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The effect of marketing mix elements on consumer buying decision (the case of Senq Non-alcoholic Drink)

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Abstract

The purpose of this study was to investigate the effect of marketing mix elements on consumers' buying decisions in the case of Senq non-alcoholic malt drink. A conceptual framework was constructed by examining prior literature and collecting data from the study's target respondents to test the developed hypotheses and achieve the study's purpose. The research employed a mixed research design, utilizing both descriptive and explanatory methods, and a quantitative research approach to gather data. The target population consisted of consumers of Senq non-alcoholic malt drink in Addis Ababa, with a specific focus on Kirkos sub-city the study's results indicated that all marketing mix elements have a significant and positive effect on consumer buying decisions. Base don't these findings, it is recommended that companies strategic all enhance their marketing mix elements to influence consumer buying decisions positively. Implementing targeted product development, competitive pricing, effective promotional strategies, and convenient product placement can result in increased consumer engagement and purchasing decision. These insights hold great significance for companies seeking to develop effective marketing strategies aimed at attracting and retaining customers. The study contributes to a better understanding of consumer behavior in the context of non-alcoholic malt drink consumption and offers valuable implications for marketers and businesses in the competitive market landscape.

Introduction

Marketing strategy plays a vital role in determining the success of a business. In today's highly competitive market, businesses need to employ effective marketing strategies to attract and retain customers. Marketing strategy is the overall plan that outline show a company will use its resources to achieve its marketing objectives. Organizational performance and productivity can be increased through marketing activities that incorporate several marketing process components. This study seeks to investigate the effect of marketing mix elements on consumer buying decisions from the perspective of Senq Non- alcoholic Malt Drink. The study focused

on how the four components of the marketing mix (product, price, promotion, and place) affect consumer buying decisions in the case of Senq Non- alcoholic Malt Drink.

Problem Statement

Because a variety of factors can influence a consumer's decision to buy a product, companies need to create and carry out effective marketing strategies in order to attract customers to make repeat purchases. Kotlerand Armstrong (2016), claim that the marketing mix elements, such as product, price, promotion, and place, are critical factors that influence customer behavior and decision- making. The marketing mix refers to the set of instruments used by businesses to accomplish their marketing objectives and which will influence the effectiveness of their marketing efforts. In its simplest form, managing the marketing mix's components is done with the intention of influencing consumer purchasing behavior in order to develop and sell products that will satisfy customers. Moreover, there is no agreed among researchers regarding the precise relationship between marketing mix elements and consumer buying decisions.

In Ethiopia, research studies were don consents use on effect of marketing mix on consumer buying decision and related issues on different areas. However, there is a lack of studies that have investigated the effect of marketing mix elements on consumer buying decisions specifically for the non-alcoholic malt beverages industry. As this sector is growing in popularity in Ethiopia, it is crucial to assess the key marketing mix elements that shape consumer preferences and buying decisions. Hence, the aim of this study is to fill this research gap by investigating the relationship between marketing mix elements and consumer buying decisions for Senq non-alcoholic malt drink. By exploring the marketing mix elements that have the most significant impact on consumer behavior, this research will help marketers and business owners to develop effective marketing strategies that can influence consumer decision-making.

The general objective this study is to determine the effect of marketing mix elements on consumers' buying decision in the case of Senq Non-alcoholic Malt Drink.

The study on the effect of marketing mix elements on consumer buying decisions, specifically in the context of Senq non-alcoholic malt drink, has several significant implications. Firstly, it can contribute to the body of knowledge in marketing, particularly in the area of consumer behavior and decision-making. By understanding the impact of marketing mix elements on consumer behavior, this study can enhance the understanding of marketing professionals on how to design an effective marketing strategy for non-alcoholic beverages.

