



Research on the Effect of Marketing Mix on the Competitive Advantage: A Study of Selected Small and Medium Enterprises in Bole Sub City, Addis Ababa, Ethiopia

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Abstract: Small and Medium Sized Enterprises are the backbone of every major economy, and empirical studies prove that small firms are more efficient and innovative in their operation, product development and marketing policies. The aim of this study is to highpoint the significant of the marketing mix (product, price, place, and promotion) on attaining the competitive advantage in the small and medium enterprise (SME) sector in the Addis Ababa city Administration Ethiopia. This journal states the significance of competitive advantage in attaining marketing goals and ahead of the satisfaction of customers by using marketing mix concept. A descriptive analysis approach is used to analyses the collected data about the level of impact of the marketing mix (product, price, place, and promotion), on the competitive advantage of the SME sector in Addis Ababa. The data have been collected through the use of a questionnaire that is distributed to SMEs in the Addis Ababa city Administration rendering to the City government of Addis Ababa job and enterprise development bureau creation. There were 200 SMEs selected randomly; though, only 150 questionnaires were managed because of missing data. Based on the data analysis, the results show that all of marketing mix elements (product, price, place, and promotion) have a significant impact on realising competitive advantage in the case of Addis Ababa City SMEs (p- value for all marketing mix elements is less than $\alpha=0.05$). The foremost viable component when it comes to accomplishing competitive advantage is the price. The SME sector in Addis Ababa should develop its product's quality, distribution channels, and promotion policies to face the local and international competitors. The marketing mix and competitive advantage represent a relatively new orientation in Addis Ababa City SME sector.

Keywords: Marketing mix, Competitive advantage, SME; City government of Addis Ababa, Ethiopia

1. Introduction

Small and Medium Enterprise sector has the most significant role in reducing poverty, boost countries' GDP and provide employment for majority of the population (Benzing and Chu 2012). The sector is particularly important due to their simple approach in response to the majority of Africans needs by offering affordable goods and services at reasonable terms and prices besides being a source of income and employment (Kauffmann, 2006). Without industrialisation, it is difficult to imagine the economic growth of any nation; the long-run objective of reducing the poverty achieved by facilitating a well conducive environment for the employment generating is unthinkable without industrial transformation. Currently, most developing nations are working on creating employment opportunities for the fast increasing unemployed youth that is occupying the urban space. (Brown, Ten Have et al., 2009). The small and medium enterprise (SME) sector in Ethiopia is striving to achieve its production and marketing objectives to prove its significant role in the economic development of the country. The SME sector in Ethiopia is characterised by an increasing number of enterprises that provide the same products and services or close alternates. It has created hostile competition led to the need for differentiation in terms of such products or services. This difference can be achieved by through several features introduced to gain the pleasure of customers. Competitive advantage enables an organisation to differ- initiate the quality of its products or services, albeit at a low cost, to create superior value for its customers and to serve them way better than is the case with the items and administrations of its competitors (Porter 2008). In the same context, distribution channels are significant for the organization in terms of increasing the level of availability of its products and services and highlighting the important features via the promotion process.

In general, all the efforts on the part of the sectors should be in the context of improving customer satisfaction and increasing loyalty, by attracting their attention about the distinct features of the offered product or service. These will have led to an increase in market share also the organization’s products and will lead to the creation of a profitable relationship with customers that will ensure the survival of the organisation the sectors. Small and Medium Enterprise(SMEs) and the marketing mix are very critical to the development of an economy. SMEs provide the vast majority of employment in developing countries and are bases in the productive structures of emerging economies, such as; improvement of local technology, output diversification, development of indigenous entrepreneurship & forward integration with large scale industries. Similarly, in addition to providing substantial employment, financial institutions play very prominent roles in the firm’s growth and business productivity and economic growth.

Marketing Mix is considered by one of the foremost imperative perspectives of the showcasing handle. It plays a noteworthy part in making esteem and fulfilment for the client. In specific, the promoting blend or 4Ps (product, price, promotion, and place) works as the most influences when it comes to assembly the requests of client and making a long, productive relationship with them. The traditional orifical framework about the implementation of marketing-management process activities is based by the concept of the marketing mix (Festa, Cuomo et al. 2016). The significance of this study is based on the vital role of the marketing mix (product, price, place, and promotion) in achieving a competitive advantage for the SME sector in the City Administration of Addis Ababa, which enables this sector to face the threats of competitors. Since the City Administration of Addis Ababa is the Centre of the economic, social and political city. Also it is the seat of the African Union, therefore its very close to connecting the African market. The need for competitive advantage is the main challenge in this context that faces the Addis Ababa SMEs for them to survive, to attract new customers, and to develop new markets. The theoretical framework of this study was formulated to analyses the effect of the marketing mix on the competitive advantage of the SME sector in Bole, Addis Ababa city, Ethiopia based on independent variables (the marketing mix—the 4Ps) and dependent variables (competitive advantage) and sketched clearly in figure1

