the promotional strategies implemented (advertising, internet marketing, public relation and personal selling) are well accepted (Nor Amira et al,2013).

Telecommunications service was introduced in Ethiopia by Emperor Menelik II in 1894 when the construction of the telephone line from Harar to the capital city, Addis Ababa, was commenced. Then the interurban network was continued to expand satisfactorily in all other directions from the capital. Many important centers in the empire were interconnected by lines, thus facilitating long distance communication with the assistants or operators at intermediate stations frequently acting as verbal human repeaters between the distant calling parties. Available records of the time have shown that by early 1930's a total route distance of about 7,000 KMs of inter urban network was existed and no less than 170 towns and villages were connected to the network.

Later, in 1932, Ethiopia became a member of the international telecommunications union immediately before the Italian invasion of 1935 and radio communication was introduced following the establishment of radio circuit links with Djibouti, Aden, Cairo and London. The company was placed under the auspices of the ministry of post, telephone & telegraph and then reorganized as imperial board of telecommunications of Ethiopia.

After the downfall of Dergue regime in transitional period (1991), the government of the federal democratic republic of Ethiopia has carried out an overall restructuring program to change the previously centralized command economy to a free market-oriented one with the aim of making government owned enterprises more efficient and effective as well as encouraging the promotion and participation of the private sector in the country's economic progress.

Accordingly, the telecommunications sector was restructured and two separate independent entities namely the Ethiopian telecommunications authority and the Ethiopian telecommunications corporation were established by proclamation No.49/1996 on November 1996. Telecom services are provided in most efficient & effective manner to customers. The corporation (1996) has enhanced the development of telecom infrastructure and quantity of services in both rural and urban areas in the most efficient and timely manner.

As a continuation of the last five year plan and after concentrating its efforts on education, health and agriculture, the Ethiopian government has decided to focus on the improvement of telecommunication services, considering them as a key lever in the development of Ethiopia. To ensure that ETC runs parallel with top telecom operators, the Ethiopian government has reached an agreement with France telecom, one of the world's leader telecommunications companies. This agreement will help ETC to improve its management capability through the transfer of world renowned know how and skills. Thus, the purpose of the study was to analyze the effect promotion mix practices of ETC on customer purchase decision.

1.2. Statement of the Problem

In today's world where there is intensity in competition, it's not enough for an organization to have only good products sold at low prices; to create sales and profits, the benefits of products have to be communicated to consumers (Khanfar, 2016). Modern organizations make a complex marketing communication system; it communicates with its consumers, distributors, suppliers, and different people. However, for most organizations the issue is not whether to communicate, but rather what to say, where, to whom, and when (Koekemoer & Bird, 2004).

Consumers are exposed to thousands of marketing communication every day. Organizations compete heavily for the attention and custom of the consumer through their advertising. Marketing communication attempts to provide information to the consumer about the organization's products and service offering. The various methods of communicating with the consumer need to be in agreement to deliver a holistic and effective message that will satisfy both organizational and consumer needs (Mahsa et al, 2015). The objective of the message is to prompt the public to buy the product or service. Therefore the customer needs to be receptive to the message and to be able to explicate it in such a way the intent to buy is determined (Koekemoer, 2004).

Marketers are continuously searching for new ways to communicate better with their public and to understand Consumers' purchasing behavior, they tried to define and explain the consumer's purchase process by using different models (Mahsa et al, 2015). Successful companies must identify proper ways of persuading customers in order to preserve their situation in market share and competitiveness. The determination of the most appropriate, effective, and influential promotional mix elements on the consumers' purchasing decision making, which achieve the

producers" objectives may have a strong, important, and useful indications for both decision makers, and marketing planners in companies (Mahmud I, 2014). Producer of a commodity or service should combine carefully the communication tools in access to achieve a regular combination of promotional elements, a combination that is influential in achieving communicative and marketing goals. But determining the best combination of promotional tools is a difficult problem for many companies (Mahsa et al, 2015).

The wasted time in decision making by individuals and groups and their willingness to part with their money resources is a big setback on sales and performance. The major decision a buyer makes in a group and how his or her choice influences others is a problem in consumer behavior (Isaac & Samuel, 2015). To undertake and investigate a study of how purchase decisions are taken in individuals and group structure or settings and how this affects volume of sales and profits of the marketer/producer is still a major problem to researchers and at the same time, lack of information devices by the marketer/producer in reaching the individuals and groups at the right time and place, to fasten purchase is an issue in ascertaining the attitude of customers (Ajibola and Njogo, 2012).

Ethio-telecom has played great role in fostering the growth and prosperity of the economy of Ethiopia by making communication faster than before (Tadesse, 2015). Even though it is crucial for development it has got sorts of problems nowadays. It is observable that in Ethiopia Telecom faces variety of problems which in turn may cause customers dissatisfaction (Tadesse, 2015).

To date though there remains very few studies available that have focused upon the issue of the promotion mix and its effect on the customers' purchase decision in different country on Telecom Company particularly, in our country Ethiopia. To fill this gap this study seems to study the effect of promotion mix on customer purchasing decision in Ethio telecom. Therefore, this study seeks to answer the question: what are the effects of promotion mix on customer purchase decision?

1.3. Objective of the Study

Based on the problem discussed above the general objective of this study is

- To examine the effect of promotion mix on customer purchase Decision: The Case of Ethio telecom.

From this general objective the researcher develops the following specific objectives.

3.3.1 Specific Objective

- To examine the effect of Advertising on consumer purchase decision.
- To evaluate the effect of public relation on customer purchase decision.
- To examine the effect of sales promotion on customer purchase decision.
- To determine the effect of direct marketing on customer purchase decision.
- To evaluate the effect of personal selling on customer purchase decision.

1.4. Research Question

- ❖ What is the effect of advertising on consumer purchase decision?
- ❖ What is the effect of public relation on customer purchase decision?
- ❖ What is the effect of sales promotion on customer purchase decision?
- ❖ What is the effect of personal selling on customer purchase decision?
- ❖ What is the effect of direct marketing on customer purchase decision?

1.5. Significance of the Study

The research will have the following benefits

- ✓ For the University: - This study will help the university as a bench mark for the further study on promotion mix and its impact on customer purchasing decision .
- ✓ For the Researcher: - It improves the researcher's Knowledge about the promotion mix practice and its effect on customer purchasing decision and it also developed the skills and experience researcher has to conduct other research.
- ✓ For Other Researchers: - This study also will help other researcher as a reference and bench mark to conduct a study on this concept.

- ✓ For the Company: - The study will help the company as feedback for decision making processes. Also it will be used as a signal for the management of the company to gain additional knowledge about the concept and take a necessary correction action.

1.6. Scope of the Study

1. Geographical Scope: - The study would be conducted in the capital city Addis Ababa in selected five branches of ETC, because this area were enough to conduct this specific study in this specific time.

2. Conceptual scope: - marketing mix are core things which determine the competence of an organization. These marketing mixes are: - product, promotion, price and placement. These are commonly called four Ps and any organization highly concerned with them. Because these marketing mix show the direction and success of the any organization. This study was restricted only on promotion mix and its impact on customer purchasing decision. Because effective promotion mix strategies is very important for the organization to realize its goal. As a result the researcher conducted this study on effect of promotion mix on customer purchases decision.

1.7 Structure of the Report

Generally the paper comprises five major parts. The first chapter outlines the introduction part, which comprises background of the study, statement of problem, research objectives, research question and hypothesis, significance of the study, scope and limitation of the study. The second chapter presents review of related literature under theoretical literature and empirical studies. The third chapter presents about the research methodology used in the study, Chapter Four dwells on the major interpretation and data analysis of the study the fifth and the last part is conclusion and forwarded recommendations. The reference and annexes are attached at the end of the study.

CHAPTER TWO

LITERATURE REVIEW

2. Introduction

This section reviewed the basic theoretical issues related to promotion mix and its impact on customer purchase decision. Hence, section one would presented theories relate to promotion mix, next section presented about customer purchase decision process and the final section presents the empirical study related to the concept.

2.1 Promotion Mix

Promotion mix is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers (Mahsa et al, 2015).According to Brassington and Pettitt (2000), promotion strategy is the direct way in which an organization communicates the product or service to its intention customers. In addition according to Swastha and Irawan (2008), promotional mix is information flows or one way persuasion which directing someone, people, or organization to make a demand.

Ross (2001) defined promotion mix as “total marketing communication program of a particular product”. Adebisi (2006) also defined promotion mix as “any marketing effort whose function is to inform present or potential consumers about the benefits of product possess for the purpose of inducing a consumer to either start buying or continue to buy the company product or service.”Promotion mix refers to describe the set of tools that an organization can be adopted to communicate in effective way the benefits of its products to its consumers (Iyad A., 2016).

Promotional mix is used to expand and penetrate the market, build the company’s image, provide information, increase and stabilize sales, add value to product and differentiate the products (Williamson, 2012). Also the role of promotion has been redefined into managing long-term relationship with carefully selected customers, including construction of learning relationship where the marketer maintains a dialogue with an individual customer (Dawes & Brown, 2000). In order to ensure that an organization promotion strategy is well accepted and received by its consumers, the organization should have a strong way of communication because good communication skills and effective promotion is a tool for every organization to compete in the industry (Nor Amira et al, 2013).