Moreover, the findings of this study can provide valuable insights to marketer's and companies in the non-alcoholic malt beverage sector, in terms of improving their marketing strategies and better understanding their customers. For instance, the study can provide insights into the specific marketing mix elements that are most effective in influencing consumer buying decisions for Senq Non-Alcoholic Malt Drink. This information can be used to optimize the company's marketing efforts, thereby increasing sales and profitability. Additionally, this study has practical implications for consumers. By understanding the impact of marketing mix el-

ements on their buying decisions, consumers can make more informed purchasing decisions. They can better understand how marketing efforts, such as advertising and promotions, may influence their decision-making process. This understanding can help consumers to make choices that align with their preferences and needs, while also being aware of the potential impact of marketing efforts.

Empirical Reviews

The effects of marketing mix components on customers' buying decisions have been the subject of studies in several regions of the world, but few of these studies have been undertaken in Ethiopia. It is vital to offer a brief review of research that has been conducted in this field in order to formulate the problem scientifically and highlight the significant activities of this investigation.

Only a small number of research that have a direct or indirect impact on the current study have been summarized, even if the review elaborates on a vast number of studies. Various researchers from different countries have conducted numerous studies examining the relationship between product attributes and consumer purchasing decisions, yielding varied results. In the study, by Brata et al. (2017) investigated how factors such as product quality, price, promotion, and location affected customers' decisions to buy niche goods. Based on the research's results, it was found that consumers' decisions to buy niche products in Central Jakarta were positively and significantly influenced by the product quality. Consumers' decisions to buy cosmetics were favorably and substantially affected by product quality. Al Badi (2018) asserted that price can create differentiation among customers based on their income or willingness to pay. Komaladewi and Indika (2017) also highlighted that price is an important factor influencing respondents' purchase decisions. Lee et al. (2010) attempted to determine that "price is a strong predictor of consumer buying decisions, these results are consistent with those of Mahmood and Khan (2014), who established that consumer decisions to repurchase a service from a provider are significantly influenced by their prior purchasing experiences and perceived value.

Promotional factors play a crucial role in influencing consumer purchasing behavior. Thabit and Raewf (2018) assert that promotions have the power to persuade consumers and impact their buying decisions. It's interesting to note that Maruyama and Trung (2007) discovered that in-store advertising via panels, billboards, and fliers had a significant chance of influencing Vietnamese consumers' decisions to buy food products. Most scholars concur that a store's accessibility can boost sales by lowering transaction costs (Berry, Seiders, & Grewal, 2002; Huddleston, Whipple, & Van Auken, 2004; Jabir et al., 2010). Harahapet al. (2017) conducted a study titled "The Effect of Location and Products on Consumer Buying Decisions in the Small and Medium Enterprise Market" in Indonesia. In conclusion, several studies have shown that place or location has an impact on consumers buying decisions (Brata et al., 2017; Darmasaputra & Djatmiko, 2015; Enneking, Neumann, & Henneberg, 2007). The consumer's actual purchase of the brand they have chosen is usually the outcome of their search and evaluation, barring any unforeseen circumstances. In fact, making a purchase requires a number of choices, including the type

of goods, brand, model, dealer, and payment method, among others. In addition, the consumer may decide to modify, delay, or avoid making a purchase due to a deterrent to doing so or a perception of risk. In their decision-making, consumers typically aim to reduce risk, according to the literature on perceived risk. This can be accomplished by either lowering the likelihood of unfavorable outcomes or by lowering the level of uncertainty (Peter & Donnelly, 2003).