Conceptual Framework Model

Independent variables

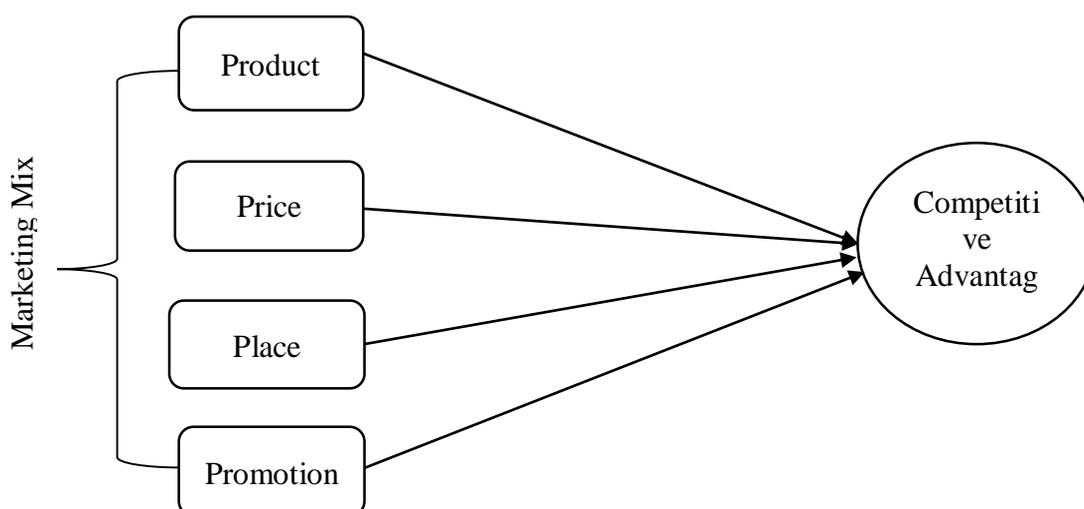


Figure 1: Conceptual frame work model

Setting the above theoretical framework, this study makes use of a questionnaire to identify the effect of the marketing mix on the competitive advantage of the SME sector in Bole, Addis Ababa city administration, Ethiopia. The significant research question can be summarised as follows:

What is the impact of the marketing mix on the competitive advantage of the SME sector in the Addis Ababa City Administration Ethiopia?

The study has the following sub-questions.

1. What is the effect of the product on competitive advantage regarding Addis Ababa City Administration SMEs?

2. What is the Influence of price on competitive advantage regarding Bole, Addis Ababa City Administration SMEs?
3. What is the effect of place on competitive advantage regarding Bole, Addis Ababa City Administration SMEs?
4. What is the effect of promotion on competitive advantage regarding to Bole, Addis Ababa City Administration SMEs?

Based on the questionnaires' of the study hypotheses adopted as follows:

Hypothesis 1 (H1): Product has a significant impact on achieving a competitive advantage for Boles' SMEs.

Hypothesis 2 (H2): Price has a significant impact on achieving a competitive advantage for Boles' SMEs.

Hypothesis 3 (H3): Place has a significant impact on achieving a competitive advantage for Boles' SMEs.

Hypothesis 4 (H4): Promotion has a significant impact on achieving a competitive advantage for Boles' SMEs.

The target population of this study is the SME sector in the Addis Ababa City Administration. A sample has been selected from the target population to answer this study's research questions.

2. Literature Review

2.1 Small and Medium Enterprises

Changes in global business environment have driven transformation in Small and Medium-size Enterprises (SMEs) to move toward sustainability by focusing on cost efficiency (Azudin and Mansor 2018). Small and medium enterprises (SMEs) are the engine that drive world economies and the stepping stone to industrialization, both for developing and developed economies. The businesses account for 99% of all businesses in developing countries thereby signifying their importance, (Muriithi 2017). From a quantitative perspective, the success of SMEs can be understood: effectiveness, financial results, output volume, number of customers (Anggadwita, Mustafid et al. 2014), market share, profitability, competitiveness, sales dynamics, costs and liquidity (Cicea, Popa et al. 2019) etc. And also from a qualitative perspective: achievement of goals, style of leadership, actions of employees (Anggadwita, Mustafid et al. 2014)), consumer satisfaction (Alpkan, Yilmaz et al. 2007) advancement of goods and procedures, advancement in company and marketing (Sheehan 2013)