The promotion mix includes the tools like Advertising, Public Relations, Sales Promotion, Direct marketing and Personal Selling (Mahsa, 2015). According to Belch et al. (2004) there are five major promotional elements in marketing communications mix. These promotion mixes are presented and discussed as follows.

- Advertising,
- Sales promotion,
- Public relations,
- Personnel selling and
- Direct Marketing.

2.1.1 Advertising

Brassington and Pettit (2000) define advertising strategy as any paid form of non-personal communication directed towards target audiences and transmitted through various mass media in order to promote and present a product, services or idea. It provides opportunities for dramatizing the company and its products through artful use of print, sound and color. The key difference between advertising and other promotional tools is that it is impersonal and communicates with large numbers of people through paid media channels (Owaga, 2002). In recent years the role of advertising in the banking industry in both personal and corporate markets has expanded dramatically and the financial services industry is now one of advertising revenue. In developing advertising strategy the bank must first ensure that it conforms to overall marketing strategy (Channon, 1985).

Advertising is also defined as any non-personal communication means of ideas or products by using mass communications media such as television, newspapers, magazines, cinema, radio etc. and is implemented through a specific sponsor, for a fee paid to influence consumer behavior (Kotler. & Keller, 2006). This promotional activity can be measured through: the advertising medium used, advertising size, the duration of the advertisement, the technical advertising output, the repetition of advertising, the content of advertising, and the drafting of advertising.

Advertising is a non-personal form of mass communication and offers great level of control for those who are responsible for designing and delivering advertising messages (Fill 2006, 16). The message can be transmitted in a particular manner and style that have been agreed upon at times that matches the management's requirements. The regular use of advertising can be important for

creating and maintaining brand personality when it is in cooperation with other elements of the marketing communications mix.

Mortimer (2001) states that an important part of advertising is to make the service tangible in the mind of the consumer in order to reduce perceived risk and provide a clear idea of what the service comprises. Furthermore she considers it important to advertise consistently, with clear brand image in order to achieve differentiation and encourage word-of-mouth communication. (1996) suggests that there are different types of advertising channels appropriate for banking advertising such as different channels of communication such as television, radio, posters, magazines and newspapers and including leaflets, pamphlets, explanatory guides and manuals that can be used to support selling of a specific service.

Maintaining brand personality when it is in cooperation with other elements of the marketing communications mix. Advertising plays a significant role in the development of competitive advantage. In consumer markets advertising is the dominant form of communication for many organizations (Wright, 1997). It is a good marketing communication tool to inform and persuade people whatever product, service or idea is being promoted. It can be used to strengthen the corporate image and its products and so reinforce buyer loyalty. Advertising in the business-to-business market is more about to inform and remind and to provide relevant facts upon which decisions can be made. Regardless of the target audience, all advertising requires a message and a carrier to deliver the message to the receiver (De Pelsmacker, 2001).

2.1.2 Sales Promotion

According to Brassington and Pettit (2000) sales promotion is tactical marketing techniques with mostly short- term incentives, which are to add value to the product or service, in order to achieve specific sales or marketing objectives. Furthermore, Meidan (1996) states that it has two distinctive qualities. Firstly, it provides a “bargain chance” since many sales promotion tools have an attention gaining quality that communicates an offer that although they appeal to a wide range of buyers, many customers tend to be less brand loyal in the long run. Secondly, if sales promotions are used too frequently and carelessly, it could lead to insecure customers, wondering whether the services are reliable or reasonably priced.

Coupons, rebates, samples and sweepstakes are a few examples of sales promotions. The advantage of sales promotion is that the short term nature of these programs (such as coupon or sweepstakes with an expiration date) often stimulates sales for sales for their duration. Offering value to the consumer in terms of a cent-off coupon or rebate provides an incentive to buy. Sales promotions cannot be the sole basis for a campaign because gains are often temporary and sales drop off when the deal ends (Berkowitz et al., 1994).

Sales promotion is also defined as any marketing or non-marketing effort or activity in which marketing or non-marketing means are used at a particular time to stimulate increased demand or to prove the availability of the product (obydat, 2004).

This promotional activity can be measured by individual and collective selling types of awards, economic packages offers, free samples, rebates, the multiplicity of services, sales offers events, sales offers duration, dissemination methods, and realized credibility.

2.1.3 Public Relation

Public relations is building good relations with the company's various publics by obtaining favorable publicity, building up good corporate image, and handling or heading off unfavorable rumors, stories and events (Kotler & Armstrong, 2010). Publicity is a non-personal, indirectly paid presentation of an organization good or service. It can take the form of a news story, editorial or product announcement (Berkowitz et al., 1994). The key objective of publicity is to obtain editorial coverage, as distinct from paid space in media seen by the bank's desired customer base. Public relations are more of a background activity and are designed to enhance the banks position with specifically targeted audiences (Channon, 1985).

According to Brassington and Pettit (2000) the essence of public relations (PR) is to look after the nature and quality of the relationship between the organization and its different publics, and to create a mutual understanding. Public relations cover a range of activities, for example the creation and maintenance of corporate identity and image; charitable involvement, such as sponsorship, and community initiatives; media relation for the spreading of good news as well as for crisis management, such as damage limitation. Moreover, an organization can attend trade exhibitions to create stronger relationships with key suppliers and customers as well as enhancing the organization's presence and reputation within the market (Brassington, 2000).

Organization and its audience, and achieving satisfaction and mutual understanding, either internally or externally, through the implementation of policies and programs based on the

principle of social responsibility, and employing media to build a good image of the organization. They also include all activities carried out by the organization in order to enhance or improve its image in the community such as supporting and participating positively in social, environmental, health, and public issues (Lovelock & Wirtz, 2004). This promotional activity can be measured through: the areas of social activities these companies carried out such as support social business and charity, teams and clubs Sports, support loyalty of customers, accept audience complaints and criticisms, address problems and issues, interest in the field of environment and health

2.1.4 Personal Selling

Personal Selling is a face to face presentation and promotion of products and services. There is a direct interaction between the firms' sales employees and customers (Thujo, 2008). Personal selling has traditionally been the principal communicable channel in the banking industry, although until recently the concept of selling financial services was very poorly developed. Nevertheless the branch delivery system and the branch manager in particular were seen as the key to client interface (Channon, 1985).

Brassington and Pettit (2000) argue that, personal selling is a two way communication tools between a representative of an organization and an individual or group, with the intention to form, persuade or remind them, or sometimes serve them to take appropriate actions. Furthermore, personal selling is a crucial element in ensuring customers' post- purchase satisfaction, and in building profitable long-term buyer-seller relationship built on trust and understanding. Verhallen et al (1997) states that the increased competition within the fast changing environment of banking service has led financial organizations to develop and maintain comprehensive relationship with their customers.

Personal selling defined as a verbal communication and face-to-face interaction with one or more of the potential buyers in order to provide the product or service, or to answer questions, or to respond to requests or others (McCarthy & Perreault, 2004).

This promotional activity can be measured through: the level of training and skills of sales staff, the style and appearance, the possibility of providing information, capabilities in solving problems, displaying, verbal persuasion, and style presentation, etc.

2.1.5 Direct Marketing

According to (Brassington & Pettit, 2000) direct marketing is an interactive system of marketing, using one or more advertising media to achieve measurable response anywhere, forming a basis for creating and further developing an on-going direct relationship between an organization and its customers, to be able to create and sustain quality relationship with sometimes hundreds or even thousands of individual customers, an organization needs to have as much information as possible about each one, and needs to be able to access, manipulate and analyze that information, thus, the database is crucial to the process of building the relationship. (Lee,2003) states that the fast advances in technology over the past 30 years have reshaped how consumers today interact with their financial institutions.

Direct marketing consists of direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate long lasting customer relationships (Kotler & Armstrong, 2010). It is the use of consumer-direct channels to reach and deliver goods and services to customers without using marketing middlemen. These channels include direct mail, catalogs, telemarketing, interactive TV, kiosks, websites, and mobile devices. It is one of the fastest growing avenues for serving customers (Kotler, 2003).Viral Marketing has emerged in modern marketing practice. It is a term used to describe a whole set of aggressive promotion. It includes paying people to say positive things about a firm's products via word of mouth, emails, blogs, and mobile phones. It also involves setting up multilevel selling schemes where individuals get commissions for directing friends to certain outlets, products, and websites (Thujo, 2008).

Belch (2004) defines the direct marketing as a “total set of activities by which the seller attempts to elicit a direct action response”. Direct Marketing is an interactive marketing system which uses one or more advertising media to provide a measurable reaction or trade in every level (Kutler, 2006).

Direct marketing has a basic philosophy and that is to consider each customer as an investment. By identifying each customer means that one can target the most appropriate communication in an interactive way. Customers are personally addressed and are able to respond, resulting in that the company may adapt an offer to the needs of the customer based on the data that have been stored in a database from the transactions (De Pelsmacker et al. 2001).

2.2 Consumer Purchase Decision Process

The purchasing decision process describes the process a customer goes through when buying a product or service. Also consumer's decision-making process includes five stages that the consumer goes through before the actual purchase (Kotler and Armstrong, 2010). Consumer purchasing decision process is a series of stages made by customers when and after purchasing a product or service, Pride and Ferrell (2012). During these processes the customer recognize needs, collect information, evaluate alternatives and makes purchase decision (Kotler & Armstrong, 2010) There is a common five stages in the consumer decision process. These steps listed in following tables.

