

# The Effect of Marketing Mix on Consumer Buying Behaviour of Micro and Small Enterprise in Nekemte City, Oromia, Ethiopia

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**Abstract:** The purpose of this study was to investigate the effect of marketing mix on consumer buying behavior of MSEs; the case of Nekemte city administration. To achieve study objective, descriptive and explanatory research design were used combined with qualitative and quantitative research approach. The study was delimited to proportionate convenience and judgmental sampling techniques. The data was collected using a semi-structured questionnaire which has been developed and distributed to a sample of 384 consumers of micro and small-scale enterprises (MSEs) in the Nekemte city. The collected data were analyzed by using both descriptive and inferential analysis techniques. The findings have shown that the mean score of marketing variables i.e. 4p's inclined to agreement level. All independent variables, marketing mix elements have the significant correlation with the dependent variable, consumer buying behavior of micro and small-scale enterprises (MSEs). In this case, relatively product had a higher strong relationship with consumer buying behavior. The results also revealed that these independent variables jointly explained Adjusted R square is 0.82.1 of the variance in micro and small-scale enterprises (MSEs) consumer buying behavior. This summary shows that about 82.1% of the variance in the consumer buying behavior was explained by the independent variables (4p's), and the ANOVA results shows, it is possible to see the overall significance of the model. Likewise, the empirical findings of the simultaneously by multiple regressions indicated that, three of the predictor variables: product, place, and promotion, have a positive and statistically significant effect on the consumer buying behavior of micro and small-scale enterprises (MSEs). But price have negative and significant effect on consumer buying behavior. Finally, the study recommended that micro and small-scale enterprises (MSEs) should produce quality products, charge competitive prices, promote products/services appropriately, and pay attention to enterprises locations.

**Keywords:** Effect, Marketing Mix, Consumer Buying Behavior, Micro and Small-Scale Enterprises, Nekemte

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## 1. Introduction

Marketing refers the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals [10]. According to Singh (2016) [13] marketing is a complex range of marketing mix solution variables used in the company seeking to sell their goods and services. Marketers use numerous tools to elicit the desired responses from their target markets. These tools constitute a marketing mix. The term marketing mix was first applied at the Harvard Business School to explain the range of marketing

decisions and elements that must be balanced to achieve maximum impact.

According to Kotler & Armstrong [10]. Marketing are managing profitable customer relationships. In addition, the twofold goal of marketing is to attract new customers by promising superior value and keep and grow current customers by delivering satisfaction.

Marketing mix means the product, distribution, promotion and pricing strategies to produce and carry out exchanges and achieve the target markets. "Marketing mix - interrelated actions and solutions to meet consumer needs and to achieve the company's marketing goals, a whole [10]. Marketing mix -

a set of relevant factors and solutions that enable customers to meet the (national) needs and achieve the goals set by the company) [10].

Marketing mix is a controllable part of marketing tools that affects the demand and increases it [10]. By the compound, mix, or a combination, it is meant that the four Ps (product, price, promotion, and place) should have an established and coordinated systematic approach in order to have effective influence on persuading the customers. In other words, the right product at affordable prices is accompanied by better distribution and use of appropriate communication techniques and they act together in costumers' views [10]. Product is defined as a physical product or service to the consumer for which he is willing to pay. It includes half of the material goods, such as furniture, clothing and grocery items and intangible products, such as services, which users buy [13]. Product refers to the offering provided to satisfy the needs of the target consumer; Price refers to the right product offered at the right cost. Place means the right product at the right price available at the convenience of the customer. And lastly, promotion refers to communicating to both current and potential customers of the availability of the product, its price and its place [10]. With the ever-changing market environment, customer is the basic cause of existence for any business. Meeting the needs of those customers more effectively than competitors is the key to continued profitable existence for business. Today, consumers face a growing range of products and services to buy [12]. Consumer behavior refers to a series of activities directed toward the acquisition, use and disposal of goods and services occurs [14]. Knowledge of consumer behavior is important therefore considered to be very essential if organizations seek to gain commercial success. Consumer behavior is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions. Consumer behavior blends elements from psychology, sociology, social anthropology, marketing and economics, especially behavioral economics. It examines how emotions, attitudes and preferences affect buying behavior [3].

The relationship between consumer behavior as well as marketing strategy is very much emphasized since the success of companies' marketing strategies depends on how well managers understand consumer behavior [10]. Consumer buyer behavior is said to be the multi-step decision-making process where people take part in it, and the actions consumers take to satisfy their needs and wants in the marketplace. The study of customer behavior is therefore mainly focused on consumer buying behavior, in that the customer plays three essential roles: user, payer and buyer [10]. Price discounts, free samples and bonus packs are effective in attracting customers to a retail store. Sales promotion, publicity and social media marketing have a positive influence on consumer behavior. Distribution channels, physical location of a store, safety and convenience of shopping all have an impact on the consumer's purchase decision.

Consumer behavior is affected by several factors. Marketers need to have a good knowledge of the factors affecting the consumer behavior. Marketing mix factors are among different factors that affect consumer behavior. Marketing mix consists of 4Ps that are price, product, and promotion and place [5].

Micro and Small Enterprises (MSEs) sector is described as the natural home of entrepreneurship. MSEs have the potential to provide the ideal environment for enabling entrepreneurs to optimally exercise their talents and to attain their personal and professional goals. In all successful economies, MSEs are seen as essential springboard for growth, job creation, and social progress [9]. Beck & Demirguc (2006) [2] report that small enterprises (along with medium) are major drivers of both employment and economic growth contributing to more than 50% to GDP and 60% to employment in developed economies, these types of enterprises, however, constitute less than 30% of employment and 17% of GDP in developing countries. Indeed, a study conducted in Africa by the ILO, 2003 [7] finds that only 20% of the total populations of working age group in many African countries were reported to have been working in the small enterprise sector [9]. Micro-econometric studies using enterprise level data from MSEs sector has indicated that many of these enterprises have low levels of productivity, produces low quality products and grows only when they were young [15]. Now days, in almost all economies of the world especially in developing countries in Africa micro and small enterprises are crucial and a key factor for sustained growth and development. Okpara & Wynn (2007) [11] elaborated MSEs are generally regarded as the driving force of economic growth, job creation and poverty reduction in developing countries. They have been the means through which accelerated economic growth and rapid industrialization to be realized. In Ethiopian context, as to the Ethiopian government's strategy, Growth and Transformation plan, micro and small enterprises are the bridge to achieve the goals of the government. Studies conducted so far concluded that the problem of MSEs are access to working capital, inadequate infrastructure, high transactional cost, limited managerial and technical experts and marketing strategy adopting problems. In developing countries like Ethiopia, improved marketing is often the key to economic growth and efficiency in marketing system contributes to breakdown cycle of poverty. Specifically, in Nekemte city, business sectors especially among MSEs; there are low marketing practices that cause market failure which occurs when freely-functioning markets, fail to deliver an efficient allocation of resources, overspending, bad business location, poor execution & internal controls, an inadequate business plan, failure to change with the times, ineffective marketing strategy and self-promotion, and underestimating the competition. Despite of that, many MSEs Businesses fail and closed within a few days after their start-up because there is lack of satisfaction of. According to this report it has been said by the operators that there were no loyal customers for their products and then resulted into lesser sales performance because of customer are not satisfied. It is on this note, due to

low level of marketing practices were great reason and the researcher have developed an interest in investigating the effect of the marketing mix on consumer buying behavior of MSEs especially in Nekemte city administration. Taking these thoughts into consideration, the most important question addressed in this study is the effect of marketing mix on consumer buying behavior of MSE in Nekemte city. These enterprises have been facing various challenges related to marketing mix which can hamper their contribution to economic and social development of the city, region and for a country as a general. Thus, the researcher will try to review some theoretical and empirical studies on marketing mix effect on consumer buying behavior of the MSE enterprises based on primary data. So, taking all the above consideration into account, the researcher took consumer buying behavior of MSE in Nekemte city in relation marketing mix practiced with the desire to investigate how the 4P's affect consumer buying behavior of MSE in Nekemte city and recommend them.