There is no generally accepted definition of small and medium-sized enterprises (SMEs), as each nation has its own industrial regulation classification in each economic framework. Small and medium enterprises are described by the Ethiopian Ministry of Trade and Industry as follows. Small enterprise with a cumulative investment of between USD 500 and USD 12 500 and do not include advanced technologies and high-level technological consulting companies. These business enterprises are medium-sized enterprises with a total expenditure of between USD 12,500 and USD 25,000, including those firms with high technological consulting and other high-tech establishments excluded. Therefore, in Ethiopia, the Ministry of Commerce classifies SMEs on the basis of capital expenditure and on the basis of establishment. This is important because, in order to better identify and classify policymakers in their dealings with SMEs, the sector accounts for large enterprises across the world. Small and medium enterprises (SMEs) play a strategic role in the economic performance of any country. This strategic role in the economy revolves around the production of products and services, innovation, the aiding of big businesses and job creation (Aga, Francis et al. 2015)

Small and Medium sized Enterprises (SMEs) are considered significant engine for economic growth in terms of both employment and gross domestic product (Milenkovic, Dragovic et al. 2013). In the current global economy, micro-and small enterprises progressively being regarded as powerful engines for economic performance and development of most economies. Small-scale enterprises are one of the priority areas of action among the Programs addressing African development (UN, 2008). It could see as a means of achieving a smooth transition from tradition to modern industrial sector, and has an enormous contribution to the growth and development of the country in terms of employment generation with a relatively low capital cost (Stephen and Wasiu 2013). Small and Medium Enterprise businesses range from very small micro-firms run by one or two persons and slow growth or no growth to fast-growing medium businesses earning millions of dollars and majority employing as many as 250 employees (Fjose, Grünfeld et al. 2010).

The businesses' definitions also vary from those requiring a little money start to others demand millions of dollars to start (Adisa, Abdurhaem et al. 2014). Various sectors in different parts of the world focus on definite indicators to define SMEs among them the number of employees, the total number of assets, annual turnover, and capital investments (Gibson and Van der Vaart 2008). Small and medium enterprises (SMEs) are the engine of economic growth and development globally, Ethiopia inclusive. In Ethiopia, since the last decade, the role play by SMEs through the various

socio-economic benefits emanating from the sectors, was found to be eminent in the overall development effort and process of nations. In other words, by generating larger volumes of employment as well as higher levels of income, the SMEs will not only have contributed towards poverty reduction, but they will also have enhanced the welfare and standard of living of the many in the society (Meresa and Research 2018). A small business is considered by as one of a crucial instrument for assisting these activities and support industrial development. Some of the recent studies reveal that more than 60% of the GDP and 70% of the total employment in low-income countries are covered by MSEs (Zühlke, Karthikeyan et al. 2016). They are also regarded by as the largest employers of workers in the industrialised nations rather than the large firms (Abor, Quartey et al. 2010).

The formulation of a marketing mix depends on the nature of the activities of the organisation and the nature of the targeted market. It must be put together in such a way as to enable the organisation to meet its customers' needs and wants (Sashi 2012). The marketing mix concept works as a tool used by an organisation to survive in a competitive environment. This concept is controlled by the organisation and comprises four elements product, price, place, and promotion (Owomoyela, Oyeniyi et al. 2013). The organisation should have a database of its customers to determine the most effective marketing mix, taking into consideration the macro and microenvironment of the organisation. The 4Ps are considered to be the focal point in establishing a marketing structure within the organisation through providing a good-quality product at an affordable price, in the right place (Ho & Hung, 2008).

According to (Kotler 2011) the marketing mix is "The set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the target market." The main objective of this marketing mix is to meet the needs and wants of the targeted market. It impacts the demand by tracing the needs and wants of the current and potential customers. The positive perception on the part of customers comes by the products and services that create value for them and provide them with satisfaction, which gives the organisation a notable edge over its competitors (Kotler, 2011). Dealing with competitiveness in the field of SMEs development means to strengthen the ability and performance of SMEs to satisfy customer demands/requirements better than competitors. This can be done by selling, supply goods and services successfully; to meet the quality standards of target markets at prices that are competitive; , and provide adequate returns on the resources employed in producing them (Rakowski and Analysis 2010). Marketing mix elements (i.e., Product, Promotion, Place, and Price) were significant joint predictors of business performance in terms of profitability, market share, return on investment, and expansion (Adewale, Adesola et al. 2013).

2.2 The Concept of Marketing Mix

Marketing Mix can describe MM as the combination of various marketing decision variables, techniques, and methods used by the management of the company to market its products and services according to the previous marketing mix definitions. There are several elements of the Key Elements of Marketing Mix elements may be defined by according to the organisation's key objective, the key marketing mix elements relate to the 4 'P's (product, price, place or distribution, and promotion), these MM may reinforce the customer satisfaction's level (Thabit and Raewf 2015).