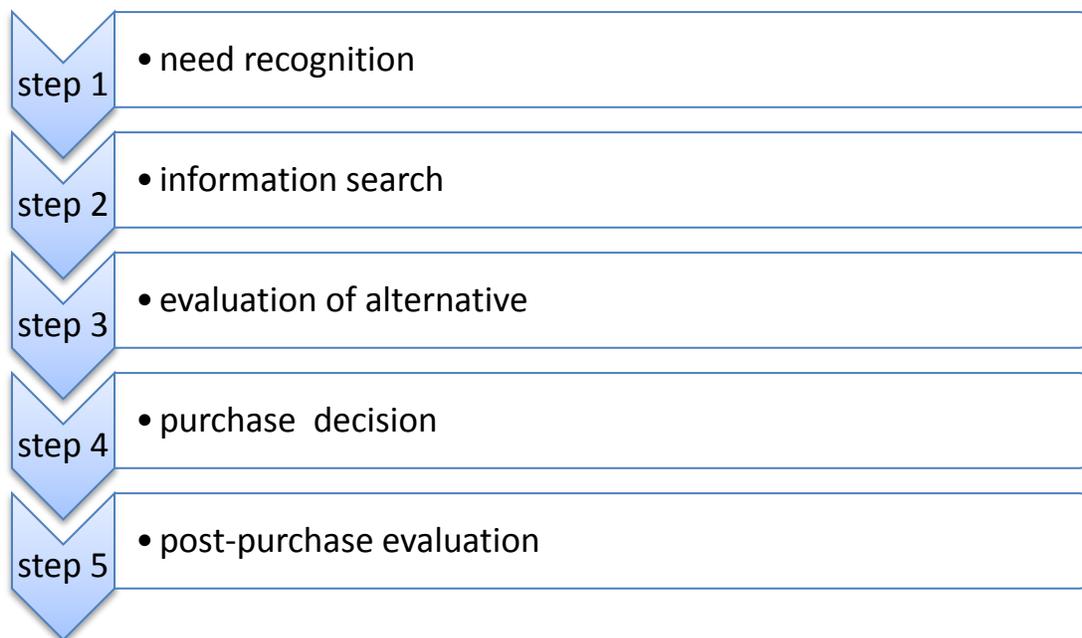


Figure: 2.1 customer purchase design process

2.2.1 Need Approval

A decision-making process starts with the recognition of need. We must admit that the most important step in the purchasing decision is need approval. Without this step, a purchase cannot take place. The first step in the consumer buyer process is the recognition that they have an unmet need. The need recognition may be internal, such as hunger, thirst, or fatigue. External stimuli can be an advertisement that can get you to thinking about buying a new product (Kotler & Armstrong, 2010). Marketers will try to convince consumers to choose their brand instead of others (Solomon, 2004) For firms, it is then imperative to understand customer needs and then

transform these needs into wants for a specific product. The idea is to build on the basic need and convince customers to need and purchase your product or service because these product or service will fulfill customers needs better than any competing product of other company (Ferrell & Hartline, 2008). The unsatisfied psychological need can be stimulated by the interaction of external stimuli with internal drives (Kotler, et al., 2009). In some cases, customer needs are unmet because consumers simply do not want the product or service. When this happens, marketers must first educate customers on their need of the product and then after customers realize their need, convince them that their product is best to that of competitors.

2.2.2 Information Gathering

The next step of decision making process is information searching in different source. After they realize they have a need for a product, consumers begin to either actively or passively search for information. Passive information searches include paying more attention when promotion is going on about a product the customer is interested. On the other hand active information searches involve the customer actively searching information about a product, on the Internet and other information channels speaking about the product.

Consumer can search information from internal and external sources. Internal search refers to the searching information from their memory and is determined by consumer existing personal knowledge experiences about the products and also from friends or family. These sources are more trusted than other source of information. On the other hand External search refers to searching of information from multiple sources. These sources include friends, relatives, different media, sales people, website, exhibition, advertisements, salespeople, and displays. External search is applied when the internal search is not sufficient for the consumers to get full information about product. Nowadays consumers get a huge amount of information from commercial sources that are controlled by marketers. During the information search, different products or brands are learned about and consumers begin to remove some products or brands from their purchase consideration. The list is narrowed until the consumer is ready to evaluate their remaining alternatives (Ferrell & Hartline, 2008).

In this stage the consumers seek at searching in the internal and external business environments to identify and observe sources of information related to product or service that satisfies his/her need (Blythe, 2008). Gathering information relying on internal and external information sources

such as different types of media, friends, family, personal experience and the like. The natures of the information needed by the consumer are related to the quality of product, its characteristics of product, its price, method of payment and use and etc. This information helps consumers to drop some brands when making the final selection of the brand (Kotler & Armstrong, 2010).

2.2.3 Evaluation of Alternatives

The third stages of purchases decision process is evaluation of alternatives. After information is collected, the consumer will be able to evaluate the different Alternatives. The evaluation of alternatives will vary among customers or purchases (Wright, 2006). Buyer or customers may make little or no evaluation and make their purchasing decision based on impulse and intuition; on the other hand other consumer will establish a set of criteria in the evaluation process to select one among the other. This criterion of evaluation is differing from consumer to consumer depending on demographic and psychological variables as well their purchasing power.

During the evaluation of alternatives, buyers will decide which one they want to fill their need more than other. Typically, the evaluation stage of consumer purchasing is the most difficult to understand, measure, or influence as this step is done internal to the customer (Ferrell & Hartline, 2008). Though marketers find it more difficult to influence customers during the evaluation stage, it is still important to understand the customer's choice criteria and the importance they place on differing product attributes, and attempt to improve the customer's image about a product.

2.2.4 Purchasing Decision

The forth step is consumer purchase decision which is a result of evaluation process and actual purchase the most preferred brand. To choose among available alternatives the appropriate item that satisfies buyer's needs and desires attitudes of others or beliefs about product created by marketers are important. Purchase decision may be affected by two factors: negative feedback from other customers and the level of motivation to refuse or accept the feedback (kotler, 2009).

2.2.5 Post - Purchase Evaluation

Decision making process continues after purchase and it is fifth stages and called post purchase decision. After purchase decision buyers compare and contrast purchased products or service with their previous expectations and are either satisfied or dissatisfied. If the product or service correspond and comes according to their expectations, they will be satisfied, and if the product or

service they purchase not correspond they dissatisfied. Consumers' satisfaction will affect the decision process for a similar purchase from the same company in the future (Foxall, 2005). When the product meets expectation of buyers' consumer will make similar purchase from the same company in the future which leads to brand loyalty.

Summary of consumer buying process

Table 2.1: The consumer buying process (Ferrell & Hartline, 2008)

stage	Key issues
Need recognition	<ul style="list-style-type: none"> ❖ Consumer needs and wants are not the same. ❖ An understanding of consumers' needs is essential for marketer segmentation and the development of the marketing program. ❖ Marketers must create the appropriate stimuli to foster need recognition.
Information search	<ul style="list-style-type: none"> ❖ Consumer trust internal and personal source of information more than external source. ❖ Consumers narrow their potential choice to an evoked set of suitable alternatives that may meet their needs.
Evaluation of alternatives	<ul style="list-style-type: none"> ❖ Consumers translate their needs into wants for specific product or service. ❖ Marketers must take steps to understand consumers' choice criteria and the importance they place on specific product or service. ❖ Marketers must ensure that their products or services are in the evoked sets of potential alternative.
Purchase decision	<ul style="list-style-type: none"> ❖ A consumers purchase intention and the actual act of buying are distinct concept. ❖ Several factors may prevent the actual purchase from taking place. ❖ Marketers must insure that their product or service is available and offer solutions that increase possession utility.
Post purchase evaluation	<ul style="list-style-type: none"> ❖ Post purchase evaluation is the connection between the buying process and the development of long term customer relationship. ❖ Marketers must closely follow consumers' response (delight, satisfaction, dissatisfaction, or cognitive dissonance) to monitor the products or service performance and its ability to meet customers' expectation.

Source, (Ferrell & Hartline, 2008)

2.3 Empirical Studies

This section presents empirical studies in different country reviewed by the researcher.

Khanfar (2016) conducted research on effect of promotion mix strategy on consumers purchase decision of mobile service of Umniah Telecommunication Company in Zarqa city Jordan. This study was found that all promotion mix have effect on consumer purchase decision. Among these independent variables, sales promotion possess the highest effect on consumer purchase decision.

Mahmud I.et.al (2014) Examine the Impact of Promotional Mix Elements on Consumers Purchasing Decisions in Amman, Jordan on Jordanian shareholders ceramic and glass Production Company. They found that the degree of promotional mix elements practice in Jordanian shareholding Ceramic and glass production companies was high for advertising, personal selling, and sales promotion, while it was moderate to low for publicity, and public relations. Advertising, Personal Selling, and sales promotion practiced by Jordanian shareholding Ceramic and glass production companies has significant effect on consumers purchasing decision. On the other hand Publicity and public relations has no significant effect on consumers purchasing decision.