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Conceptual framework

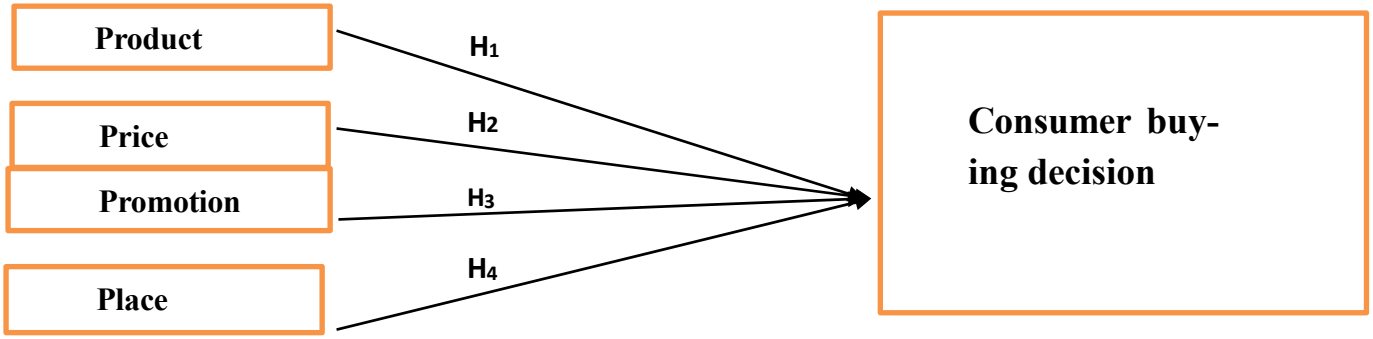

Figure2. 3 Conceptual Framework (*Source: Brataetal, (2017))*

Research hypotheses

The following hypotheses are developed in this study in order to assess the effect of marketing mix elements on consumer buying decisions of Senq non-alcoholic malt drink.

H1: Product has a positive and significant effect on consumer buying decision of Senq non-alcoholic malt drink.

H2: Price has a positive and significant effect on consumer buying decision of Senq non-alcoholic malt drink.

H3: There is a positive and significant relationship between promotion and consumer buying decision in of Senq non-alcoholic malt drink.

H4: Place has a positive and significant effect on consumer buying decision of Senq non-alcoholic malt drink.

Methodology

This part of the manuscript includes the research approach, research design, target population, sample size, sampling technique, data source, data collection tools, method of data analysis The research focused on customers of Senq non-alcoholic malt drink in Addis Ababa

Kirkos sub-city, by employing a quantitative research approach. Explanatory research design with a quantitative approach has been used to answer the research questions and meet the objectives., the target population for this study is consumers of Senq non-alcoholic malt drink in the Addis Ababa city, specifically Kirkos sub-city. As a large population size, we the Krejcieand Morgan approach has been employed to determine 384 samples. From which primary data was taken through Convenience non-probability sampling technique to acquire data from huge population, via structured questionnaire. *The research as employed Correlation and regression* analysis in order to present the results in Table with the forms percentages availing for description.

linear regression. Specifically, the study employed panel data analysis techniques like pooled regression, fixed effects, and random effects models to examine the determinants of loan disbursement by the commercial banks.

The multiple regression model was specified with loan disbursement as the dependent variabl4e and factors like profit, deposits, assets, capital, customer base, liabilities, and branch network as the independent variables. The analysis was conducted using the EViews 10 software.

Findings and Discussion

Out of these 384 questionnaires, a commendable response rate was achieved, with **370 (96.65%)** questionnaires collected back and deemed suitable for analysis. The overall Cronbach's Alpha value for the entire questionnaire is 0.854, signifying excellent reliability. Among the data set of 370 respondents, 254 (68.5%) are classified as male, while 116 (31.5%) were female.

Descriptive results

These results of statistical mean and standard deviation indicate a moderate to high level of agreement among the respondents regarding the product attributes and characteristics. The overall mean for the **product** was calculated as 4.15, with a standard deviation of 0.97, suggesting that the majority of respondents leaned towards a positive evaluation of the product. **The overall mean value for price** was calculated as M=4.28, with a standard deviation of 0.99. This indicates that the majority of the respondents exhibited a high level of agreement with the statements they were asked to rate. The higher the mean score, the stronger the level of agreement expressed by the respondents. **The grand mean score value for all the measurement items related to promotion** was found to be (mean = 4.01, standard deviation = 0.94). This suggests a generally positive inclination towards the impact of promotion on consumers' buying decisions. **The grand mean score value for all the measurement items related to place accessibility**, on consumers' purchase decisions was calculated as M=3.98, with a standard deviation of 0.86. This suggests that place or the accessibility of the product has a notable impact on consumers' purchasing decisions.