2.2.1 Product

Product is one component of the Marketing Mix and influences the other three elements of the mixes due to its nature and makings. The product can shift in terms of its qualities and highlights based on the difference of the target markets in terms of the fluctuation of wants and needs that make up the advertising components and the showcasing environment (Mathieu and Promoting 2001). Kotler and Armstrong depict a product as ". . . anything advertised to a showcase for consideration, procurement, utilisation that might fulfill a require or want." On the opposite, a benefit can be characterised ". . . any action or advantage that one party can offer to another that's intangible and does not result in possession of anything" (Kotler, Armstrong et al. 2012). Within the SME setting, the whole of highlights and properties of a product or benefit is the foundation for the customer's fulfilment and dependability. To construct a beneficial relationship with clients, the undertaking must give items of immeasurable quality and immense execution which are reliable with the wants and needs of the clients in such a way as to produce customer satisfaction and make a competitive advantage. The altering within the way of life and the culture of clients due to alter within the social, innovative, political, and financial situations have influenced SME division exercises in Addis Ababa. This effect and changes have constrained the SME division in Addis Ababa to Centre on two sorts of buyer item comfort items and shopping items. Comfort items are habitually obtained by negligible buying exertion and small comparison. Shopping items are less visit buys and require more shopping exertion in terms of cost, quality, and fashion comparisons (Berens, Van Riel et al. 2005).

2.2.2 Price

Price as a fee of producing, delivering and promoting the product charged by the company (Kotler, Wong et al. 2007). Price can be stated as the rated value of a valuable product which is up for exchange; some outline it as the amount of cash paid for the product (Kotler and Marketing 2005). In the research of (Sharma) they establish a huge relationship between price and performance. The fee you set for your carrier plays large function in its marketability. Additionally, Price is the 2d element in the advertising combine concept. It is pretentious through the purchasing power of the customer and viewed to be the integral factor in the buying decision. Price can be defined by briefly as the quantity the purchaser ought to trade to receive a providing (Talreja and Singh 2012). Various elements have an affect on the pricing methods of an organisation, which includes the value of materials, product differentiation, competition level, market share, and the customer's perceived value of the product. The product's charge in the SME sector in Addis Ababa is affected by many factors such as the total cost, the profit margin, the product lifecycle, regulations, economic policies, and so on.

According to (Avlonitis and Indounas 2005). Pricing methods can be summarised in three main categories as follows:

- a. Demand-based systems: Value pricing (based on 2005). customer value), value pricing and pricing perceived according to customer needs.
- b. Competitive based methods: These include pricing above the competitors, pricing below the competitors according to the company's competitive price or market average prices, and pricing according to the market- dominating price.
- c. Cost-based methods: This category includes a cost-plus process, target revenue pricing, gap-even analysis, contribution analysis and margin pricing.

The company must follow the right pricing strategy for their products and services depending on the micro and macro environments in which it operates. For example, when there is a low level of value sensitivity in the market, some companies use skimming pricing strategies to recover its costs quickly. Conversely, some companies use penetration pricing strategies to gain better market share by setting a lower price than its competitors. However, the pricing strategy of the SME sector in Addis Ababa is to try to determine the proper price for its products and services by analysing and analysing the local market and the level of competition.

2.2.3 Place

This place is one of the components of the marketing mix and includes distribution channels, warehouse facilities, mode of transport, location, classification, accumulation, logistics and inventory management (Singh & Management 2012). The location is commonly referred to as the distribution channel (Rasmussen, Wood et al. 2007). Any p store can be a fire department store and virtual store. The process involved in transferring products from the manufacturer to consumer is called by body delivery. Of the small and medium enterprise will have an impact on costs (Kasiso 2017). This place can be defined how goods and services are moved by from the supplier or manufacturer to the consumer (Panayides, Maxoulis et al. 2009). This space is one of the components of the marketing mix, and also includes distribution channels, warehouse facilities, mode of transport, location, classification, accumulation, logistics and inventory management.

Distribution channels cover all activities that contribute to delivering a product or service to a customer. These channels help to advertise, sell and distribute its products to end buyers such as resellers, body distribution companies, marketing service agents and financial intermediaries (Kotler, Armstrong et al. 2012). Implementing marketing strategies does not depend solely on production objectives, pricing or promotion. This involves a successful delivery process, which allows the company to achieve the available capacity to deliver products in the right place and at the right time. Companies in the SME industry in Addis Ababa use distribution channels as a way to communicate with their customers through distribution points and to reach them at the right time and in the right place. According to (Szopa and Peękała 2012) there are many benefits with delivery locations such as moving products from the production location to the required areas, providing information to customers about products and services and improving products and services.

2.2.4 Promotion

Promotion is one of the most powerful components of a marketing mix is promotion. This means forcing the company to contact the target market by identifying the needs of the target segment to purchase the products. Advertising concept includes all marketing activities used to announce, persuade, and remind the target market about a company and its products or services to create a positive image in the customer's mind (Sidhanta and Chakrabarty 2010). In the same text, (Kotler and Armstrong 2012) defined advertising as human activity based on a communication process that could

be indirectly operated through personal sales points or advertising messages through the media. Also, that promotion can be defined by as a planned stimulus technique that conveys positive information about products, services, companies, ideas, etc. to the attention-grabbing audience. The goal of marketing communications is to increase the understanding of marketing information and to influence a company's acceptance of its offerings (Nwokocha, Nwankwo et al. 2020).