Department of Management, Faculty of Economics and Management, Payame Noor University Hamedan, (2015) examines the effect of promotion mix on consumers purchase decision by using AIDA models. The research found that Promotion can be a powerful derives to persuade consumers and lead into increase of sales and profits and make most of those who don't have the experience of the product try it at least once. One of the main aims of implementing the promotional plans is to increase sales and profits, so by prioritizing the promotional tools from the most effective one to the least effective one, a proper procedure for good utilization of each one of these tools was highlighted. Compared to other research works conducted in this regard, the present research resulted in different findings.

Ajan (2015) also conducted research on effect of sales promotion on consumer purchasing decision of Baskin Robbins Ice –Cream franchise Thailand. The research found that Sales promotion plays a vital role in marketing in any business nowadays. This situation is becoming more apparent in Thailand after the political and economic crisis in 2014. As such, the result of

this research proves that sales promotion tools such as price discounts, coupons, sampling and point of sale display play a key role in influencing the consumer's purchase decision.

Isaac (2015) examines the influence of brand image and promotion mix on consumer purchasing decision conducted on beverage consumers in Lagos state, Nigeria. From this study, the findings have shown that promotional mix exert great influence on consumer buying decision thereby affirming that promotional mix are veritable marketing communication tools for influencing consumer buying decisions on sustainable bases.

Mahsa F et al, (2014) was also one of the works conducted on impact of promotion elements on customer purchase decision. This study was conducted in Iran in Islamic Azad University Hamedan branch by social humanity and management faculty. This work stated that today's marketing is not based on producing facilities but rather on providing appropriate information channels for the consumers. In other words Modern marketing is more than just producing good products, suitable pricing and easy access to them. In today's world, the companies have introduced various strategies such as „promotional mixed“ which are Advertising, sales promotion, direct marketing, personal selling and public relation/publicity in accordance to changes in the consumers' socio-economy, technology, and competition aspects. Nevertheless, the success of these strategies is vague. Considering the high completion between the companies and rapid growth of markets and also rapid changes in consumers behaviors, choosing a good promotional mix and prioritization of its tools help the promotion of marketing goals. The study explained the impact of promotional activities on consumers purchasing decisions.

Ali I et al. (2013) also conducted research in Republic of Kosovo by the little the impact of promotional activities on purchase decision making: a case of Bonita and Rugove –water bottled producers. According to their finding TV advertisement are the main tools by which consumers have heard about the product. Combination of TV advertisement and audio advertisement made the brand of product getting more awareness better and faster in consumer mind. They concluded that “The impact of media on decision making process of purchase is very high.” In addition they found that communication of sales person is also impact the purchase decision of the customers. Special the behavior of the sales person was highly impacts the buying decision of the customer.

Effect of sales promotion as a tool on customer attention on purchase: in case of auto maker company in Tehran University, Iran is one the work on the concept. The study was conducted by (Shahriar and Tahmores, 2012) and the study found Sales promotion has become a vital tool for marketing and its importance has been increasing significantly over the years. One of the purposes of a sales promotion is to elicit a direct impact on the purchase behavior of the company's customers. In addition they found sales promotions have positive effect as a tool on customers' attention to purchase.

Christina et al (2014) were other researcher study the influence of promotion mix and price on customer buying decision toward fast food in Indonesia. This research investigates the influence of promotional mix and price on consumer buying decision towards fast food. The study found that the promotional mix and price has significant influence towards consumer buying decision in fast food industry.

Other recent study on this area was the work of Dong-Jenn & Lee, (2016). They study in-store promotion mix and the effect on female consumer buying decision in relation to cosmetics products in Taiwan. The study was conducted to ascertain the relationship between the females' in-store purchasing decision process and the promotional mix. They conclude that customers have the possibility to buy products because of the promotional strategy with or without buying intention at the beginning. According to this study of the most popular promotional strategy store layout, buy one get one free, price discount, gifts, store points, brand of the day, special promotional events, seasonal promotions, sample products and sales representatives were common.

2.4 Hierarchy of Effects Theory

The Hierarchy of Effects Model was created in 1961 by Lavidge and Gary. This marketing communication model, suggests that there are five steps from seeing a product promotion to product purchase. The works of the promoters are to encourage and persuade the customer to go through these five important steps (awareness, knowledge, liking, preference and purchase) and purchase the product.

The first phase customers pass through is awareness. Knowledge of the customer begins when the product is advertised using various communication channels which include; mass media,

print media social media and etc. In today's digital and complex world this step has become more important as consumers expect to gather product knowledge at the click of a button. Consumers will quickly move to competitor brands if they do not get the information they want (Mahsa, 2015). The advertiser's job is to ensure product information is easily available (Belch and Belch, 2003).

Liking of the product involves customer willingness to buy a product after information search in the market concerning the product on offer. Preference involves consumers being loyal to a particular brand compared to competitor brands. At this stage advertisers will want the consumer to disconnect from rival products and focus on their particular product. Advertisers will want to highlight their brand's benefits and unique selling points so that the consumer can differentiate it from competitor brands. Conviction to a product is a stage of creating the customer's desire to purchase the product in the market. Advertisers may encourage conviction by allowing consumers to test or sample the product (Buzzell, 2004).

Purchase involves is the final stage that consumers experience in the buying process. The advertiser may want the customer to purchase their product by emphasizing on the benefits of the product to the consumer (Belch and Belch, 2003). This stage needs to be simple and easy, otherwise the customer will get fed up and walk away without a purchase. For example a variety of payment options encourages purchase whilst a complicated and slow website discourages purchases. Companies should identify new ways of increasing purchase habits among consumers. Modern technologies like online purchase and mobile phone technologies should drive competitive companies thus minimizing costs of operation (Alexander and Schouten, 2002).

2.5 Hypotheses and Conceptual framework

2.5.1 Hypotheses

Hypothesis 1

H₁: There is statistically significant effect of advertising on consumers purchasing decision process.

Hypothesis 2

H₂: There is statistically significant effect of sales promotion on consumers purchasing decision.

Hypothesis 3

H₃: There is statistically significant effect of personal selling on consumers purchasing decision.

Hypothesis 4

H₄: There is statistically significant effect of public relation on consumers purchasing decision process.

Hypothesis 5

H₅: There is statistically significant effect of direct marketing on consumers purchasing decision making.

2.5.2 Conceptual framework

Based on the previous literature, the possible effect of promotion mix on customer purchase decision is conceptualized as below (Iyad A., 2016 and Mahsa, 2015)

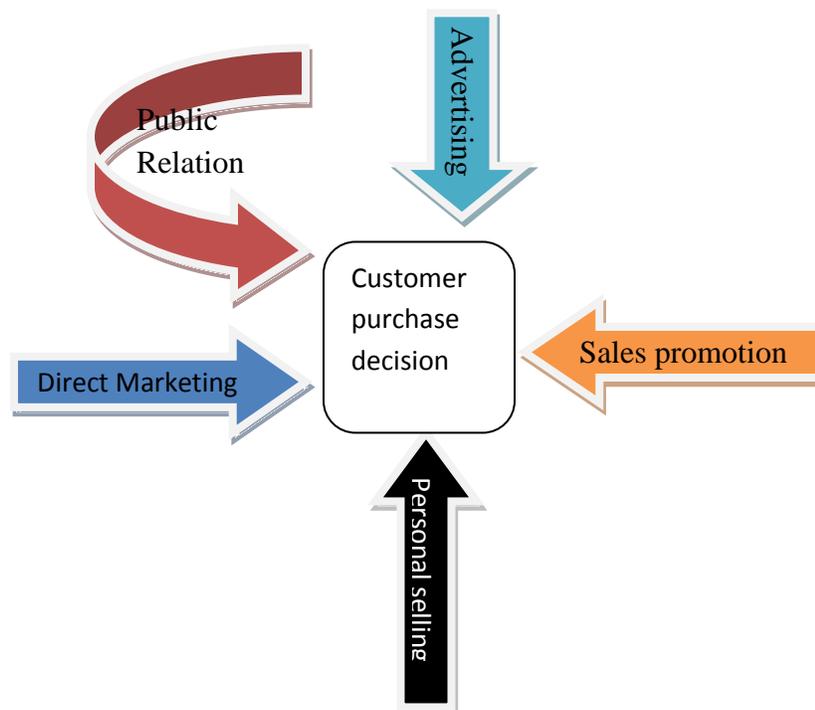


Fig 2.2: conceptual framework

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3. Introduction

Research methodology is a way to systematically undertake the research .The study would employ the series of actions in collecting necessary information to answer research questions derived from the problem statement of the study. The structure of this chapter consists of several sections of activity to achieve the stated objective of the study. The entire body of this chapter would describe research design, research approach, target population, sampling techniques sample size, method of data collection, data collection instruments and data analyses methods.

3.1. Research Design

In this study both descriptive and explanatory research designs was applied. Descriptive research design was applied to show the demography of the respondent. On the other hand explanatory was applied; because it plays an important role and explains the missing `why` in the descriptive research. It determines the causes and effect of the phenomena, and generates a sense of understanding. In addition these methods serves as a coating and presents the relationship between dependent and independent variables, and possibly answers the questions effect of promotion mix on customer purchase decision.

3.2. Research Approach

This study applied Quantitative Research approach because it is used to quantify the problem by way of generating numerical data or data that can be transformed into usable statistics. It is used to quantify attitudes, opinions, and other defined variables – and generalize results from a sample population. The goal of this study is to determine the relationship between an independent variable (promotion mix) and a dependent or outcome variable (customer purchase decision) within a population. As a result this research approach was an appropriate for this study.