Inferential Analysis

In the data presented in Table 1, it is evident that all the independent variables exhibit significant and positive correlations with the dependent variable (consumer buying decision) at a 0.01 level of significance. These correla-

tions ranged from 0.694 to 0.867, indicating a strong association between the variables. Upon examination of the histogram (refer to Appendix C), normality was proved. In Appendix C, it is evident that the data exhibits homoscedasticity, indicating that the residuals possess constant variance. It can be observed that all the tolerance values exceed 0.10. Additionally, the VIF values are below 10 for all variables. These results indicate that there is no multicollinearity issue among the independent variables in the model.

In order to explore the relationship between marketing mix elements (product, price, promotion, and place) and consumer buying decisions for Senq non-alcoholic malt product users, multiple linear regression analysis was employed. Regression analysis is a statistical technique that allows for the examination of how independent variables impact a dependent variable (Kotharie, 2004). In this section, the application of multiple regression models to explain the relationship between the marketing mix elements and consumer buying decisions is discussed.

Table 1; Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.871[a]	.758	.755	.330

a. Predictors:(Constant), Product, Price, Promotion, Place
b. Dependent Variable: Consumer buying decision

(Source: own survey, 2023)

The multiple correlation coefficient (R) serves as an important indicator of the relationship between the predictors and the outcome variable. In Table 1, we observe a significant value of R (0.871), signifying a direct and positive association between the independent variables and the consumer buying decision for SENQ non-alcoholic malt drink users. This finding implies that when considered collectively, the independent variables have a substantial impact on the consumer's decision to purchase the product.

Moving on to R-squared, it is a statistical measure that quantifies the proportion of variance in the dependent variable explained by the independent variables in the regression model. In our research, the R-squared value of 0.758 indicates that approximately 75.8%of the variation in the consumer buying decision can be attributed to the explanatory variables (Product, Price, Promotion, and Place). The remaining 24.2% of the variation is influenced by factors not included in our model, emphasizing the presence of additional elements impacting the consumer's decision-making process.

Furthermore, the Adjusted R-squared measures the goodness of fit of the explanatory variables in explaining the variations in the dependent variable while

considering the complexity of the model. From the aforementioned Table 1, the adjusted R-squared value of 0.755 indicates that 75.5% of the data fits the regression model. A higher value of Adjusted R-squared signifies a better fit of the model and suggests that the included explanatory variables effectively capture the variations in the dependent variable

Table 2: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	125.628	4	31.407	288.137	.000[b]
	Residual	40.108	365	.109		
	Total	165.736	369			

- Predictors:(Constant), Product, Price, Promotion, Place
- Dependent Variable: Consumer buying decision

(Source: own survey, 2023)

ANOVA is a valuable tool for assessing the overall fitness of a regression model. If the p-value is less than 0.05, we can confidently state that the model is a good fit for the data. Additionally, a large F-value suggests a higher likelihood of rejecting the null hypothesis. In our study, the null hypothesis rejects that the independent variables (Product, Price, Promotion, and Place) have no significant impact on the consumer's buying decision. Upon examining Table 2, we observe an F-value of 288.137, accompanied by a p-value of .000. This signifies that the model is highly significant, providing substantial evidence to reject the null hypothesis.

Table 3: Regression Coefficient analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.562	.091		6.176	.000
	Product	.376	.015	.388	25.067	.000
	Price	.421	.019	.437	22.158	.000
	Promotion	.357	.012	.369	29.750	.000
	Place	.286	.016	.301	17.875	.000

a. Dependent Variable: Consumer buying decision: (Source: own survey, 2023)

The predictors effect on the dependent variable. Presented in the model of consumer buying Decision as follows:

$$\mathbf{Y=\beta\ 0+\beta\ 1X1+\beta\ 2X2+\beta\ 3X3+\beta\ 4X4+\varepsilon}$$

Where:

Y- Dependent Variable

β0- Constant (Coefficient of Intercept) X1 … X4 - Independent Variables

β1…β4-Regression Coefficient of Independent Variables ε - Random Error. After substituting the variables, the equitation can be written as follows:

Y=0.562+0.376PD+0.421PI+0.357PM+ 0.286PL+ ε

Where,

Y=Consumer buying decision

PD = Product

PI=Price

PM=Promotion

PL =Place

Examining Table 3, the constant value (0.562) represents the baseline value of the dependent variable, consumer buying decision, when all independent variables (product, price, promotion, and place) are held at zero. The multiple regression analysis reveals the beta coefficients (β) for each independent variable. The coefficient for product (β1) is approximately 0.376, indicating a positive and statistically significant relationship with consumer purchase decision. This means that a one-unit increase in the product variable corresponds to a 0.376 unit increase in consumer purchase decision, with a significance level of $p<0.01$.