The main objective of the promotion process is to identify the sectors of SMEs and their products or services to the target market and increase the volume of purchases. Brand organization and brand name are based on the advertising process. The SME sector in Addis Ababa focuses on the promotion process to identify the individual company's products and services and encourage their customers to re-purchase their products or services. However, the promotion process is affected by the decisions of SME marketing managers regarding marketing cost or promotion. It has many components such as advertising process, advertising, personal sales, sales promotion and public relations. Together these elements form the advertising mix that aims to achieve the company's marketing objectives. Advertising is the highest element of advertising products, either because it enhances the image of the product in the market or keeps the engagement in the customer's mind (Niazi, Siddiqui et al. 2012).

3. The Competitive Advantage

The Organisation for Economic Co-operation and Development (OECD) defines competition at the local market level as unrestricted market conditions and the long-term increase in its citizen income (O, Choi, & Choi, 2013). However, although good quality and high performance products are more expensive than competitors, they can create a competitive advantage for the company. In the context of the technological revolution, Porter proposed the diamond theory to find the factors needed to create a competitive business environment (Smith 2010). The main idea of this theory is to use dynamic analysis to study the competitive advantages of companies. The four determinants of this theory are: Conditions Factor Conditions: This refers to the status of a country based on factors of production such as skilled labor or infrastructure. Demand Conditions: When domestic demand conditions are relatively sophisticated and there is a high expectation above all in terms of high-quality products and services, domestic companies are more likely to respond by improving their production capabilities.

- Related and ancillary industries: To what extent does the country have clusters of sophisticated suppliers and linked with industries (Porter 1990).
- Competitive environment: The industrial environment in which companies are created, organized and managed, resulting in overall domestic competition within and across industries. A company seeks to survive in the market and compete by differentiating its products and services in cost, price, quality and more. The SME sectors in Addis Ababa have been working very hard to create a competitive advantage by improving its products and services, and establishing a marketing mix strategy to achieve this goal. (Porter 2008) divides the competition advantage problem into three common competition strategies as follows:
 - Leadership cost leadership strategy: Trying to achieve the lowest total cost compared to other competitors.
 - Strategy Difference Strategy: Attempting to create a unique and unique product or service where customers pay premium.
 - Strategy Focusing Strategy: Utilizing cost or difference advantage to use a particular market segment rather than a larger market. Hill and Jones identified four construction blocks needed to create a competitive advantage. There are as follows: (a) innovation, (b) supervisor efficiency, (c) superior quality, and (d) superior customer responsiveness. The SME sector in Addis Ababa is based on providing different products and services according to the nature of the enterprises and the needs of its target market. Therefore, each enterprise must analyze its target market to identify its components by segmentation, targeting, and positioning. The changes in the marketing environment in the Addis Ababa is a vital issue for the SME sector, to allow it to maintain a competitive advantage and to monitor the market situation continuously.

4. The Methodology and the Model

As mentioned earlier, the main purpose of this article is to determine the impact of the marketing mix on the competitive advantage of small and medium enterprises in Addis Ababa Ethiopia. To this end, the study uses a descriptive-analytical approach to analyses data collected on the competitive advantage of the SME sector in Addis Ababa and the extent of the impact of the marketing mix (product, price, location and promotion). The accessible population in this study (a portion of the population with reasonable access to the researcher; a subset of the target population selected for Addis

Ababa) was 190 fulfilments the sample size was 95 (approximately 50% of the total population). For this reason, the sample size of this study reflects the characteristics of the population, so those sample findings can be generalised to the population. Data were collected for SMEs in the Addis Ababa region using a questionnaire distributed according to the Addis Ababa Corporate Bureau) 2019 records. The total population was 190. To achieve the objective of this study, 71 small and medium enterprises were approximately selected. However, the researcher processed only 71 questionnaires because the data was missing. The question paper consisted of two sections. The first is about the personal and statistical information of the respondents, and the second part is about the questions used to identify the impact of the marketing mix on the competitive advantage in the small and medium enterprise sector in Addis Ababa. The 5-point Likert-type scale format in this study will use standardized response categories. This format is simple to construct and is expected to produce a highly reliable scale. In addition, it's easy to read and complete for respondents. The scale range is distributed as follows: strongly agree = 5, agree = 4, not sure =3, disagree = 2, and strongly disagree = 1.

4.1 The Sample Size

The author used Table 1 (sample size categorical data) to demonstrate how to determine minimum returned sample size for a given population size for categorical data to use in multivariate analysis. According to (Barlett and journal), it is usual for researchers to have different opinions about calculation of sample size, but the procedures used in this process should always be reported. According to the SMEs AA, the total number of SMEs in Addis Ababa Bole total number of managers, general managers, and CEOs in 211 SMEs in Bole is 1100 (Table 2).