3.3 Population of the Study, Sample Size and Sampling Techniques

3.3.1 Population of the Study

The term population means all members that meet a set of specifications or specified criteria. Ethiopia telecommunication has 59,899,089 total customer and 246 shops in the country

particularly, 3,384,569 and 32 shops in capital, Addis Ababa as of September 2018. All customers of ETC in Addis Ababa were the population of this specific study.

3.3.2 Sample Size

A sample size is a part of the population chosen for a survey or study. It is impossible to study the millions of customers of the company. Because it's too expensive and time consuming, so the researcher took a sample from the population this were because sample is a representation of the population. This sample size is selected based on the table for sample size determination by [http:// research-advisors.com](http://research-advisors.com) which is based on a 5% error margin and 95% confidence level. Since you choose your sample wisely, it was a good representation of the population.

$$n = Z P q$$

n = sample size

Z = the value on the Z table at 95%

Confidence level = 1.96

e = Sampling error at 5%

p = maximum variability of the Population at 50%. i.e. (0.5)

$$q = 1 - p = 0.5$$

$$S = (Z\text{-score})^2 * p * (1 - p) / (\text{margin of error})^2$$

$$S = (1.96)^2 * 0.5 * (1 - 0.5) / (0.05)^2$$

$$S = 3.8416 * 0.25 / 0.0025$$

$$SS = 384$$

The researcher added 5% of 384 for the problem that would happen during data collection

So the total sample size of the study was:

$$384 * 5 / 100 + 38$$

$$19 + 384 = \mathbf{403}$$

3.3.3 Sampling Technique

The choice of the sampling technique is depend on the feasibility and sensibility of collecting data to answer the research question and to address the objective of the study. According to Holme and Solvang (1997) the selection of the respondent is crucial. If the wrong persons are being choosen, the research may turn out or worthless (idid). Four shops: Mexico, Stadium, kality and Saris shapes were selected by Simple random sampling technique then the total sample size (403) is divided to number of shops (4) proportional. Finally data was collected from costumers those were came to branch up to sample size was reached in one month.

3.4 Source of Data and Research Instrument

4.4.1 Source of Data

The data for this study was generated from both primary and secondary sources. These were to capture the quantitative aspect of data from the source. The primary data was sourced through questionnaire and Secondary data sourced from empirical evidences like books, journals, internet and the other to supplement the finding of primary data.

3. 4.2 Research Instrument

Questioners were applied to collect primary data from the customer of the company. According to Asika, 2004 questionnaire enabled the respondents to understand the intention of the study and also enabled the researcher to elicit information from the respondents easily. This research used a Likert scale to measure independent and dependent factors since this format is widely used in both marketing and social science Burns & Bush (2002). In other words, the researcher are able to reveal the participants emotions, attitudes, beliefs, or points of view, because they show their positive or negative emotion toward a concept by selecting a choice best representing their feelings (Likert, 1932). To get information easily and minimizes disruption to the participant 403 Copies of questionnaire were given for each 403 customers to collect primary data from the customers of the company.

3.5 Validity and Reliability analysis

3.5.1 Validity

Validity means the ability of the data collection instrument to measure the variables that are designed to measure. Questionnaire has been evaluated by 3 of specialists in marketing studies to

ascertain the validity of the instrument, the evaluators' views has been taken into consideration, and correction has been done under their supervision and agreements. Also opinion from the research advisor ensure the content validity, whether the items measure the area of interest or the concept it intends to measure which will advance its validity.

3.5.2 Reliability

The reliability of the tool: refers to the possibility of obtaining the same results if the measurement reevaluated under the availability of similar circumstances, and by using the same tool of measurement. Cronbach's Alpha has been used to determine the degree of reliability of the tool. The reliabilities for variables were calculated before data collection. Although, different author accept different values of this tests to reach on internal reliability of the instrument, the most commonly accepted value is equal to or greater than 0.70 to reach on reliability of acceptable instrument (Kothari C. R., 2004)

Reliability Statistics

Cronbach's Alpha	N of Items
.795	35

Source: own survey

Cronbach's alpha reliability result of this study is 0.795. Using rule of (Kothari C.R., 200), the Cronbach's alpha value of the study is within acceptable level.

3.6 Data Analysis Methods

Data analysis is the process of evaluating data using analytical and logical reasoning to examine each component of the data provided. It is also the process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision making. After data has been collected and carefully checked for errors, the data must be analyzed and interpreted. The first step of data analysis is editing, the process of examining completed data collection forms and taking whatever corrective action is needed to ensure the data are of high quality (Parasuraman et al, 2004). Data collected from primary source were analyzed by using descriptive statistics (frequency and percentage) to describe and analyze demographic data and inferential statistics such as multiple linear regressions were used to determine the effect of promotion elements on customer purchase decision.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4. Introduction

This chapter presented the results of the data analysis. This study was aimed to explain the effect of promotion mix on customer purchase decision in case of ETC. To reach at necessary conclusion primary and secondary data were analyzed in relation to research objective and questions. This chapter is organized into two parts. The first section of this chapter provides the demographic profiles of the final survey respondents. The second part of the chapter deals with the analysis of the different questions in the questionnaire.

Both descriptive statistics and inferential statistics were used to analyze the collected data. SPSS version 23 was used to process quantitative data to come up with dependable conclusion and implication. In order to make the collected data suitable for the analysis, all questioners were screened for completeness. Among this 8 questioners were not returned and 12 questioners were incomplete. This returned incomplete questionnaires were considered as errors and ignored from the data. 383 collected questionnaires were checked and accepted. Therefore 383 questionnaires were found to be valid and used for the final analysis.

4.1 Demographic Background of the Respondent.

The first section of the schedule questionnaires was contained the demographic information of the respondents. Demographic characteristics of the respondents included in the questioners were; gender, age, level of education, average monthly income and occupation of the respondent.

Table 4.1 demographic statistics of the respondent

Demographic characteristics	Title	frequency	percentage
Gender	Male	210	54.3
	Female	173	44.7
Age	under 20	9	2.3
	21-30 years	131	33.9
	31-40 years	191	49.4
	41-50 years	50	12.9
	>50 years	2	0.5

Education	Below Bachelor's degree	143	37.0
	Bachelor degree	226	58.4
	Master degree	14	3.6
	Doctorate degree	0	0
Income	Less 3000ETB	15	3.9
	3001-4500ETB	175	45.2
	4501-5500ETB	183	47.3
	>5500ETB	10	2.6
Occupation	Public	151	39.0
	Private company employee	57	14.7
	Business owner	154	39.8
	Student	17	4.4
	Unemployed	4	1.0

Source: SPSS output

According to the survey taken, 210 or 54.3% of the respondents were male customers whereas 173 or 44.7% of the respondent were female. Almost the study tried to balance the number of male and female but number of male is greater than females. In terms of age, 9 or 2.3 % of survey respondents were under age 20 years, 131 or 33.9% between age 21-30, 191 or 49.4% between age 31-40, 50 or 12.9% between age 41-50 and the remaining 2 or 0.5% of the respondents were above 65 years. With respect to academic qualification, 143 or 37.0% of respondents were below bachelor degree, 226 or 58.4% were degree holder and finally 14 or 3.6% of the respondent were master degree. In terms of average monthly income of the respondents, 15 or 3.9% income less than 3000ETB, 175 or 45.2% of the respondent between 3001-4500ETB, 183 or 47.3% of the respondent between 4501-5500ETB, and finally 10 or 2.5% of the respondent greater than 5500 ETB per month. In terms of occupation most of the respondent 171 or 39% of were government employee followed by business owner 154 or 39.8%.

The above analyzes shows that there were more male respondents representing (54.3%) in the study than female which represent (44.7%). The majority of the respondents belong to the age group between 31 years old and 40 years old representing (49.4%) of total respondents. with respect to academic qualifications the result shows respondents who had bachelor degree

representing (58.4%) of total respondents, Moreover, 47.3% of the respondents are from the group with incomes between 4501-5500 ETB. Finally, (39.8%) of the respondents were business owner. This show that the company should give focus to those youngest and medium educational levels this can help the company to target those customers.

4.2 Descriptive Analysis

In this section, the collected data was entered and reported using SPSS. The mean value of each performance factor with respect to respondents' category is analyzed and presented as follows.

Table 4.2: Descriptive statistics of variables

variable	min	max	mean	Standard deviation
Purchase decision	1.83	4.17	3.3142	.28905
advertising	2.00	3.71	3.2738	.28955
Sales promotion	1.86	8.71	3.0783	.63126
Personal selling	2.17	3.50	2.7903	.28120
Public relation	2.20	3.80	2.9932	.39241
Direct marketing	1.75	11.00	2.7402	.69030

Source: own survey

The table above showed the means and standard deviations of performance variables both dependent and independent such as advertising, sales promotion, personal selling, public relation, direct marketing and consumer purchase decision rated by respondents.

Descriptively, the average or mean level of consumer purchase decision was (M=3.31, SD=0.289) on a five-point Likert Scale. This implies that, on the average, the consumer purchase decision was above average performer. The result from this study shows that moderate mean result for advertising (M=3.3, SD=.29), sales promotion based (M=3.07, SD=0.63), personal selling (M=2.73, SD .28), public relation (M=3.299, SD=0.39), direct marketing (M=2.74, SD=.69). From the above table it is observed that all the performance factors had more than average scores expect commission or performance based bonus. This implies that all the aforementioned factors are important for consumer purchase decision.