### **1.1. Statement of the Problem**

Marketing mix is a means by which firms respond to competitive market conditions. Classically, it has been divided into four elements of the marketing mix, i.e., product, pricing, place and promotion. Any effective marketing strategy is expected to improve a company's output and hence its competitive advantage. Different firms which involve in micro and small scale enterprises employ different sets of marketing mix that may determine their consumer buying behavior [16]. However, it is not clear what the effect of the different sets of marketing mix employed by MSEs in Ethiopia have on their consumer buying behavior. So, marketers should be able to adjust to changing market condition through the major controllable and tactical elements of marketing mix's i.e., Product, price, promotion and place. According to Zakaria & Nafez (2019) [17] study on the relationship between product mix elements and consumer buying behavior -A case of Jordan. The study found that the main result of this study indicates that the product quality, information, brand name and package have significant positive relationship on consumer buying behavior, were product information and product quality had the most contribution which effect consumer buying behavior. The study finding doesn't include the effect of price, place, and promotion on consumer buying behavior.

Also, Getie, (2017) [4] study on the effect of packaging attributes on consumer buying decision behavior in major commercial cities in Ethiopia. However, the study found that there were no significant relationships between packaging color and packaging materials in the purchase decision of the cereal packaged food. The study didn't reveal the effect of others marketing mix (price, place and promotion) on consumer buying behavior. According to Hussain & Eman (2016) [6] study on the impact of pricing on consumer buying behavior in Saudi Arabia: Al-Hassam Case Study. The findings show that there is a positive relationship between prices and consumer buying behavior. It also showed that there is no statistically significant difference between the

responses of individuals "due to age, gender, marital status, qualification and monthly salary" about the research's questions related to the three pricing strategies (odd pricing strategy, bundle pricing strategy and discount pricing strategy) except there is a statistically significant difference between the responses of individuals "due to gender" about the odd pricing strategy. The study lacks to address the effect of product, place and promotion on consumer buying behavior.

According to the research conducted by Asif, (2014) [1] on the title of the impact of promotional tools on consumer buying behavior: A study from Pakistan. The survey found that there was an insignificant relationship between coupons and buying behavior. On the other hand, the buy-one-get-one free, Physical surrounding has a significant relationship with the purchasing behavior. The study lacks the effect product, price and place on consumer buying behavior. The result of this study does not include the effect of price, place and promotion on consumer buying behavior. In addition to this Kabiru & Andi (2019) [8] study on mediating effect of social media on the consumer buying behavior of cosmetic Products. The social media has a significant positive mediating effect on consumer behavior and intention to purchase the cosmetic product in Brunei Darussalam. The study lacks to address the effect of product, price, Place on consumer buying behavior.

Therefore, above previous researchers lack of inconsistency finding. So, this research fills this gap.

Therefore, even if in different parts of the world various research studies have been conducted on the subject matter (the effect of marketing mixes on consumer buying behavior, in MSEs context); it is difficult to generalize the finding of the study effects of marketing mix on consumer buying behavior of MSEs in the Nekemte city without empirical testing. In Ethiopia, a number of studies have been carried out on effect of marketing mix on consumer. Hence, from the mentioned studies, it remains to be seen that there was a research gap on studies that have focused on the role of 4P's marketing mix effect on consumer buying behavior of MSEs specifically. An unemployed population in urban areas of Ethiopia in 2021 was 1,116,512 with unemployment rate of 18.9 percent in general. This significant rate of unemployment and the potential role of MSEs to deter the problem give emphasis to the importance of studying the effect of marketing mix on consumer buying behavior of MSEs. Besides, in Oromia National Regional State about 348,673 entrepreneurs are engaged in Micro and Small Enterprises which is accounting for 39.1 percent of the total number of enterprises in the Country. In spite of this, like other MSEs in the nation, in Oromia, Nekemte city the enterprises experienced many challenges which hold back their consumer buying behavior and MSEs business growth as well. Even though there are large numbers of MSEs in this region and city to my knowledge there are no clear, organized and recently testified data concerning the direction and magnitude of changes on the effect of marketing mix on consumer buying behavior of MSEs in the study area.

Besides, those previous researchers lacks to study on the effect of marketing mix on consumer buying behavior of MSEs briefly. Finally; earlier studies have a dearth to

investigate the effect of 4ps specifically on consumer buying behavior of MSE in Nekemte city. Therefore, this study was tried to fills empirical and knowledge gap to create awareness regarding the effect of marketing mix on consumer buying behavior of MSE. Therefore it inspired the researcher to fill these gaps with the aims to examining the effect of marketing mix on consumer buying behavior in case MSE in Nekemte city.

### 1.2. Basic Research Question

The researcher will answers the following question

- 1) What is the consumer buying behavior of MSE looks like in Nekemte city?
- 2) What is marketing mixes practiced by MSE in Nekemte city administration?
- 3) What is the extent of marketing mix effect on consumer buying behavior of MSE in Nekemte city administration?

### 1.3. Objectives of the Study

The overall objective of the study is examining the effect of marketing mix on consumer buying behavior of micro and small enterprise in Nekemte city.

### 1.4. Specific Objectives of the Study

- 1) To study what the consumer buying behavior of MSE looks like in Nekemte city.
- 2) To assess the marketing mix practiced by MSE in Nekemte city.
- 3) To analysis the extent of marketing mix effect on consumer buying behavior of MSE in Nekemte city administration.

### 1.5. Significance of the Study

The Findings of the study was be expected to help MSE in Nekemte city and others, within an insight to marketing mix effect on the consumer buying behavior of their business response proactively. Also, the study was serve as a stepping-stone for academicians and practitioners who may be focusing on similar topic and issues particular on the effect of marketing mix on consumer buying behavior of micro and small enterprise. Moreover, the recommendation of the study was also expect to help the financial institutions how to encourage establishing or expanding MSEs.

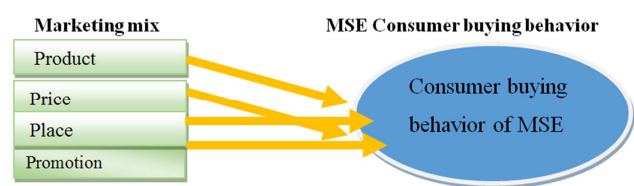
### 1.6. Scope or Delimitation of the Study

This study is delimited geographically, theoretically, conceptually even as well as methodologically. Thus, study will be delimited to Oromia regional state, Nekemte city administration. Conceptually this study was be delimited to examine the effect of marketing mix (product, price, promotion, and place) on consumer buying behavior of MSEs Enterprise. The study will also focused on consumer of micro and small-scale enterprises sector that engaged in manufacturing, Trade and service sector in Nekemte city

administration Methodologically; the methods planned to be used in this study as data collection tool is delimited to close-ended with some open ended questionnaires as well as convenience sampling method as a sampling technique and multiple linear regression model as data analysis tool was be used. Data was be collected through primary source of data and using quantitative and qualitative approach by applying descriptive and explanatory research design.

## 2. Conceptual Framework

The following are the conceptual framework of the study which depicts the relationship between independent (marketing mix) and dependent variable (consumer buying behavior of MSE).



Source; Own sketch, 2023

Figure 1. Conceptual framework of the study.

## 3. Research Methodology

### 3.1. Research Design

By taking the research objectives and nature of the study into consideration, descriptive and explanatory research designs was be used to undertake this study. Hence, in this study, descriptive research was be used to describe the demographic and general information of the respondents and also used to examine consumer buying behavior of MSE and marketing mix practiced by MSE which means to achieve 1<sup>st</sup> and 2<sup>nd</sup> objective of the study. Whereas, the explanatory research design would be chosen since it examines the effect of the predictors (Marketing mix) on the dependent variable (Consumer buying behavior of MSEs).