Table 1: Sample size categorical data

Sample size categorical data		
Population size	(Margin of Error = 0.05, P = 0.50, t = 1.96)	(Margin of Error = .05, p = .50, t = 2.58)
100	80	87
200	132	154
300	169	207
400	196	250
500	218	286
600	235	316
700	249	341
800	260	363
900	270	382
1000	278	399

Source: SMEs Addis Ababa location distribution

Table 2: SMEs in Addis Ababa as per location

Location/ districts	Number of SMEs	%
Kolfe	208	19
Yeka	309	28
Bole	190	17
Nifassilk	193	18
Akaki	210	18
Total	1100	100

Source: Addis Ababa Innovation and Enterprise sector (2020)

4.2 Analysing the Data and Findings

Both quantitative and qualitative analysis techniques were employed. The data has been analysed and presented using SPSS 25, Excel spreadsheet, tabulation, charts and graphs. The five-point Likert-scale questionnaires were analysed by determining the cutoff value of the points and qualitative technique was provided to analyses the interviews. This section presents statistical analysis for the collected data, with the tables in this section presenting the results (means, standard deviation, and evaluation level) for each theme.

Table 3 shows that the majority of respondents have a high evolution level for the product items ($M = 4.67$, $SD = 0.57$). The mean for all items is above 4.47 which means that the majority of the targeted sample evaluate the product items in a positive way. The first item with regard to product theme came first order in terms of the priority of the respondents ($M = 4.76$, $SD = 0.73$), while the second item came last (Item Order 4) in terms of the priority of the respondents ($M = 4.47$, $SD = 0.68$).

Table 3: Mean and SD for the Product Items (N = 95).

Item	M	SD	Items order	Evaluation level
The SME sector's products and services are characterised by good quality.	4.76	0.73	1	High
The small and medium sector in Bole always strives to develop its products and services to create a competitive advantage.	4.75	1.3	2	High
The Small and Medium sector in Bole provides diversification in its products and services.	4.47	0.68	4	Medium
The Small and Medium sector in Bole takes care in terms of designing and packaging its products.	4.71	0.81	3	High
The product	4.67	0.57	—	High

Table 4 presents the means and SDs for the price of items. The mean for the price theme is high ($M = 5.12$, $SD = 0.84$). These statistical results show that there is a positive evaluation for the price items from the respondents' perspective. The first priority of the respondents with regard to this theme is the affordability of the products and services ($M = 5.24$, $SD = 1.03$). The sales and payment period is of low priority for the respondents ($M = 4.47$, $SD = 0.68$).

Table 4: Mean and SD for the Price Items (N = 95)

Item	M	SD	Items order	Evaluation level
The Small and Medium sector's products and services are affordable.	5.24	1.03	1	High
The Small and Medium sector in Bole uses a competitive pricing strategy.	5.14	1.43	2	High
The Small and Medium sector in Bole provides sales and gives flexible payment periods.	4.98	1.49	3	High
The price	5.12	0.84	—	High

Table 5 illustrates the means and SDs for the place theme. The majority of the respondents have agreed that there is a medium evaluation level for the distribution system in the case of Boles SMEs (M = 4.47, SD = 1.62). The respondents' priority in terms of this theme is the available information and details about the products or services produced by SMEs in Bole (M = 4.90, SD = 1.34).

Table 5: Mean and SD for the Place Items (N = 95)

Items	M	SD	Items order	Evaluation level
The Small and Medium sector's products are always available in the market	4.76	0.73	2	Medium
The Small and Medium sector in Bole provides detailed information about its products and services.	4.90	1.34	1	High
The Small and Medium sector in Bole has an effective distribution system.	4.47	1.62	3	Medium
The place	4.71	1.06	—	Medium

Table 6 presents the means and SDs for promotion theme. In general, the respondents have a medium evaluation level for the promotion theme with regard to Bole SMEs (M = 4.60, SD = 0.80) although there is high evaluation level for the promotion campaigns in this sector (M = 4.85, SD = 0.99). Majority of respondents believed that the promotion activities for Bole SMEs should be more attractive (M = 4.43 SD = 1.34). In terms of this theme, the promotion campaigns are the first priority for the targeted sample (M = 4.85, SD = 0.99).

Table 6: Mean and SD for the promotion Items (N = 95)

Items	M	SD	Items order	Evaluation level
The promotion for Bole Small and Medium Enterprises is clear and attractive.	4.43	1.34	3	Medium
The Small and Medium sector in Bole provides samples to identify its products.	4.52	2	2	Medium
The Small and Medium sector in Bole has a plan for promotion campaigns on a regular basis.	4.85	0.99	1	High
The promotion	4.60	0.80	—	Medium

Table 7 presents the descriptive analysis for the relative importance for each of the marketing mix elements on the part of Bole SMEs. It is obvious that the market in the Bole Cluster Small and medium Enterprise sector is characterized by price sensitivity. According to the respondents in this study, price comes in first place in terms of the relative importance of the marketing mix elements.