4.3. Correlation Analysis

The Pearson correlation test was used to conduct and measures the magnitude of correlation between independent variable: **-advertising, public relation, personal selling, sales promotion and direct marketing** and dependent variable **customer purchase decision**. The value of the coefficient (r) ranges from -1 to +1. The value of coefficient of correlation (r) indicates both the strength and direction of the relationship. If $r = -1$ there is perfectly negative correlation between the variables. If $r = 0$ there is no relationship between the variables and if $r = +1$ there is perfectly positive relationship between the variables. For values of r between +1 and 0 or between 0 and -1, the different scholars have proposed different interpretations with slight difference. A p value is assumed to be significant with less than or equal to 0.05 at 95% confidence interval. The following measure of association developed by MacEachron, (1998) was used as a reference to evaluate the magnitude of their correlation.

Table 4.3: Interpretation of R value

R value	Description
>0.00 to 0.20; <0.00 to -0.20	Very weak or very low
>0.20 to 0.40; <-0.20 to -0.40	Weak or low
>0.40 to 0.60; <-0.40 to -0.60	moderate
>0.60 to 0.80; <-0.60 to -0.80	Strong or high
>0.8 to 1.0; <-0.80 to -1.0	Very high or very strong

Source: MacEachron, (1998)

Table 4.4: The correlation between purchase decision and independent variable

	Purchase decision	advertising	Sales promotion	Personal selling	Public relation	Direct marketing
Purchase decision	1					
advertising	0.400 P=.000 N=383	1				
Sales promotion	0.464 P=.000 N=383	.0277	1			
Personal selling	0.398 P=.000 N=383	.500*	.290**	1		
Public relation	0.229 P=.000 N=383	.478**	.469**	.574**	1	
Direct marketing	0.386 P=.000 N=383	.469**	.417**	.557**	.391**	1

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

Source: own survey

From the above table it will be summarized that there is significant positive relationship between independent variables: advertising, public relation, sales promotion, personal selling, direct marketing and dependent variable customer purchase decision ($r=.400$, $p=0.000$; $r=.229$, $p=0.000$; $r=.464$, $p=0.000$; $r=.398$, $p=0.000$; $r=.386$, $p=0.000$ respectively). This implies that increase or decrease in the adjustment of advertising, public relation, sales promotion, personal selling and direct marketing is associated with similar change in customer purchase decision.

According to MacEachron, (1998) two independent variable advertising and sales promotion had moderate correlation with dependent variable. On the other hand three variable public relation, personal selling and direct marketing had low correlation with customer purchase decision.

4.4 Multiple Regressions

Multiple regression analysis is a method of analyzing the relationship of two or more independent variables on a dependent variable (Kanom, 2011). This analysis is aimed to know how big the influence of independent variable (Advertising (X_1), public relation (X_2), Sales Promotion (X_3), personal selling (X_4), and direct marketing (X_5)) towards customer purchase decision (Y) as a dependent variable. Hence, to be able to develop the regression line formula, the dependent and independent variables are denoted as, (X_1 = **Advertising**, X_2 =**Public Relation**, X_3 = **Sales Promotion** =, X_4 =**personal selling** and X_5 =**direct marketing**) and the dependent variable Y =**customer purchase decision**

Before running multiple regression analysis the researcher conducted a necessary basic regression assumption that are required to be fulfilled while conducting a multiple regression, which otherwise impossible to do. These tests are the five assumptions of multiple regressions. These are presented as follow

4.4.1 Assumption of Multiple Regression Model

In order to use the multiple regression models, regression assumption test is needed. Five tests for classical linear regression model (CLRM) assumptions namely normality, linearity, homoscedasticity; multicollinearity and independence of residual are conducted and presented as follow.

Assumption #1: The relationship between the IVs and the DV is linear (linearity)

This assumption of Multiple Regression is used to show the relationship between the IVs and the DV and it can be characterized by a straight line. In this study the relationship between dependent and independent variable is linear as we see from the following graph.

Assumption #2: There is no multi collinearity in the data.

This is essentially the assumption that independent variable (advertising, public relation, personal selling, direct marketing and sales promotion) are not too highly correlated with one another. We did this by looking at correlation listed below. Correlations of more than 0.8 may be problematic. If this happens, consider removing one of your IVs. This is not an issue in this example, as the highest correlation is $r=.464$.

Table 4.5 no multi collinearity of data.

Pearson Correlation	Purchase decision	1.000	.400	.386	.464	.229	.398
	advertising	.400	1.000	.469	.277	.478	.500
	Direct marketing	.386	.469	1.000	.417	.391	.557
	Sales promotion	.464	.277	.417	1.000	-.061	.290
	Public relation	.229	.478	.391	-.061	1.000	.574
	Personal selling	.398	.500	.557	.290	.574	1.000

Source: own survey

We can also test this assumption by looking at the Coefficients table. This allows us to more formally check that our predictors (independent variable) are not too highly correlated with each other. We can use VIF and Tolerance statistics to assess this assumption. For the assumption to be met we want VIF scores to be well below 10, and tolerance scores to be above 0.2; as we saw from the below table VIF is less than ten and tolerance value is greater than 0.2. So there is no multicollinearity problem in the independent variables (Gujarati, D. 2004).

Table 4.6 VIF values of predictors

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
advertising	.631	1.584
Direct marketing	.572	1.749
Sales promotion	.699	1.430
Public relation	.533	1.877
Personal selling	.499	2.005

Source: own survey

Assumption #3: The values of the residuals are independent.

Other criteria for multiple linear regression models, it assumes that the residuals are independent of one another. Here, we can use the Durbin-Watson statistic to test the assumption that our residuals are independent (or uncorrelated). This statistic can vary from 0 to 4. For assumption #3 to be met, we want this value to be close to 2. Values below 1 and above 3 are cause for concern and may render our analysis invalid. This assumption is accepted since the Durban Watson is around 2(Field, 2009; Gujarati, D. 2004).

Table 4.7 Durbin-Watson value

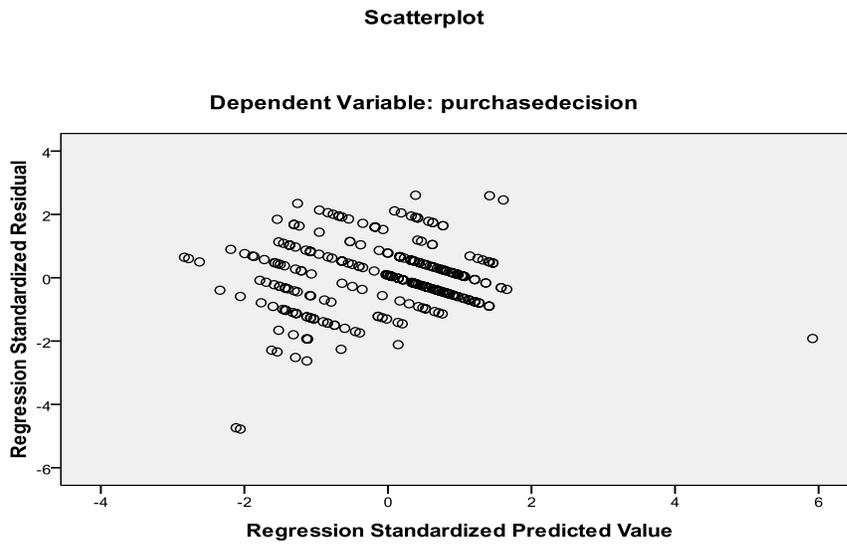
Durbin-Watson
1.529

Source: own survey

As we see from the above table, the value is 1.529 so we can say this assumption is met.

Assumption #4: The variance of the residuals is constant.

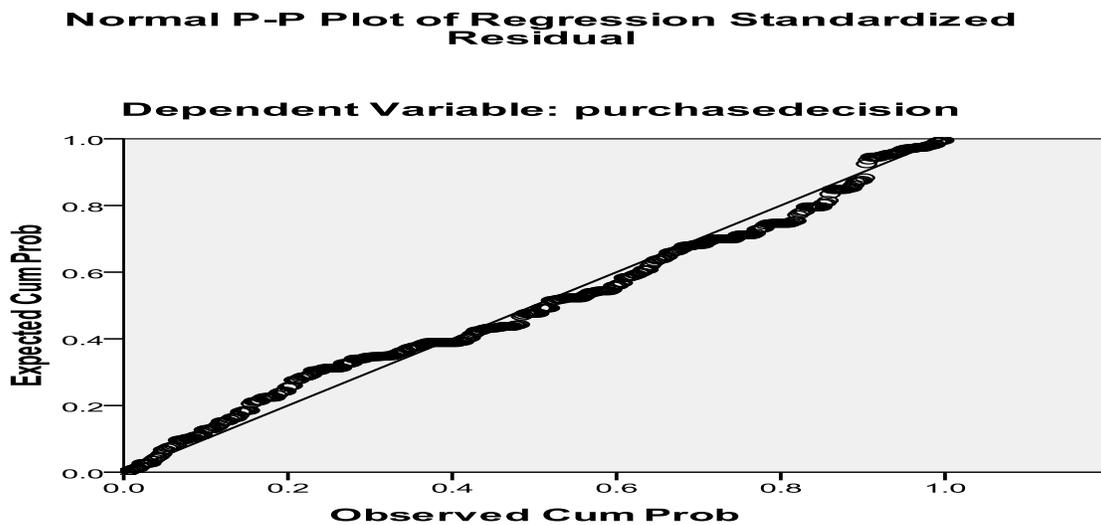
This tests the assumption of homoscedasticity, which is the assumption that the variation in the residuals (or amount of error in the model) is similar at each point of the model (Osborne & Waters, 2002). This means that researchers assume that errors are spread out consistently between the variables (Keith, 2006). As the predicted values increase along the X-axis, the variation in the residuals should be roughly similar. If everything is ok, this should look like a random array of dots. If the graph looks like a funnel shape, then it is likely that this assumption has been violated. As we see from the following graph it looks like random array of dots.