### 3.2. Research Approach

To arrive on appropriate conclusion about the issue and in order to answer research objectives the necessary data was be collected through mixed approach i.e both quantitative and qualitative research approach as the study aims to explain the effect of marketing mixes on consumer buying behavior of micro and small-scale enterprises. Combination of both qualitative and quantitative provides a better understanding of a research problem than either quantitative or qualitative data alone. The researcher was use mixed approach as Qualitative and Quantitative by organizing the questioner for selecting respondent and interview for key informant. Qualitative was use for preparing interview for key informant asking what consumer buying behavior of MSE look like in Nekemte city and asking marketing mix practiced by MSE in Nekemte city. In these studies, review of basic statistical outputs is

summarized through descriptive frequency, numerical measures and tables are assessed.

### 3.3. Target Population

Accordingly, the target population of the study was be the consumers of the MSEs in Nekemte city administration.

### 3.4. Sampling Technique

This study was used convenience sampling technique to get information from consumers of MSE. The researcher just needs to contact the target element in Nekemte city that are easily located and willing to participate. Convenient locations include specific places in which the researcher was collected the data in these three MSE enterprises (manufacturing sector, trade and service sector). And the study was also uses judgmental sampling technique to collecting information about marketing mix practiced and consumer buying behavior from key informant.

### 3.5. Sample Size Determination

To get a representative sample for the population, the researcher was used a Sample based on infinite number of population because the consumers of MSE are infinite as:-

$$n = \frac{Z^2 * p * q}{e^2}$$

Where n the total number of samples required

Z=the critical table value of the confidence level (Z=1.96)

p=the population variability (p=0.5)

q=the probability of the population not to be occurred (q=1-p=0.5)

e =the maximum allowed error i. e. (e =0.05)

Therefore, the researcher will take the maximum allowed error as 5% at a confidence interval level of 95% and the moderate population variability interval is 0.5 (p=0.5)

$$n = \frac{(1.96^2 * 0.5 * 0.5)}{0.05^2} = 384.16 \cong 384$$

### 3.6. Data Source

The researcher was employed both primary and secondary data source as means of accessing information from the informants. The study was used primary sources of data from consumers of MSE in Nekemte city through used questionnaire and prepared interview for key informant. Whereas the secondary data was collected from Unpublished and published sources.

### 3.7. Method of Data Collection

The study depends on primary data which was collected through self-administrated questionnaires and interview. Whereas, the secondary data was collected from Unpublished and published sources.

Pilot test and Cronbach's alpha tests was conducted to validate and refine the information reliability and accessibility.

### 3.8. Method of Data Analysis

To analysis qualitatively the collected and present data, descriptive statistics such as Mean, Standard deviation, and SPSS version 26 Software was used. For analysis quantitative data, statistical analysis/ inferential statistics such as ANOVA and multiple linear regressions with its analysis tools for 3rd objectives was used. The Pearson correlation is used to explore the Relationship between of marketing mix and consumer buying behavior.

Descriptive statistical analysis was used to examine consumer buying behavior of MSE and marketing mix practiced by MSE which means to achieve 1st and 2nd objective of the study.

### 3.9. Model of Specification

This study was used a multiple regression model to determine the effect independent on the dependent variables as follows:-

$$CBB = \beta_0 + \beta_1 Pd + \beta_2 Pc + \beta_3 Pl + \beta_4 Pm + \epsilon_i$$

When, CBB=dependent variable (Consumer buying behavior of MSE)

$\beta_0$ = constant (slope)

$\beta_{1,4}$ =coefficients of the independent variable

Pd= Product, Pc=Price, Pl=place, Pm=promotion &  $\epsilon_i$ =error

### 3.10. Ethical Consideration

This study was governed by the general rules of research ethics in such a way that, the respondents are requested to provide information on voluntary basis, there was prior communication about the purpose of the study, and confidentiality of the information was guaranteed. Lastly, the questionnaires are distributed only to voluntary participant.

## 4. Discussion and Result

To get preliminary outlook of marketing mix s in relation consumer buying behavior in Nekemte city, the outcome of the data was analyzed in the following manner.

Three hundred eighty-four questionnaires were distributed to consumer of MSE. From the total of 384 questionnaires the nominal response rate of the collected questionnaires was 350 (91 %); however, out of these due to incompleteness and missing values 321 (84%) were usable for further analyses and the remaining 29 (7%) were discarded. The data was analyzed using Statistical Package for Social Science (SPSS V.25) to investigate the effect of marketing mix on consumer buying behavior of the enterprise,

### 4.1. Reliability

Reliability is the extent to which a measurement gives results that are consistent and fundamentally concerned with issues of consistency of measures (Bryman & Bell, 2003) (Berry & Wilson,, 2004). Cronbach's alpha is a measure of

internal consistency, that is, how closely related a set of sample items are as a group. It is considered to be a measure of scale reliability. A 'high' value for alpha does not imply that the measure is one-dimensional. Technically speaking, Cronbach's alpha is a coefficient of reliability (or consistency). According to Hair, et. al (2006), if  $\alpha$  is greater than 0.7, it means that it has high reliability, 0.5 is sufficient, and if  $\alpha$  is

smaller than 0.3, then it implies that there is low reliability.

Accordingly, the overall Cronbach's alpha result of the 39 items in the study was 0.830 which is higher than the minimum alpha value set as acceptable (i.e., 0.70). The Cronbach's alpha result of each item used in the questionnaire is shown in the table 1.

**Table 1.** Cronbach's Alpha Test for Reliability.

Items-Total statistics		
Variables	Cronbach's Alpha	Number of items
Product	.936	10
Price	.706	8
Place	.878	8
Promotion/distribution	.756	9
Consumer buying behavior of MSE	.717	4
Overall reliability	.830	39

Source: own survey, 2023

#### 4.2. Demographic Characteristics of the Respondents

Demographic factors are very important indicators of performance in any organization and are the basis for research questionnaire turnout. Even though demographic characteristics

are not having great influence on this study, the researcher considered some of them which are believed to have correlation to the study. Hence, the demographic characteristics such as gender, age, educational background, experience.

**Table 2.** Summary of demographic information of the respondents.

Variables	Categories	Outcomes'	
		Frequency	Percentage
Gender of Respondents	Male	210	65.8
	Female	111	34.2
Respondent age group	18-29	114	35.5
	30-49	151	47
	50-69	56	17
	$\geq 70$	0	0
	Single	107	33.7
Marital status of respondents	Married	162	50.5
	Divorced	42	13.3
	Widowed	10	3.1
	Secondary & less	7	2.2
Respondent by educational status	Certificate/diploma/TVET	120	37.4
	1 <sup>st</sup> Degree	162	54.5
	2 <sup>nd</sup> degree & above	19	5.9
	Other	7	2.2
	Student	7	2.2
Occupation of the respondent	Self employed	120	37.4
	Government employee	175	54.5
	None government employee	19	5.5
	< 1year	58	18.1
Respondent customer in MSE	1-5 year	161	50.2
	6-10 year	87	27.1
	>10 year	15	4.7

Source, own survey result 2023

#### 4.3. Consumer Buying Behavior of MSE

The study Revealed that majority types of consumers buying behavior of MSE is habitual buying behavior 51.1% followed by variety seeking buying behavior 25.9% and 15.9% and 6.9% types of complexes buying behavior and dissonance buying behavior.

**Table 3.** Types of consumers buying behavior of MSE.

		Frequency	Percent
Valid	complex buying behaviour	51	15.9
	dissonance-reducing buying behaviour	22	6.9
	habitual buying behaviour	165	51.4
	variety seeking buying behaviour	83	25.9
	Total	321	100.0

Source: own survey result, 2023

Also, the interview results show that more of the consumer buying behavior of MSE is habitual buying behavior and variety seeking buying behavior and evaluated by price of the product, quality of the product, asking consumer interest, asking comment or feedback on the product/service and by supplying different types of the product.