Table 7: Mean and SD for the Marketing Mix Elements in Bole SMEs (N = 95).

The marketing mix elements	M	SD	Relative importance
The Product	4.67	0.57	3
The Price	5.12	0.84	1
The Place	4.71	1.06	2
The Promotion	4.60	0.80	4

Note: SME = small and medium enterprise.

Table 8 illustrates the statistical analysis for the competitive advantage variables in terms of Bole's SMEs. The general impression of the respondents with regard to this theme is that there is a medium level of satisfaction with regard to the competitive advantage in Bole's SMEs (M = 4.5, SD = 1.19). The majority of the respondents consider the distribution system as it applies to Bole small and medium enterprises as being the most effective factor in achieving a competitive advantage (M = 5.24, SD = 1.03), followed by the profitable relationships with the customers (M = 4.75, SD = 0.73). On the contrary, most of the respondents feel that the product quality of Bole's SMEs is not so good as to create a competitive advantage (M = 4.33, SD = 1.43).

Table 8: Mean and SD for the Competitive Advantage Variable in Boles' SMEs (N = 95).

Items	M	SD	Items Order	Evaluation level
The quality of Bole Small and Medium Enterprise products and services is good, and creates a competitive advantage for them.	4.33	1.43	6	Medium
Bole Small and medium enterprise's products and services have a good reputation.	4.34	1.29	5	Medium
Bole Small and Medium Enterprises can create a profitable relationships with their customers.	4.75	0.73	2	High
The distribution system of Bole Small and Medium Enterprises is able to create a competitive advantage.	4.83	1.38	1	High
The pricing strategies of Bole Small and Medium Enterprises can create a competitive advantage.	4.45	0.76	4	Medium
The promotion activities of Bole Small and Medium Enterprises involve creating a good image in the minds of its customers	4.65	1.81	3	Medium
The competitive advantage variable	4.50	1.19		Medium

Note: SME = small and medium enterprise

4.3 Hypotheses Test Results

Before this stage, the researcher applied some tests to analyses the properties of the collected data such as a homogeneity test and a multi collinearity test. However, both of these tests have been done and meted. The variance inflation factor (VIF) test results show that the VIF values are less than the critical value as shown in Table 9.

Table 9: VIF Test. The independent variable

Variable	Tolerance ^a	VIF	The critical value
The product	0.683	2.11	5
The price	0.298	5.388	5
The place	0.266	6.042	5
The promotion	0.41	3.953	5

VIF = variance inflation factor

^aThe accepted variance

Table 10 illustrates the multiple liner regression analysis used to test the marketing mix elements (product, price, place, and promotion) in terms of achieving a competitive advantage on the part of Bole's SMEs. The product element in this study explained 46% of the changes in competitive advantage for the SME sector in Bole. The β value for the product is

.658 which means that the SME sector in Bole can increase the involvement of the product element about its competitive advantage level by 60%. The t value is 20.227 (larger than the tabular value 1.96). The P-Value is less than $\alpha = .05$. All these statistical results support the H1 about the significant role of product in achieving a competitive advantage on the part of Bole SMEs. In the same context, price, place, and promotion explain 73%, 68%, and 66%, respectively, of the factors that may impact on the competitive advantage in this study sample. The price, place, and promotion elements can increase the level of competitive advantage in Bole's SMEs by 85%, 82%, and 81%, respectively. However, all of those elements have a significant impact on achieving competitive advantage in the case of Bole's SMEs tools in Bole. The social media should also be involved as one of the promotional activities in the SME sector in the Bole Administration.

Table 10: Multiple regression Analysis

Hypothesized Statement	β	R^2	<i>T value</i>	P value	Decision
H1: Product impact on achieving competitive advantage	.658	.505	20.227	.000**	Supported
H2: Price impact on achieving competitive advantage	.938	.795	36.556	.000***	Supported
H3: place impact on achieving competitive Advantage	.904	.743	36.262	.000***	Supported
H4:promotion impact on achieving competitive advantage	.893	.725	31.13	.000***	Supported

P<.05, ***p<.01

4.3.1 Pricing Strategies Suggested Based on Research Findings

The similar SME sector should use effective pricing strategies considering a wide range of factors such as competitors' offers and delivery costs. A good pricing strategy helps SMEs determine the price point at which they can maximize profits on sales of their products and services. However, the SME sector in Bole has to be careful when they set pricing strategies because customers will not buy more expensive products and lower prices will not cover all of the business costs. With marketing mix components, price has a profound impact on the success of the SME sector in Addis Ababa. According to research results, various pricing strategies can be implemented when setting prices for SME's products and services in Addis Ababa: Within the sample size of this study, there were some SMEs selling unique products and services; The best pricing strategies for this type of business are premium pricing (also known as image pricing or stock pricing).