Source: own survey

Assumption #5: The values of the residuals are normally distributed (Normality).

This assumption can be tested by looking at the **P-P plot** listed below. The closer the dots lie to the diagonal line, the closer to normal the residuals are distributed. In this case, our data points not touch the line at all, indicating this assumption may be violated. This will need to be flagged when writing up the results of the analysis, to let the reader know that they should be interpreting with caution.



Source: SPSS output

4.4.2 Multiple Regression Result

Once the assumption multiple regressions were met, the researcher decided to analyze it further. Under this part, the researcher was mainly focused on the two most important elements of regression output, i.e. the model summary and the beta coefficient.

4.4.2.1 Model Summary Analysis

Table 4.8: model summary of multiple regressions

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.571 ^a	.327	.318	.23876	1.529

a. Predictors: (Constant), personal selling, sales promotion, advertising, direct marketing, public relation

b. Dependent Variable: purchase decision

Source SPSS output

The regression considered the customer purchase decision as dependent variable and promotion elements as independent variables. Multiple regression analysis is conducted to evaluate how promotion mix's five dimension impact on customer purchases decision.

R (Coefficient of Correlation) is the correlation between the dependent variable (customer purchase decision) and the independent variables (advertising, sales promotion, personal selling,

direct marketing and public relations). It is also simply a measure of the degree of (linear) association between the dependent variable and the independent variables. It only measures degree of association or co variation between the two variables but the adjusted R square (Coefficient of Determination), can be defined as the proportion of the total variation or dispersion in the (dependent variable) that explained by the variation in independent variables in the regression (Gujarati, 2004). Accordingly, based on the model above adjusted R Square figure of five independent variables is 0.318. This means factor included in the model can explain 31.8% of the variation on dependent variable (customer purchase decision). However, there are still leaves 68.2% unexplained in this research. This means there is other additional factors that have not been included in this research and effect customer purchase decision.

4.4.2.2 Beta Coefficient analysis

Multiple regression analysis is a method of analyzing the relationship of two or more independent variables on a dependent variable (Kanom, 2011). This analysis is aim to know how big the influence of independent variable (Advertising, public relation, Sales Promotion, personal selling , and direct marketing) towards customer purchase decision as a dependent variable.

Table 4.6: regression result

Variables	Beta coefficient	T test	Sig.	VIF	Hypothesis Status
Constant					
Advertising	.176	3.305	.001	1.584	Accept
Sales Promotion	.358	7.087	.000	1.43	Accept
Personal selling	.140	2.335	.020	2.005	Accept
Public relation	.067	1.159	.047	1.87	Reject
Direct Marketing	.050	.888	.375	1.74	Reject
Adjusted R Square(R^2)= .318					

a. Predictors: (Constant), personal selling, sales promotion, advertising, direct marketing, public relation

b. Dependent Variable: purchase decision

Source : own survey

4.4.2.3 Interpretation of beta coefficients Result and Discussion

Adjusted R square (Coefficient of Determination), can be defined as the proportion of the total variation or dispersion in the (dependent variable) that explained by the variation in independent variables in the regression (Gujarati, 2004). Accordingly, based on the model above adjusted R Square figure of five independent variables is 0.318. This means factor included in the model can explain 31.8% of the variation on dependent variable (customer purchase decision). However, there are still leaves 68.2% unexplained in this research. This means there is other additional factors that have not been included in this research and effect customer purchase decision.

As it is clearly indicated in table 4.6 above, the individual effect of the independent variables can be explained by their respective beta coefficients. The first variable mentioned in the table is advertising. Accordingly, advertising had positive effect on customer purchase decision ($B=0.176$, $P=0.001$). This indicates that advertising can explain about 17.6% variation in customer purchase decision. This is supported by other study which reported significant positive correlation between advertising and customer purchase decision (Khanfar, 2016; Oniginde et al. 2015; Ali et al. 2013; Cristina et al, 2014; Chakraborty et al, 2013; Matthew et al, 2013). Therefore, the researchers rejected the null and accept alternative hypothesis. Thus, advertising plays a very important role in influencing the consumer purchase decision.

Sales promotion is one of the major promotion mix that affect customer purchase decision. The result from this study showed that sales promotion had statistically significant effect on customer purchase decision ($B=.358$; $p=0.000$). This means that sales promotion can explain 35.8 % of variation in customer purchase decision. This result is in line with the findings of (Khanfar, 2016; Mahsa et al, 2015; Ansari and Hasangholipor, 2014; Rizwan et al., 2012); and Soni and Verghese, 2013). This indicates that Sales promotion is a vital tool in influencing the consumer purchase decision. Therefore, the researcher rejects the null hypothesis and accepted alternative one. As a result it can be summarized that sales promotion has a significant effect on consumer purchase decision process.

Personal selling is also other factor that affects customer purchase decision. The result from this study showed that personal selling had statistically significant effect on customer purchase decision ($B=.140$; $p=0.020$). This finding is in line with the study of (Mahmud I. et al, (2014; Isaac and Samuel, 2015; Iyad A., 2016; Mahsa et al, 2015; Rizwan et al., 2012 and Soni and Verghese,

2013) which stated personal selling plays a very important role in influencing the consumer purchase decision. Therefore it can be summarized that there is positive relationship between personal selling and customer purchase decision and so we reject the null hypothesis and accept the alternative hypothesis which state personal selling has significant effect on customer purchase decision in case of Ethio telecom.

Apart from personal selling, public relation is also commonly used factors positively influence customer purchase decision. But, in this study public relation had very low impact on customer purchase decision (B=0.067, P=0.047). This is also supported by the study of (Iyad A., 2016) which public relation is considerably less (B=0.042, p=0.009) effective factors to influence performance.

On the other hand direct marketing is positive effect on customer purchase decision but the result is not statically significant (B= .050, P=0.375). Therefore this study reject the alternative hypothesis and accept the null hypothesis which state there is no significant effect of direct marketing on customer purchase decision. This study is in congruence with the study of (Mahsa et al, 2015) which stated that direct marketing positive effect on consumer purchase decision process.

Overall, the regression model developed under the study can be considered as a good fit or predictor of consumers purchase decision. The majority of predictors included in this model are pertinent factors to explain variation in performance of costumers purchase decision.

4.4.2.4 UN Standardized Beta Coefficient

This is sometimes called, the Beta weights. According to Pedhazur, (1997), a Beta weight coefficient inform us, how much change in the criterion variable, (i.e. customer purchase decision) with the one-unit change in the predictor variable, (i.e. advertising, sales promotion, public relation, direct marketing and personal selling) holding other independent variable constant.

The linear regression formula for dependent variable, (**customer purchase decision**) and independent variable of promotion mix (**advertising, public relation, sales promotion, personal selling and direct marketing**) is presented as follow:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

Where Y=dependent variable customer purchase decision in our case

a=y axis intercept (the constant Beta value)

b1, b2, b3, b4 and b5=Beta weight for each independent variables

X₁, X₂, X₃, X₄ and X₅= Advertising, Public relation, Sales promotion, Personal selling, Direct marketing respectively.

e =the error term (0.05)

Taking the unstandardized beta value in the above table, the regression equation of this study to the nearest decimal was written as:

$$Y=1.629+ .176X_1 +.046X_2 + .164X_3 +.144X_4 + .021X_5 + 0.05$$

The positive value for the constant intercept should be a cause for concern here. This simply means that, the expected value of the dependent variable **customer purchase decision** is greater than zero when all independent variable are set to zero.

Finding from the above equation

- For every unit increase in the value of advertising in Ethio telecom, setting all other predictor variable to zero, the value of response variable customer purchase decision will increase by 17.6%.
- For every one unit increase in the value of public relation in Ethio telecom, setting other predictor variable to zero, the value of response variable customer purchase decision will increase by 0.21%.
- For every unit increase in the value of sales promotion in Ethio telecom, setting other predictor variable to zero, the value of dependent variable customer purchase decision will increase by 16.4%.
- For every unit increase in the value of predictor variable personal selling, setting other predictor to zero, customer purchase decision will increase by 14.4%.
- For every unit increase in the value of direct marketing, setting other predictor to zero, customer purchase decision will increase by 0.49%

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION OF THE FINDING

This chapter presents the major summary of the study, conclusion and recommendation that were drawn from the finding.