#### 4.4. Descriptive Analysis of the Major Variables

Descriptive statistics were used to describe the basic features of the data in a study. It provides simple summaries about the sample and the measures. The researcher used descriptive statistics to present quantitative descriptions in a manageable form; each descriptive statistic reduces lots of data into a simpler summary (Gelman & Hill, 2007). With the objectives of interpretation of the below descriptive data, the researcher adopted measurement scale intervals or range from Alhakimi & Alhariry (2014) to analysis the level of agreement of marketing mix practiced by MSE. According to (Alhakimi & Alhariry, 2014) the Likert scale response has been putted on an interval of mean based on the formula;  $\text{Max-Min} / n1$

which means  $5-1 / 5 = 0.80$ . Based on this formula mean of each individual item ranging from 1-5 lies on this interval: 1.00-1.800 considered as strongly disagree, 1.81-2.60 as disagree, 2.61-3.40 as neutral, 3.41-4.20 as agree, 4.21-5.0 as strongly agree.

##### 4.4.1. Consumer Buying Behavior Regarding MSEs Product

The study sought to investigate the consumer buying behavior of MSEs. Respondents were asked a number of questions and were supposed to rate them with the highest being strongly agree (5) and the least being strongly disagree (1).

Hence, four questions which help to gather information about the consumer buying behavior of the case enterprises. On analysis findings revealed that majority of the respondents agree have interest to use MSE Product. The grand mean (3.5397) and the SD (.92438) as the result was summarized in table 9. The result shows that the consumer of the of the enterprises was willing to use MSE product as per the standard of Alhakimi & Alhariry, (2014).

**Table 4.** Consumer buying behavior regarding MSE Product.

Items	Mean	Std. Deviation
I am willing to purchase MSE's products	3.35	1.361
I am willing to recommend others to buy MSE products	3.36	1.390
My decision to buy MSE's product is determined by the product being natural and there is no side effect on the consumers.	4.06	.868
I usually use MSE product as my first choice	3.39	1.335
Grand Mean/Std. Deviation	3.5397	.92438

Source: own survey result, 2023

#### 4.4.2. Marketing Mix Practiced by MSE

##### (i). Product Mix

The study sought to analyze the product mix Practiced by MSE. Respondents were asked a number of questions and were supposed to rate them with the highest being strongly agree (5) and the least being strongly disagree (1). This section therefore presents findings relating to this aspect of the study. Hence, ten questions which help to gather information about the product mix practiced by MSEs distributed to consumers of the enterprises.

On analysis, findings revealed that majority of respondents agreed that MSE product reliable with mean score 4.08, MSE product is well prepared with mean score 3.75, enterprise give information about product on package label with mean score 3.56, and packaging design of a MSE product is well designed with mean score 3.52.

However, respondents not reach on an agreement on the enterprise product has an acceptable standard of quality, brand name of a MSE product is more important than the cost, packaging material of a MSE product is attractable, MSE Brand name aligned with Product, MSE Product is portable, enterprise product is well positioned with mean score 3.36, 3.35, 3.34, 3.34, 3.34 and 3.34 respectively. On analysis of standard deviation, the enterprise product well positioned had highest deviation 1.349. This means that there was a bigger

variation between those who agreed, disagreed and neutral. In addition, MSE product is reliable had the lowest deviation 0.838. This means that there was little variation between those who agreed, disagreed, and neutral.

**Table 5.** Product mix practiced by MSE.

Items	Mean	Std.Deviation
MSE product is well prepared	3.75	1.175
The enterprise product has an acceptable standard of quality.	3.36	1.347
MSE Product is reliable	4.08	.838
The brand name of a MSE product is more important than the cost	3.35	1.347
The packaging material of a MSE product is attractable	3.34	1.349
The enterprise gives information about product on package label	3.56	1.281
MSE Brand name aligned with Product	3.34	1.349
The packaging design of a MSE product is well designed	3.52	1.311
MSE Product is portable	3.34	1.349
The enterprise product is well positioned	3.34	1.349
Grand Mean/Std. Deviation	3.5000	1.01766

Source: own survey result, 2023

Also Interview results from key informant (managers and employment of MSE) show that the enterprise use product mix in different ways include produced quality of product, reliability product, packaging design product, brand of



product, and giving information about product use.

#### (ii). Price Mix

The study sought to analyze the of price mix practiced by MSE. The respondents were asked eight questions which help to gather information about the pricing mix practiced by MSE distributed to consumer of the enterprise.

Findings revealed that majority of the respondents agreed that MSE Product fairly priced, MSE associate higher prices with high quality of products, Price discounts is practiced by the enterprise, enterprise sell new products only at reasonable prices, The price of a MSE product is a reflection of its status, MSE product price is economical, and enterprise use Bonus packs to attract customer with mean score 3.73, 3.62, 3.81, 3.77, 3.78, 3.79, and 3.70 respectively. However, respondents could not reach an agreement on free samples used by MSE with mean score 3.12.

On analysis MSE give free samples had the highest standard deviation 1.329. This means that there was a bigger variation between those who agreed, disagreed and neutral. In addition, Price a discount is practiced by the enterprise had lowest standard deviation 1.056. This implies that there was little variation between those who agreed, disagreed, and neutral.

**Table 6.** The price mix practiced by MSE Nekemte city.

	Mean	Std. Deviation
MSE Product fairly priced	3.73	1.058
MSE associate higher prices with high quality of products	3.62	1.183
Price discounts is practiced by the enterprise	3.81	1.056
The enterprise sells new products only at reasonable prices	3.77	1.111
MSE give free samples	3.12	1.329
The price of a MSE product is a reflection of its status	3.78	1.154
MSE product price is economical	3.79	1.081
Micro and small enterprise use Bonus packs to attract customers	3.70	1.289
Grand Mean/Std. Deviation	3.6632	.66409

Source: own survey result, 2023

The interview results from key informant (managers and employee of MSE) also show that the enterprise practice price mix in terms of, giving discount, bonus packs, free samples and make price of the product reasonable, economical, fairly priced.

#### (iii). Place Mix

The study sought to analyze the of place mix practiced by MSE. The respondents were asked a number of eight questions which help to gather information about the place mix practiced by enterprise distributed to the consumer of the enterprise.

On analysis, the finding revealed that majority of respondent agreed that MSE product distribution system is reachable, MSE Product is accessible in time and space, enterprise product well established in Nekemte market, It is simple to find MSE Product in market and, MSE Shopping

have safety/security and convenience, MSE product are well sorted and displayed, Geographical location of MSE is attractive, MSE product Readily available with mean score 3.55, 3.41, 3.51, 3.58, 3.69, 3.41, and 3.44 respectively. In addition, MSE Product is accessible in time and space had highest standard deviation (1.332) this means there was a bigger variation between those who agreed, disagreed and neutral and MSE product are well sorted and displayed had lowest standard deviation (1.216) this implies that there was little variation between those who agreed, disagreed, and neutral.

**Table 7.** The place/distribution practiced by MSE.

	Mean	Std. Deviation
MSE product distribution system is reachable	3.55	1.203
MSE Product is accessible in time and space	3.41	1.332
The enterprise product well established in Nekemte market	3.51	1.230
It is simple to find MSE Product in market	3.55	1.259
MSE Shopping have safety/security and convenience	3.58	1.297
MSE product are well sorted and displayed	3.69	1.216
Geographical location of MSE is attractive	3.41	1.329
MSE product Readily available	3.44	1.336
Grand Mean/Std. Deviation	3.5171	.93818

Source: own survey result, 2023

Interview result from key informant also show that the enterprise use place mix in way of make product distribution reachable, system well-established market, readily availability of the product, shopping convenience, accessibility of store, physical location, product well sorted.

#### (iv). Promotion Mix

The study sought to analyze the promotion mix on practiced by MSE Respondents were asked a number of nine questions which help to gather information about the promotion practiced by MSEs distributed to the consumer.

Therefore, the study was revealed that majority of the respondents agreed that MSE is constant communication with customers, MSE use promotion coupons, MSE sold directly to consumer, MSE sales persons have confidence and negotiation with customer, The enterprises are prompted the product through bazaar and exhibition, The enterprise use flash sales for the product), MSE products advertised on Television/Radio/ Billboard, enterprise brands involved in sponsorship events with Mean score 4.04, 3.98, 3.93, 3.97, 3.92, 3.47, 3.97, 3.48 respectively. However, respondents could not reach an agreement on MSE give one free offer when buy one (3.34 mean). Also, MSE give one free offer when buy one had high standard deviation 1.349 this means there was a bigger variation between those who agreed, disagreed and neutral and MSE give one free offer when buy one had lowest standard deviation (0.689) this implies that there was little variation between those who agreed, disagreed, and neutral.