In similar manner, the analysis shows that price, as indicated by the beta coefficient (β2) of 0.421, has a significant positive effect on consumer buying decision. Holding other variables constant, a one-unit increase in price is associated with an average increase of 0.421units in consumer buying decision, with a significance level of $P<0.1$.

The beta coefficient (β3) value of 0.357 for promotion also suggests a positive influence on consumer buying decision. An increase of one unit in the promotion variable corresponds to an average increase of 0.357 units in consumer buying decision. Finally, the beta coefficient (β4) of 0.286 for place indicates a positive impact on consumer purchase decision. Keeping other variables constant, a one-unit change in place results in a 0.286-unit change in consumer purchase decision for Senq non-alcoholic malt drink product users.

Hypothesis testing

H1: Product has a positive and significant effect on consumer buying decision of Senq non- alcoholic malt drink. The results of the multiple regression analysis, as depicted in Table 4.14, provide evidence supporting

H1. The beta coefficient for the product variable is 0.376, indicating a significant positive effect on consumer purchase decisions ($p<0.01$). These findings align with previous studies that high light the positive influence of product attributes on consumer buying decisions (Brataet al., 2017; Akpoyomareet al., 2012).

H2: The findings of multiple regression confirm the hypothesis that promotion has a positive and significant impact on consumer buying decisions. The beta coefficient for the promotion variable is 0.357, signifying a significant positive effect on consumer buying decisions ($p<0.01$). A1% improvement in promotion corresponds toa35.7%increasein consumers' decisions to purchase Senq non-alcoholic malt drink. These findings align with previous studies that highlight the persuasive power of promotion in influencing consumer buying decisions (Raewf, 2018; Syafrida, 2018).

H2: The findings of multiple regression confirm the hypothesis that promotion has a positive and significant impact on consumer buying decisions. The beta coefficient for the promotion. The beta coefficient for the promotion variable is 0.357, signifying a significant positive effect on consumer buying decisions ($p < 0.01$). A 1% improvement in promotion corresponds to a 35.7% increase in consumers' decisions to purchase Negus non-alcoholic malt drink. These findings align with previous studies that highlight the persuasive power of promotion in influencing consumer buying decisions (Raewf, 2018; Syafrida, 2018)

H4: The analysis of multiple regression supports the hypothesis that place has appositive and significant effect on consumer buying decisions. The beta coefficient for the place variable is 0.286, indicating a significant positive effect on consumer buying decisions ($p < 0.01$). A 1% improvement in place or accessibility leads to a 28.6% increase in consumers' decisions to purchase Senq non-alcoholic malt drink. Empirical evidence on firms the impact of convenient location on consumer purchase decisions (Huddleston, Whipple, & Van Auken, 2004; Jabir et al., 2010).

Hypothesis testing result

Hypothesis	Result	Reason
H1: Product has a positive and significant effect on consumer buying decision of Senq non- alcoholic malt drink.	Accepted	β=0.376, P<0.01

H2: Price has a positive and significant effect on consumer buying decision of Senq non- alcoholic malt drink.	Accepted	β=0.421, P<0.01
H3: There is a positive and significant relationship between promotion and consumer buying decision in the case of Senq non- alcoholic malt drink.	Accepted	β=0.357, P<0.01
H4: Place has a positive and significant effect on consumer buying decision of SENQ non- alcoholic malt drink	Accepted	β=0.286, P<0.01

(Source: own survey, 2023)

Summary, Conclusion and implications

The descriptive analysis results yielded valuable insights into the data and provided a comprehensive understanding of the variables under investigation.