5.1 Summary of the Study

By undertaking a detailed and thorough analysis on the impact of promotion element on customer purchase decision, the results of the study findings is summarized as;

- ✚ Descriptive analyses of the study show that, 54.3% of the respondents were male customers whereas 44.7% of the respondents were female.
- ✚ The majority of the respondents belong to the age group between 31 years old and 40 years old representing (49.4%) of total respondents.
- ✚ With respect to academic qualifications descriptive analyses of the study show that, (58.4%) of the respondents had bachelor degree.
- ✚ Descriptive analyses of the study show that, 47.3% of the respondents are from the group with incomes between 4501-5500 ETB.
- ✚ In addition descriptive analyses of the study also show shows that, (39.8%) of the respondents were business owner.
- ✚ Pearson correlation between dependent variable customer **purchase decision** and the predictor variable **advertising** showed that, **(R=0.400, P=000)**.
- ✚ Pearson correlation test between dependent variable customer **purchase decision** and the predictor variable **public relation** showed that, **(R=0.229, P=000)**.
- ✚ Pearson correlation test between dependent variable customer **purchase decision** and the predictor variable **sales promotion** showed that, **(R=0.464, P=0.01)**.
- ✚ Pearson correlation test between dependent variable customer **purchase decision** and the predictor variable **personal selling** showed that, **(R=0.398, P=0.01)**.
- ✚ Pearson correlation test between dependent variable customer **purchase decision** and the predictor variable **direct marketing** showed that, **(R=0.386, P=0.01)**.
- ✚ The linearity test conducted so far which considered customer purchase decision as dependent variable denoted by Y and advertising, public relation, sales promotion,

personal selling and direct marketing as independent variable denoted as X1, X2, X3, X4 and X5 showed, a positively sloped least square regression line.

- ✚ The homoscedasticity test conducted so far showed relatively there an equal variance across the population.
- ✚ The multicollinearity assumption test showed that, the inter correlations between all independent variables are well below the accepted range of **0.80** the tolerance value of all variable is greater than the acceptable range of **0.20** and the VIF of all variable is less than ten the acceptable range.
- ✚ The model summary result showed that, the linear combination of all the independent variables considered under the study predicts (**31.8%**), the variance in the dependent variable customer purchase decision.
- ✚ The study found significant positive relationship between independent variables; advertising, sales promotion, personal selling and the dependent variable, consumer purchase decision (P=0.001, P=0.000, P=0.020, respectively).
- ✚ On the other hand, the result indicated that there is no significant relationship between public relation, direct marketing and consumer purchase decision (p=0.047, p=0.375 respectively).
- ✚ As per the study, the relative importance of each explanatory variable on consumer purchase decision is explained as follows. Variable with positive significant impact on consumer purchase decision: advertising (B=0.176, P=0.001); sales promotion (B=0.358, P=0.000) and personal selling (B=0.140, P=0.0220). On the other hand, public relation and direct marketing had no significant effect on consumer purchase decision (B=0.067, p=0.047; B=0.050, p=0.375 respectively).

5.2. Conclusion

Based on the major findings of the study, the following conclusions were drawn:

- ✚ Based on the research result, promotional mix exert great influence on consumer buying decision thereby affirming that promotional mix are veritable marketing communication tools for influencing consumer buying decisions on sustainable bases.
- ✚ The study showed that, all the promotion elements considered under this study was positively correlated with the response variable customer purchase decision, it concluded that, for every increase in the independent variables, the dependent variable customer purchase decision also increase.
- ✚ The study examined the effect of promotion mix dimensions (advertising, personal selling, sales promotion, public relations, direct marketing) on consumers purchase decisions on Ethiopia telecommunication, regression analysis show that all dimension have effect on consumers buying decision. Among the independent variables, sales promotion possess the highest effect on consumers buying decision.
- ✚ Based on the study, among other factors promotion mix (advertising, sales promotion and personal selling) were significantly related with purchase decision.
- ✚ From model summary part of multiple regressions in could concluded that promotion mix has significant effect on customer purchase decision in case of Ethiopia telecommunication.

5.3 Recommendations

In today volatile and dynamic environment business environments where, customers are very sensitive in changing their preference across many service providers, promotion plays great role in attracting and maintaining customers. So, in order for Ethiopia telecommunication to be benefited the most out of promotion, the following constructive suggestion was forwarded by the researcher, armed the response of the customer of the company.

- ❖ It is obvious that, today's customer were very demanding than ever. So, Ethiopia telecommunication has to work hard toward promotion to attract and maintain customer.
- ❖ The company should promote its existing as well as new product and services aggressively, so that the largest majority of its customers aware of what is going on in the company.
- ❖ The company should understand the power of power of social media and needs to have an active profile set up on all social sites such as face book, twitter, Google+, in order to further strength its communication with customer.
- ❖ The company should strive to integrate customer feedback as much as possible in order to improve it promotion elements.
- ❖ The company should conduct regular survey on its promotion mix to understand the current challenges and needs of the market.
- ❖ Ethiopia telecommunication should highly promote its service though promotion elements because large personage of the customer affected by promotion when they make decision the use the service.
- ❖ The company should give more attention for advertising, sales promotion and personal selling. Because these tools are highly influence the decision of the customer in this study.
- ❖ In addition the company should strength the promotion through direct marketing and public relation because these elements are very important in the contemporary situation and highly used in developed country.

5.4 Limitation of the Study

In this study only questioner was applied as an instrument of data collection and other instruments like interview were not used for data collection. In addition the data was collected only from the customers of the company the study didn't included data from the employee, staff and management of the company.

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Annex 1: Questionnaires

Dear respondents;

The purpose of these questionnaires is for academic purpose for the partial fulfillment of master's degree in Business Administration (MBA), St Mary University. The study is entitled 'effect of promotion mix on customer purchase decision'. Hence, to gather information, you are one of the respondents selected to participate on this study. I kindly seek your assistance in responding to the questions listed below. Any information you present will be kept utterly confidential and will be used only for academic purpose. Your cooperation and prompt response will be highly appreciated.

Thank you in advance

Sincerely yours,

Negese Tafa

Part 1: Personal Backgrounds (Demographic Data)

1. Gender

1. Male []

2. Female []

2. Age

1. Under 20 []

2. 21-30 years []

3. 31-40 years []

4. 41-50 years [] 5. > 50

3. Academic level. []

1. Below Bachelor's degree []

2. Bachelor degree []

3. Master degree []

4. Doctorate degree []

4. Income per month.

1. Less 3000ETB []

2. 3001-4500ETB []

3. 4501-5500ETB []

4 >5500ETB []

5. Occupation

1. Public []

2. Private Company employee []

3. Business owner []

4. Student []

5. Unemployed []

Part 2: Please indicate the extent of your agreement or disagreement with each statement ticking (√) in the box corresponding to a number from 5 to 1 that represents your level of agreement or disagreement.

5=strongly agree

4= agree

3= neutral

2= disagree

1= strongly disagree

no	Promotion Mix Strategies	5	4	3	2	1
I	Advertising					
1	Advertising have powerful influence over people and their purchase decision.					
2	Advertisement is a strong tool in tapping into consumers buying power.					
3	Advertising is a power tool capable of reaching and motivating large audiences including me.					
4	Advertising creates product differentiation in my purchase decision.					
5	Repeated advertising messages affect my purchase decision.					
6	Creativity in Advertisement of the company effects My purchase decision.					
7	Advertising of the company create a desire to visit the company to purchase the product.					
II	Public Relation					
8	Respect company gives for its loyal customers convince me to take the product as my first choice.					
9	Involvement of company on charity and Support it give for social business has high degree of influence on my purchase decision.					
10	Participation of company on trade exhibitions has high degree of influence on my purchase decision.					
11	Ways in which the company accepting audience complaints & criticism has high degree of influence on my purchase decision.					
12	Participation of the company in social and public issues strength good name of the company in my mind. As a result has high degree of influence on my purchase decision.					

III	Personal Selling					
13	Directly communicating of sells person influence on my purchase decision					
14	Sales personnel of the company are skillful and information they provide help me to take appropriate action.					
15	Attractive and clear point of display of the product influences my purchasing decision					
16	I am more likely to buy a product after seeing a demonstration of the product being used.					
17	Product promoters of the company have influenced my purchase of a product					
18	Information provided by sales personnel increase my level of understanding and highly influences my purchase decision.					
IV	Direct Marketing					
19	Websites of the company has high degree of influence on my purchase decision					
20	I purchase a product of the company after seeing the product on the internet.					
21	Online promotion of the product of the company is powerful on my purchase decision.					
22	Information on the website of the company stimulates my immediate response and it highly influences my purchase decision.					
V	Sales Promotion					
23	My purchase decision is based on sales promotion offered by the company.					
24	I want to buy more than usual when there is a promotion to win something					
25	I purchase the product more often when I know there are promotions in which I am interested.					
26	I am more likely to make purchase if I know that I will win a gift					
27	I tend to buy more than usual when offered price discounts					
28	I tend to make a purchase more often when the value of the coupon is higher.					
29	Loyalty discount encourage and stimulate my using habit.					
VI	Customer Purchase Decision					
30	Promotions of the company stimulate and build need I have to use the product.					
31	I get information about the product of the company easily from different communication channel of the company.					
32	Promotion the company create service differentiation in me and					

	help me to differentiate the unique benefits I get from the product.					
33	As a result of promotion of the company I use product of the company and became its customer.					
34	Types of product I want are available in this company.					
35	My expectation and product I get from the company is the same as a result I satisfied by the product.					

Annex 3: linearity graph