**Table 8.** Promotion mix practiced by MSE.

Items	Mean	Std. Deviation
MSE is constant communication with customers	4.04	.869
MSE use promotion coupons	3.98	.950
MSE sold directly to consumer	3.93	1.049
MSE sales persons have confidence and negotiation with customer	3.97	1.012
The enterprises are prompted the product through bazaar and exhibition	3.92	1.053
The enterprise use flash sales for the product	3.47	1.327
MSE products advertised on Television/Radio/ Billboard	3.97	1.012
The enterprise brands involved in sponsorship events	3.48	1.332
MSE give one free offer when buy one	3.34	1.349
Grand mean/Std. Deviation	3.7875	.65137

Source: own survey result, 2023

The interview results also show that MSE practiced promotion mix in the in terms of exhibition, bazaar, the by giving information about the company, about product, by giving coupons, positive word of mouth, by communicating customer directly and advertising product on radio, and billboard.

#### 4.5. Correlation Analysis

A correlation refers to a quantifiable relationship between two variables, and the statistic that provides an index of that relationship is called a correlation coefficient  $r$ , which is a measure of the relationship between two interval or ratio variables. The correlation technique was based on Pearson's coefficient (+ or – to show the direction of the relationship

between the variables) and significance tested at 99% and 90% confidence levels based on two tailed correlation and significant more than or equals to 0.01. It is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 (Field, 2005). As per the guideline suggested by Field, (2005), the strength of correlation between the two variables;

$r = - + .10$  to  $- + .29$  small effect (weak)

$r = - + .30$  to  $- + .49$  medium effect (moderate)

$r = - + .50$  to  $- + 1.0$  large effect (strong)

Hence, in this study correlation analysis was used to examine the relationships between marketing mix s and consumer buying behavior. Accordingly, indicated in below table 11.

**Table 9.** Correlation matrix between marketing mix and consumer buying behavior (N=321).

		Consumer buying behaviour	Product	Price	Place	Promotion
Consumer_buying_behaviour	Pearson Correlation	1				
	Sig. (2-tailed)					
Product	Pearson Correlation	.894**	1			
	Sig. (2-tailed)	.000				
Price	Pearson Correlation	.176**	.263**	1		
	Sig. (2-tailed)	.000	.714**	.239**	1	
Place	Pearson Correlation	.682**	.000	.000	.000	
	Sig. (2-tailed)	.000	.561**	.121*	.418**	1
Promotion	Pearson Correlation	.610**	.000	.031	.000	
	Sig. (2-tailed)	.000				

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

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

Source own survey result 2023

Accordingly, the correlation matrix indicates about consumer buying behavior that, the first there is strong correlation with product ( $r=.894^{**}$ ,  $p<.001$ ), It can note that there is a strong, positive, and significant relationship between product and consumer buying behavior of MSE. The second highest strong coefficient of correlation is with the place which has strong positive and significant with consumer buying behavior ( $r=0.682^{**}$ ,  $p <.001$ ) and strong, positive, and significance relationships with promotion ( $r=0.610^{**}$ ,  $p <.001$ ) and weak correlation and significant with price ( $r=.176$ ,  $p<.001$ ).

#### 4.6. Regression Analysis

Regression is a technique used to predict the value of a dependent variable using one or more independent variables (Albaum, 2005). Regression analysis is a statistical tool for

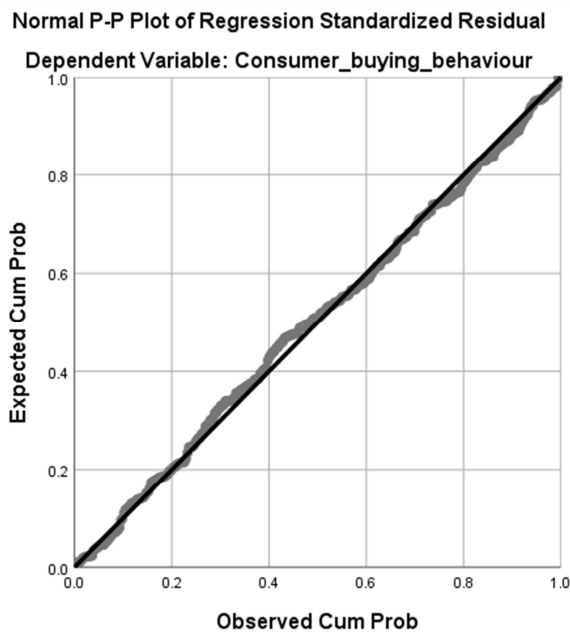
investigation of relationships between variables. Usually, the investigator seeks to ascertain the causal effect of one variable upon another. To explore such issues, the investigator assembles data on the underlying variables of interest and employs regression to estimate the quantitative effect of the causal variables upon the variable that researched. The investigator also typically assesses the 'statistical significance' of the estimated relationships, that is, the degree of confidence that the true relationship is close to the estimated relationship (Malhotra, 2007). Thus, the Pearson Correlation coefficient of determinations (R square) was used to explore how the consumer buying behavior explained by variables marketing mix. It used to measure the degree of the relationship between predictors and outcome variable. In this study, the researcher tried to test the assumptions before running the regression

analysis.

#### 4.6.1. Assumptions of Testing for Regression Analysis

The test of assumptions should be done because the violations of the assumptions affect consequent use of multivariate statistical methods (Hair, et al. 2006). Therefore, Hair et al., (2006) suggested that several assumptions regarding the utilization of multivariate statistical tools, namely normality, homoscedasticity, linearity, and multi-collinearity should be applied before performing any multivariate analysis. Accordingly, the researcher has tried to confirm that the obtained data truly represented the sample and obtained the best results.

##### (i). Linearity



Source: own survey result, 2023

Figure 2. Normal P-P Plot.

The relationship between the two variables should be linear. This means that at a scatter plot of scores should be a straight line (roughly), not a curve (Pallant, 2010). The scatter plots of this study show that there is almost linear relationship between the variables. The plots do not show any evidence of non-linearity; therefore, the assumption of linearity is satisfied. The linearity assumption can easily be checked using scatter plots or residual plots: plots of the residuals vs. either the predicted values of the dependent variable or against (one of) the independent variable/s (Hoekstra. et. al, 2014). In general, the straight diagonal line, and the plotted residuals are compared with the diagonal. Therefore, as indicated in the figure 2 a P-P plot (probability-probability plot) below, the data were linear.

##### (ii). Test of Normality

The study used two methods of assessing normality; graphically (Normal Probability Plot) and numerically (Skewness and Kurtosis). Hair et. al, (2006) noted that normality relates to the shape of the data distribution for an individual metric variable and its relationship to the normal distribution. Assessment of the variables levels of skewness and kurtosis is one of the methods will determine normality. In fact, skewness provides an indication of the symmetry of the distribution. Kurtosis turns to peakedness of distribution to normal distribution.

Accordingly, the normal distribution is detected based on skewness and kurtosis statistics. As proposed by Fredland & Morris (2013) the acceptable range for normality for both statistics is between -1.96 and +1.96. Therefore, as depicted in table10. below, all variables values of kurtosis and skewness are almost within the acceptable range for normality. So, this implies that all items show close to normal distribution considering the criteria of skewness and kurtosis values between -1.96 and +1.96. Therefore, the data used in this study was normally distributed.