- The mean scores and standard deviations were calculated for each variable. For the product variable, the mean score was found to be 4.15 with corresponding standard deviation of 0.97, indicating that respondents, on average, had a positive perception of the product. Similarly, the mean score for the price variable was 4.28 with SD of 0.99, suggesting that respondents viewed the price favorably. In terms of promotion, the mean score was 4.01 with SD= 0.94, indicating that respondents perceived the promotional activities positively. Lastly, for the place variable, the mean score was 3.98 with standard deviation equals 0.86, signifying those respondents considered the accessibility and distribution of the product to be satisfactory.
- The results indicated significant positive correlations between consumer buying decisions and each marketing mix element. The correlations ranged from 0.694 to0.867, all significant at the0.01 level. This suggests that there is a strong positive relationship between the marketing mix elements and consumer buying decisions.
- Result of the model's R-squared value to explain the buying decision was 0.758, indicating that approximately 75.8% of the variation in consumer buying decisions could be explained by the marketing mix elements.
- Result showed that for every one-unit increase in the product variable, consumer buying decisions increased by 0.376 units (p<0.01). Similarly, for everyone- unit increase in the price variable, consumer buying decisions increased by 0.421 units (p<0.01). Promotion had a positive effect on consumer buying decisions, with a re-

gression coefficient of 0.357 ($p < 0.01$). Finally, for every one-unit increase in the place variable, consumer buying decisions increased by 0.286 units ($p < 0.01$). These results highlight the significant impact of the marketing mix elements on consumer buying decisions.

- In conclusion, the research findings indicate that the marketing mix elements, including product, price, promotion, and place, have a significant influence on consumer buying decisions in the case of Senq non-alcoholic malt drink. These findings have important implications for marketers, highlighting the need to strategically manage and optimize the marketing mix elements to effectively influence consumer behavior and drive product sales.

Conclusions

This research study examined the effects of marketing mix elements on consumer buying decisions, specifically focusing on Senq non-alcoholic malt drink. The results of the hypothesis testing supported the hypotheses, revealing significant positive relationships between the marketing mix elements and consumer buying decision. These findings provide strong evidence that the marketing mix elements have a significant impact on consumer buying decisions for Senq non- alcoholic malt drink. Descriptive analysis provided a summary of the mean scores and standard deviations for each marketing mix element, revealing the respondents' perceptions and variations in their ratings. The mean scores indicated positive perceptions of respondents towards marketing mix elements (product, price, promotion, and place) influence in their purchasing decision of Senq non- alcoholic malt drink.

The inferential analysis, including Pearson correlation and regression analysis, further elucidated the relationship between the marketing mix elements and consumer buying decisions. The Pearson correlation results revealed significant positive correlations between the marketing mix elements and consumer behavior, confirming the influence of product, price, promotion, and place on consumer purchasing decisions. The regression analysis provided more detailed insights into the impact of the marketing mix elements on consumer buying decisions. The beta coefficients indicated the strength and direction of the relationships between the independent variables (product, price, promotion, and place) and the dependent variable (consumer buying decisions). The regression results demonstrated statistically significant relationships, supporting the notion that changes in the marketing mix elements have a significant effect on consumer buying decisions. The R-square value in the regression analysis showed the proportion of the variation in consumer buying decisions that could be explained by the marketing mix elements. The high R-square value (0.758) indicated

that a substantial portion of the variation in consumer behavior could be attributed to the marketing mix elements, high lighting their importance in shaping consumer decisions.

Recommendation and implication for further studies

- Based on the findings on product Development; Pricing Strategies; Effective Promotional Campaigns: Expand Distribution Channels; Continuous Market Research recommendations are given. Decisions may vary across different locations and cultures. Researchers can gain insights into how marketing mix elements impact consumer choices in different product categories.
- One of the limitations of this study was that, it only selected a single organization, thus, the findings may not be generalized to the wider population. Future interested researchers could go further and investigate the effect of market mix by incorporating different organizations and make comparative analysis.

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