In this strategy, the price of the product will be higher than the normal market value, which will give the customer the impression that a product or service is worth more than similar offers. While this pricing strategy may deter some customers, on the contrary, it will create a market feeling that will ultimately lead to higher returns. In the same context, some of the sample size of this study is still in its infancy; They want to impress customers by offering low prices on their products and services. The recommended pricing strategy in this case is the penetration strategy, which is suitable for the SME sector to attract attention from other competitors. For SMEs dealing with food suppliers and discount retailers, the appropriate strategy to be implemented in this regard is economic pricing strategy. This strategy aims to attract the high price sense of the customers by marketing and reducing the cost associated with the product to reduce the cost of the products. SMEs with this strategy should target customers who want to buy their needs without agility.

As for the target customers of some SMEs with the highest price sensitivity, they should plan to increase demand by creating an illusion of enhanced value for their target customers using a psychological pricing strategy. This strategy refers to the techniques used by marketers to motivate customers to respond on emotional levels rather than logical ones. For example, setting the price of an item to US \$ 99 has proven to be more attractive to consumers than setting it at US \$ 100, although the actual difference here is very small. One explanation for this trend is that consumers tend to focus more on the first number in the price index than the last number.

5. Conclusion and Recommendations

From the above discussion of the effect of marketing mix elements (product, price, location and promotion) on achieving a competitive advantage in the case of Boles' SMEs, this study concludes that marketing mix components play an important role as well as competitive advantage in the governorate as part of the SME sector. According to the results of this study, the most effective element price when achieving competitive advantages. In fact, it would increase the level of competitive advantage by 85% for SMEs like price. This suggests that Boles' SMEs should pay more attention to this element in a more robust market environment. In general, this study shows that marketing mix components play a significant role in creating and increasing competitive advantage in the SME environment in Bole. Based on innovation and discussion, to create a competitive advantage for Boles' SME products and services. Some suggestions in this regard are as follows:

The marketing environment in Bole is price sensitive. Therefore, the SME sector should offer affordable products and services taking into account the income level of its customers and their culture. There is a consensus based on the results of this study on the poor quality of SME products and services in Addis Ababa. Therefore, SMEs need to develop the quality and performance of their products and services to create a competitive advantage. However, the SME sector in Bole has to be careful when they set pricing strategies because customers will not buy more expensive products and lower prices will not cover all of the business costs. According to research results, various pricing strategies can be implemented when setting prices for SME's products and services in Addis Ababa: Within the sample size of this study, there were some SMEs selling unique products and services; The best pricing strategies for this type of business are premium pricing (also known as image pricing or stock pricing).

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SMEs like Bo should focus on advertising activities to make their products and services clear and attractive. In general, there is a lack of advertising response on emotional levels rather than logical ones. For example, setting the price of an item at US \$ 99 has proven to attract more consumers than setting it at US \$ 100, although the real difference here is very small. One explanation for this trend is that consumers tend to focus more on the first number in the price index than the last number.

5.1 Limitations of the Study

This article focuses on identifying the role of marketing mix (product, price, location and promotion) in achieving a competitive advantage in Bole in Addis Ababa. The population of this study was limited to the SME sector in Bole. Due to the changing marketing environment and customer culture, we cannot generalize the findings of this study to other governors in Addis Ababa. However, this article adds to the literature on marketing mix elements and the competitive advantage in Addis Ababa and other regions where literature is still scarce in this context. In addition, the study reports some results and makes several recommendations to achieve a competitive advantage in the SME industry using the appropriate marketing mix.

5.2 Further Research Study

This study can be a stage for the coming researches in SMEs in Addis Ababa setting. The collected information and factual data are up to date and can be valuable for advance inquire about. As there's a need in researches on marketing concepts and competitive advantage in SME division in Addis Ababa, Ethiopia, this study includes to the writing on this

field. In any case, the showcasing marketing mix and its part on accomplishing a competitive advantage in SME division in Addis Ababa still require advance considers to cover other measurements of this region. The marketing mix components (product, price, place, and promotion) are as it were a few measurements which are constrained to this think about. As this consider was conducted in Addis Ababa, Ethiopia, which is one of capital City of Ethiopia, encourage researches can be carried out in other locales that will reveal more clarification of how to make a competitive advantage by actualizing marketing mix concepts in SME sector.

In Ethiopia context, the culture is distinctive from one locale to another, which comes about in changing of showcasing environment in each locale, so encourage inquire about can be conducted base on this contrast and characteristics of each locale. Advance ponder on the impact of the competitive advantage and showcasing blend concepts can be expanded to other segments such as huge estimate organization, not-for-profit-organization, and so on. This study exploited overview direct on which findings were subjective to the conclusions of each respondent based on the survey things; in assist thinks about, other inquire instrument of information collection ought to be used. In expansion, the scope of advance study can be in surveying more estimating procedures that can be actualized in 10 Small and Medium Enterprises segment.

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