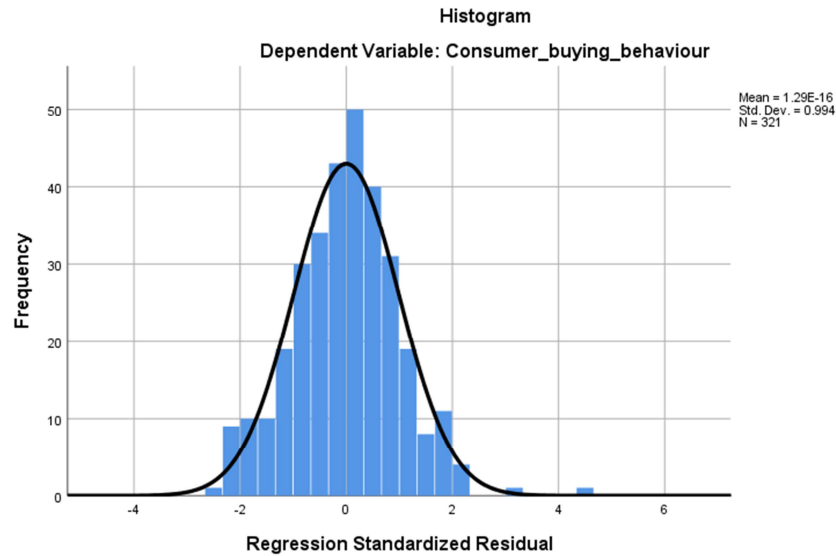
Table 10. Normality of Distribution Using Descriptive Statistics (Skewness and Kurtosis).

	Product	Price	Place	Promotion	Consumer_buying_behaviour
Skewness	-.373	-.058	-.705	-.991	-.330
Std. Error of Skewness	.136	.136	.136	.136	.136
Kurtosis	-.931	-.585	.239	1.570	-.916
Std. Error of Kurtosis	.271	.271	.271	.271	.271

Source: own survey result, 2023

In addition to the above test for normality, Hair, et al. (2006) also suggest that histogram is another method to use for comparing the observed data values with a distribution approximating the normal of distribution. The researcher used histogram to identify normal distribution of residuals and the result indicates that standard residuals are a little bit far away from the curve, many of the residuals are fairly

close more to the curve and the histogram is bell shaped. This implies that the majority of scores lie around the center of the distribution (so the largest bars on the histogram are all around the central value. Therefore, this indicates that the residuals are normally distributed. As shown in figure 3 of histogram below.



Source: own survey result, 2023

**Figure 3.** Normality test.**(iii). Multi-Co linearity**

Multi-co linearity is used to describe correlation among independent variables. If there is high correlation between two or more predictor variables, may cause problems when trying to draw inferences about the relative contribution of each predictor variable to the success of the model (Pallant, 2010). Multi-Co linearity in this study was tested using Variance Inflation Factor (VIF) value and tolerance value. If tolerance value closed to 1 and VIF value is around 1 and not more than 10, it can be concluded that there is not multi-Co linearity between independent variable in the regression model (Pallant, 2010). As the study result illustrated, the tolerance levels for all variables are greater than 0.10 and the VIF value less than 10 in table 11. So, the Co linearity statistics analysis of VIF value ranges from 1.082 to 2.510 and Tolerance value ranging with 0.398 to 0.924. Therefore, there was no multi-Co linearity problem exist.

**Table 11.** Multi-Co linearity.

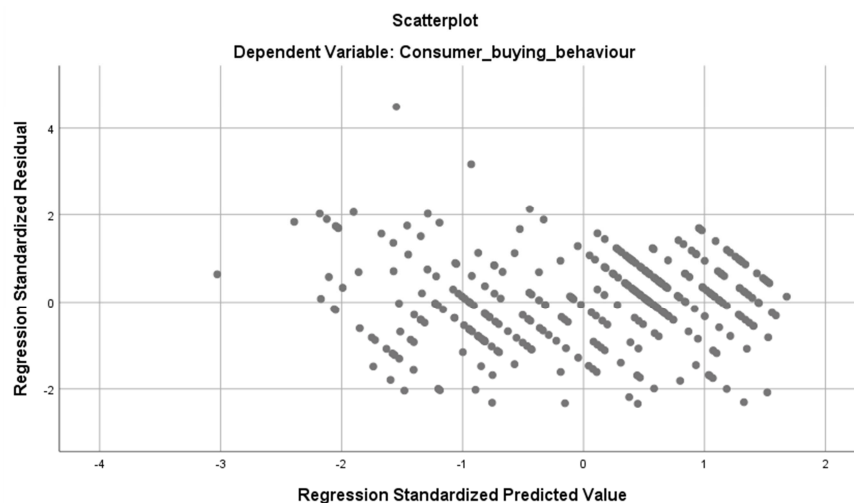
		<b>Tolerance</b>	<b>VIF</b>
1	Product	.398	2.510
	Price	.924	1.082
	Place/distribution	.486	2.056
	Promotion	.684	1.462

a. Dependent Variable: Consumer buying behaviour of MSE

Source: own survey result, 2023

**(iv). Homoscedasticity of the Error Terms**

Homoscedasticity is the variability in scores for variables of independent should be similar at all values of variable dependent. In order to ensure the fulfillment of this relationship between independent variable and dependent variable, the variance of dependent variable values must be equal at each value of independent variables (Hair, 2013).



Source: own survey result, 2023

**Figure 4.** Homoscedasticity test.

For a basic analysis it is worth plotting ZRESID (Y-axis) against ZPRED (X-axis), because this plot is useful to determine whether the assumptions of random errors and homoscedasticity have been met. Decision rule: If there were certain variant, such as organize shaping dot (waves, fuse and narrow), therefore no homoscedasticity happened. If there were not certain variant, and dots spreads above and below 0 numbers in axis Y, then homoscedasticity did happen (Pallant, 2010).

The scatter plots show that there is homoscedasticity. Thus, the assumption is reasonably supported in this study; the outcomes from the data were shown in Figure 4.

#### (v). Independent Errors

All values of the outcome should come from different persons. Regression analysis is based on uncorrelated error/residual terms for any two or more observation (Kothari C. R., 2004). This assumption is tested for each regression procedure with the Durbin-Watson test, which test for correlation between variables residuals. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2005). A value greater than 2

indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation. As a general rule, the residuals are independent (not correlated) if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50- 2.50 (Pallant, 2010). As shown in model summary of table 12 below, the Durbin-Watson test result is 1.666 which are the acceptable range shows that there is no autocorrelation problem.

#### 4.6.2. Multiple Regression Analysis

Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable (Field, 2005). Multiple linear regressions were conducted in order to determine the explanatory power of the independent variables (product, price, promotion, and place) to identify the relationship and to determine the most dominant variables that influenced the consumer buying behavior was simultaneously. The significance level of 0.05 with 95% confidence interval was used. The reason for using multiple regression analysis was to assess the effect of marketing mix on Consumer buying behavior.

Table 12. Shows the model summary of the regression analysis.

Model Summary <sup>b</sup>										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.907 <sup>a</sup>	.823	.821	.39102	.823	368.093	4	316	.000	1.666

a. Predictors: (Constant), Promotion, Price, Place, Product

b. Dependent Variable: Consumer buying behaviour of MSE

Source: own survey result, 2023

The above regression model presents how much of the variance in the measure of consumer buying behavior of MSE is explained by the underlying marketing mix variables. Therefore the 82.1% (adjusted R square) of variations on consumer buying behavior have been explained by marketing mix variable (promotion, price, place and product). The remaining 17.9 % is explained by extraneous variables, which have not been included in this regression model.

The Durbin–Watson statistic expresses that whether the assumption of independent errors is acceptable or not. As the conservative rule suggested that, values less than 1 or greater than 3 should definitely raise alarm bells (Field, 2005). So that the desired result is when the value is closer to 2, and for this data, the value is 1.666, which is so, that the assumption has certainly been met.

Table 13. ANOVA test.

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	225.117	4	56.279	368.093	.000 <sup>b</sup>
	Residual	48.314	316	.153		
	Total	273.431	320			

a. Dependent Variable: Consumer\_buying\_behaviour

b. Predictors: (Constant), Promotion, Price, Place, Product

Source: own survey result, 2023

ANOVA Table shows that good fitness of model. The model is fitness when sum square of regression greater than sum square of residual. Therefore, above ANOVA table sum square of regression greater than sum square of Residual (225.117>48.314) (significance value of F statistics show a

value of 368.093 and p value .000 which is less than  $p < 0.05$ ) therefore model is good fitness.

#### 4.6.3. The Regression Coefficient

This study intends to identify the most contributing independent variable in the prediction of the dependent

variable. Thus, the strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via Beta coefficient.

The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit

change in the independent variable. The larger value of Beta coefficient an independent variable has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable.

*Table 14. Regression coefficient.*

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.310	.171		1.812	.071
	Product	.690	.034	.760	20.277	.000
	Price	-.088	.034	-.063	-2.581	.010
	Place	.090	.033	.091	2.679	.008
	Promotion	.218	.041	.153	5.360	.000
a. Dependent Variable: Consumer buying behaviour						

Source: Survey Result, 2023

The above coefficient table shows the constant beta value ( $\beta$ ) and the p-value of the variables to examine the significance of the hypothesis. The significance level of each variable (P-value) is: 0.000, 0.010, 0.008, 0.000 and their standardized beta coefficients are 0.760, -0.063, 0.091, and 0.153, respectively. The p-value of all the independent variables is below 0.05. This implies that all independent variables have a significant relationship with the dependent variable (Consumer buying behavior of MSE). More over standardized coefficient of Table 14 result illustrates the effect of marketing mix on consumer buying behavior of MSE. Therefore, based on these results the regression equation that predicts Consumer buying behavior based on the linear combination of product, price, place, and promotion are as follows:

$$CBB = \beta_0 + \beta_1 Pd + \beta_2 Pc + \beta_3 Pl + \beta_4 Pm + \varepsilon_i$$

Then, the estimated models became

So

$$CBB = 0.310 + 0.760Pd - 0.063Pc + 0.091Pl + 0.153Pm$$

Accordingly, Product is the strongest predictor or has the most significant effect on consumer buying behavior of micro and small-scale enterprise because it has the highest  $\beta$  value at ( $\beta=0.760$ ). This implies that other things being constant one percent increase in product (Pd), consumer buying behavior (CBB) increased by 76%. This study result consistency with Zakaria & Nafez (2019) The study found that The Main result of this study indicates that the product quality, information, brand name and package have significant positive relationship on consumer buying behavior. Promotion is the second strongest predictor of consumer buying behavior identified in this study at ( $\beta=0.153$ ). In that regard, Ceteris paribus, one unit increased in promotion (Pm) then the consumer buying behavior of MSE (CBB) had been increased by 15.3%. This study result consistency with Kabiru & Andi (2019) the social media has a significant positive mediating effect on consumer behavior and intention to purchase.

Place/distribution (Pl) is the least predictor influence consumer buying behavior when compare to product and

promotion at Beta coefficient result ( $\beta = 0.091$ ). Thus, for a one-unit percentage increase in place/distribution escalate the consumer buying behavior by 9.1% and taking the remaining effect as a constant. This of the study result consistency with D. A. Harahap, (2017) location positive significant effect on consumer buying decision. The findings revealed that, the price ( $\beta=-0.063$ ) has negative effect on the consumer buying behavior of MSEs. Therefore, other things being constant one percent increase in price (Pc) dependent variable, consumer buying behavior (CBB) of MSE decreased by 6.3%.

#### 4.7. Hypothesis Testing

Result of regression analysis presented in table 15 above also provides more comprehensive and accurate examination of the research hypothesis. Therefore, the regression analysis was used to test the developed hypotheses based on the hypothesis and investigate the impact of the independent variables on the dependent ones. Hypothesis testing is based on standardized coefficients beta and P-value to test whether the hypothesis is rejected or not.

Hypothesis 1: Product has a positive and significant effect on consumer buying behavior of MSE in Nekemte city Administration.

The results of multiple regression as presented in table 15 illustrate product mix is a strong positive and statistically significant effect on consumer buying behavior with a (Beta = 0.760,  $p < 0.05$ ). that there is tangible evidence that product has positively and significantly affect consumer buying behavior of Micro and Small enterprises (MSE) in Nekemte city Administration, so it is proved that the hypothesis H1 is supported.

Hypothesis 2: price has positive significant effect on consumer buying behavior of MSE in Nekemte city administration.

The result of multiple regression as presented in table 15 illustrate Price has a negative and statistically significant effect on consumer buying behavior with (Beta= -0.063,  $p < 0.05$ ). Therefore, Hypothesis H2 is rejected.

Hypothesis 3: Place has positive significant effect on consumer buying behavior MSEs in Nekemte city

administration.

The result of linear regression as presented in table 15 illustrate place have positive and statistically significant effect on consumer buying behavior of MSEs with a beta value of (Beta =0.091,  $p < 0.005$ ). Therefore, hypothesis H3 is supported.

Hypothesis 4: Promotion positive significant effect on consumer buying behavior of Nekemte city Administration.

The result of multiple linear regression as presented in table 15 illustrate there is a Promotion has positive and statistically significant effect on consumer buying behavior with a (Beta = 0.153,  $p < 0.05$ ). so, hypothesis H4 is supported.

*Table 15. Summary of Hypothesis Testing.*

Hypothesis	Analysis used	Findings		Results
H1	Multiple Regression	$\beta = 0.760$ ; $p < 0.05$	Positive Significant	Supported
H2	Multiple Regression	$\beta = -0.063$ ; $p < 0.05$	Negative Significant	Rejected
H3	Multiple Regression	$\beta = 0.091$ ; $p < 0.05$	Positive Significant	Supported
H4	Multiple Regression	$\beta = 0.153$ ; $p < 0.05$	Positive Significant	Supported

Source: Own Survey Result, 2023

## 5. Summary of the Finding

The purpose of the study was to investigate the effect of marketing mix on consumer buying behavior of MSEs in Nekemte city. More specifically the study determines the extent to which marketing mix (product, pricing, promotion, and place/distribution) influences consumer buying behavior. The followings are the major findings of the study.

In relation to respondent's gender, 65% of them were male and the remaining 35% were females. With respect to respondents age bracket, nearly half (47%) of them were found between 30-49 years old that followed by 18-29 years old (35.5%). Regarding to marital status the result shows that more than half (50.5%) of them were married and followed by the single status workers which accounted for 33.3%. the left is 13.3% and 3.1% divorced and widowed respectively.

Regards to educational level of the respondent's, majority (52.3%) of them had first degree, while 37.4% of them were diploma/TVET and 5.9%, 2.2%, 2.2% 2<sup>nd</sup> & above, secondary and others respectively. Among the respondents regarding to experience 50.2% of them stay consumer 1-6 years in the enterprise, and 27.1%, of them had 6-10 years customers in the organization. Regarding occupation of respondent more than half respondent is government employee (54.5%) followed by self-employed (37.4%) the rest is none government employee and student 5.9% and 2.2% respectively.

Regarding consumer buying behavior Majority of consumers buying behavior of MSE is habitual buying behavior 51.1% followed by variety seeking buying behavior 25.9% and 15.9% and 6.9% types of complex buying behavior and dissonance buying behavior.

The average of the descriptive statistics for consumer buying behavior (dependent variable) mean 3.5397 of the Likert scale which implies that inclined to agree and the result shows that the consumer of the of the enterprises was willing to use MSE product. The result of independent variables of descriptive statistics has shown that the mean score of marketing mix variables (independent variables) i.e., product, price, place, promotion, has been 3.5000, 3.6632, 3.51731, and 3.7875 respectively. The result indicated that the majority

of respondent agreed on MSE Practiced Marketing mix. This mean micro and small enterprise in Nekemte city practiced 4PS marketing mix.

The result of the correlation analysis has shown that, the four independent variables: 'product, promotion, place and promotion' have the strong correlation with dependent variable 'Consumer buying behavior' with 95% confidence interval & at 0.01 p-value 2-tailed, by scoring a Pearson correlation coefficient 'R-value' of 0.894<sup>\*\*</sup>, 0.682<sup>\*\*</sup>, 0.610<sup>\*\*</sup> and 0.176<sup>\*\*</sup>. Even though four variables were highly correlated with the dependent variable, there was the difference in their strength of the relationship.

The result of regression coefficient has shown that; Product is the strongest predictor or has the most significant and positive effect on consumer buying behavior of micro and small-scale enterprise because it has the highest  $\beta$  value at ( $\beta = 0.760$ ). Promotion is the second strongest predictor or has the most significant and positive effect on consumer buying behavior identified in this study at ( $\beta = 0.153$ ). The third strongest predictor is place/distribution is the third significant and positive effect on consumer buying behavior by Beta coefficient result ( $\beta = 0.091$ ). But price ( $\beta = -0.063$ ) has negative effect on the consumer buying behavior of MSEs. Therefore, when the price increases by 6.3% unit the dependent variable, Consumer buying behavior of MSEs.) is decline by 6.3%.

Finally, the regression analysis result and hypothesis tested revealed that all of the independent variables were statistically significant at p-value  $< 0.05$ . The score of the adjusted R square is 0.821 which indicate, 82.1% of the variability overall consumer buying behavior was explained by the four independent variables. The other variables that were not considered in this study contribute about 17.9% of the variability of consumer buying behavior of MSE.

### 5.1. Conclusions

The study concludes that majority or more than half of the of consumer buying behavior of MSE is habitual buying behavior. This mean the consumers are buying products that they use for their daily routine; they do not put a lot of thought. They either buy their favorite brand or the one that they use regularly or the one available in the store or the one that costs

the least. Also the study conclude that micro and small enterprise practiced marketing mix (product mix, price, place, and, promotion).

Therefore, the main objective of the study was to investigate the effect of marketing mix on consumer buying behavior micro and small-scale enterprise. Based on this study, the following conclusions are drawn out of the research findings:

The study found that the independent variables (marketing mix) have the significant effect on the consumer buying behavior micro and small enterprise. Each one has its unique contribution and effect to consumer buying behavior of the MSEs.

The study concluded that product have positive and significant effect on consumer buying behavior. In order for a firm to gain competitive advantage against the competition, their products have to meet the needs of the consumers. The product characteristics that were investigated in this research were quality, packaging and branding. It was concluded that consumer buying behavior is influenced by product features such as perceived product quality, product reliability, the kind of information on the packaging label, and the brand name of a product. The quality, reliability and value of a product reflect on the customer reputation. Also, products in the stores that have useful information on the packaging label influence customers to purchase them. Brand name or identity makes it easier for customers to identify a product, and brand reputation has an influence on consumer purchase.

The findings lead to a concluded that price have negative and significant effect on consumer buying behavior. It was concluded that price is a critical factor as it is one of the major attributes of a product that consumers look at in their purchases. The price attributes investigated in this study included penetration pricing, value-based pricing and price discounts. The study concluded that price discounts, free samples and bonus packs influence purchase intention, value-based pricing has a positive impact on buying behavior, and penetration pricing influences purchase intention. Price discounts, and bonus packs are effective as they attract customers to MSE product. On penetration pricing, the study concluded that MSE firms can entice customers to buy new products by lowering the price of the products which also increases the company's market share.

The results revealed that a place/distribution mix has a positive and significant effect on consumer buying behavior. The study concluded that the geographical location of the enterprise, the convenience, accessibility and safety of shopping at a store influences consumer buying behavior. It can be concluded that MSEs need to give importance to the location of their business as place marketing strategy influences the distribution of product from the sellers to the consumers and even suppliers.

The results showed that promotion have a positive and significant influence on consumer buying behavior of micro and small-scale enterprises. Findings of the study lead to a conclusion that personal selling in terms of the sales person's appearance, negotiation and confidence, influence a customer's purchase decision. The sales person's commitment to the promise and their patience in dealing with

customers has a great impact on the customer's buying decision. The study also concluded that public relations are a key aspect in enticing customers to purchase products from a particular brand. enterprise that creates relationship and maintain constant communication with their customers are given priority when a customer is making purchase decision as that make them feel comfortable to buy the firm's products. Sales promotion such, promotion coupons and discounts are likely to attract customers to MSE stores, leading to their purchase.

Conclusively, it can be argued that product have the highest influence on the consumer buying behavior of MSEs. Since this regression had the largest coefficient followed by promotion, Therefore, the MSEs had better on doing the product strategy. Additionally, pay attention to promotion. Thus, MSEs are advised to seek strategic locations and make smart choices with respect to their distribution channels and other aspects of the place strategy and take into consideration price as compared to the rest independent variables.

## 5.2. Recommendations

The study found that majority of consumer behavior of Micro and Small Enterprise in Nekemte city Habitual buying behavior. Consumer just goes for it and buys it there is no brand loyalty. Consumers do not research or need information regarding purchase of such products. Habitual buying behavior is influenced by radio, television and print media. Moreover, consumers are buying based on brand familiarity. Hence, better to use repetitive advertisements to build brand familiarity. Further to initiate product trial, recommend to use tactics like price drop promotions and sales promotions. Enterprise should attract consumers using visual symbols and imagery in their advertising. Consumers can easily remember visual advertisements and can associate with a brand.

The study found that product has strongest positive and significant effect on consumer buying behavior of MSE. Hence it is recommended that improve the product mix; such as quality, features, design, style, packaging design, branding strategy and hence increase product visibility and recognition, since customers do really look at product attributes to improve consumer buying behavior.

The study revealed that price has negative and significant effect on consumer buying behavior of MSE. Today Customer more demanding and willing to switch to other providers due to price because customer is price sensitive. Therefore, it is recommended that MSE Use price promotion strategy such as uses price discounts, to increase customer's intention to purchase their products hence improve buying behavior, attract consumer and keep. MSE should always remember that customers are price sensitive and that price is a reflection of value and therefore should price their products reasonably. The prices of products should not be increased if there is no increase in benefits or value from the products as this would make consumers to shift brands.

The study found that place has positive and significant on consumer buying behavior of MSE. Hence it is recommended



that MSE firms should expand their distribution strategy in order to make their products easily available to customers. The MSE should have their stores strategically distributed and their physical location be in places where the customers can easily access like in the estates or along the major roads. They should also ensure safety of the shoppers as they enter and exit the MSE by putting in various security measures. The stores should ensure they have a clean environment in and out of the supermarket, and provide a large parking area which is easily accessible from the store.

Also, the study found that promotion is another strongest predictor that has positive and significant effect on consumer buying behavior of MSE. Therefore, it is recommended that MSE use personal selling to promote their products and especially those that are on the decline stage of the product life cycle. It is recommended that the firms should train the sales people on negotiation skills, and leverage on their personal appearance and confidence as these influence consumers' purchase decision at the stores. These sales people should also be trained on how to handle customers in terms of helping them get the products they are looking for and most importantly keeping their promise to customers. The study also recommended that sales promotion should be used regularly to entice customers to buy products at enterprise. Price discounts are the most common used sales promotion but the MSE should also consider bonus packs, buy-one-get-one free promotions, and gift coupons. These kinds of promotions encourage brand switch in the short term and maintain high levels of awareness of the products. To encourage long term brand switch, the MSE firms should incorporate other marketing strategies. It is suggested that MSE firms should try to create and maintain relationship with their customers through constant communication as this enhances customer loyalty. When customers are loyal to a brand, they give it priority when deciding which products to purchase at the store. The MSE firms should also encourage word of mouth promotion as this is built on trust and loyalty and therefore influences consumers to buy. This can be done by creating referral and loyalty programs or incentives and most importantly providing exceptional service at enterprise.

### 5.3. Suggestions for Future Research

The findings of this study will provide a platform for a variety of future research efforts. In this study, only MSEs were taken into consideration. So, it is recommended that a similar study will be undertaken using large enterprises and make a comparative analysis.

Furthermore, mediating/moderating factors affecting the relationship between marketing mix and Consumer buying behavior were not included in this study. As well as the effects of Service marketing mix (7Ps) on consumer buying behavior.

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