

Effect of Strategic planning on marketing performance of Real estates in Addis Ababa, the case of Ayat, Noah Gift and Ovid Real estates

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ABSTRACT

The primary goal of this research is to explore Strategic planning elements that impact Marketing performance of Real estate companies in Addis Ababa. The study used quantitative and qualitative research methods, as well as data from primary and secondary sources.

For the study representative real estate companies are selected from Addis Ababa with binary stage. According to EIC there are 630 licensed real estate companies in the country out of which 125 are existing in Addis Ababa, of which 3 (three) are pioneer, most experienced and market leader and 1 (one) is newly joined the industry are selected.

The respondents are selected by employing purposive sample from each Real estate. Total population for the study total 125 (One Hundred Twenty Five) management staff of the 4(Four) Real estate companies each with varying number. 62 (Sixty two) sample respondents with 50% margin of error and 95% confidence interval taken proportionately from each real estate are supposed to be representative enough. However; since the population size is small, to have better informed answer 125 (One hundred twenty five) questionnaires were distributed, out of which 120 (One hundred twenty) being returned. The data is sorted, processed, calculated, and analyzed using the Statistical Package for Social Science Software (SPSS).

This study attempted to analyze the primary factors that impact the marketing performance of the sector by building a conceptual model with 4 (four) independent variables and 1 (one) dependent variable. The result indicted that all determining variable are statistically significant and affect market performance positively.

Finally, the study recommended, the importance of strategic management in the real estate sector of Addis Ababa. Companies that strategically plan their operations effectively manage costs, address affordability challenges and adapt to market dynamics are poised for sustainable growth and competitive advantage. Continuous evaluation, adaptation and innovation are essential for navigating the complexities of the real estate market and achieving long-term success.

Keywords: Strategic Planning, Marketing Performance, Cost reduction strategies, Strategic partnership, Acquisition strategy

1. Introduction

Ethiopia's population is 126 million people in 2023. Ethiopia's population has increased significantly during the previous 50 years, expanding from 30.7 million to 126 million people at an increasing yearly rate that peaked at 4.30% in 1991 and then fell to 2.55% in 2022/3. Ethiopia's female population is roughly 61.4 million in 2022, while the male population was approximately 61.98 million. Ethiopia's population growth rate is significantly higher than the global average and it is among the highest in Africa.

Ethiopia's urban population is expected to triple by 2037 (World Bank Group, 2015). Addis Ababa is the home of an estimated 3.24 million people 17% of Ethiopia's total urban population (Tsegaye, 2010). Because of on-going rural-to-urban migration, the city's population is constantly growing, resulting in a housing scarcity. When we look at the trends of housing development in Addis Ababa, however, it is evident that demand and supply are not matched, with the gap between demand and supply growing drastically. This has the effect of raising home prices.

Addis Ababa is not only the capital of Ethiopia, but also the home of many continental and international organizations. It has also served as an economic, manufacturing and cultural center from its inception. Ethiopia's population is increasing at a rate of roughly 2.7% per year, with no forecast peak year or period of decline (World Population Review, 2021). Ethiopia has a birth rate of 36 births per 1,000 inhabitants. The fertility rate is 4.1 children born per woman. Religion, as well as lack of contraception has a significant part in Ethiopia's high birth rate. Because of the growing need for more resources, the economy's ability to grow and develop at a faster rate has been hampered by the disproportionate population expansion. Due to its rapid population growth, Ethiopia remains one of the world's poorest countries (World Population Review, 2021).

The global real estate business is one of the most profitable businesses in many economies and an indicator of a society's economic growth (Romer & Romer 2017). In Africa, real estate (housing) is recognized as becoming an attainable reality in transformative home ownership. However, access to finance, legal frameworks, marketing strategies, infrastructure facilities and advanced technology for real estate development is underdeveloped in many of these economies. These factors clearly affect financial performance and thus property development (Lohri, Camenzind et al., 2014). Ethiopia's economy has developed fast over the last decade, averaging 10% each year from 2013/14 to 2023/24. Construction and services industries, in particular, have been major development drivers over the last two decades (World Bank, 2020).

The Real estate business in Ethiopia is also becoming one of the most profitable, high in demand sectors and major business investment. The sector majorly resides in Addis Ababa, one of the top fastest growing cities in Africa, which makes the city the right destination for real estate companies in Ethiopia to invest in to build luxury homes. The industry has played a vital role in domestic economic growth, especially over the past two decades. It has also seen income generated from the real estate industry grow each year (Fortune, 2018). However, the average

growth rate of the sector has not demonstrated considerable growth since 2011/12. The annual growth of real estate development has become almost stagnant at an average of 4%, declining from the highest growth of 22.1% in 2009/10 to 4.1% in 2016/17. Similarly, the market share of real estate activities as a percentage of GDP has continuously declined, from 18.4% in 2012/13 to 10.9% at 2016/17 (NBE, 2017).

Previous studies have pointed to evidence that several factors have determined the performance of real estate companies in Ethiopia. The most common issues faced by the real estate industry in Ethiopia are challenges in acquiring land related to lengthy bureaucratic administrative processes and high/rising land lease price, Lack of dependable supplier of construction materials and limited finishing material supply which is delaying the delivery of finishing material, lack of foreign currency to import construction materials and causing construction material price escalation, Lack of long-term loans to fiancé real estate sector, Low Building Capacity and shortage of low-cost or economical construction technology and construction technology adoption, Inadequate infrastructure and poorly developed marketing approach that failed to take into account purchasing power of Ethiopian real estate buyers are among other issues investigated using fragmented local studies, preliminary surveys and field visits, discussions with Ethiopian real estate business experts and construction engineers (Alemayehu, 2021).

According the EIC data, currently, there are around 630 real estate investments across the country of which 125 are located in Addis Ababa with a registered total investment capital of 3.5 billion ETB.

Regardless of the number of real estate companies in Addis Ababa, the price of apartment house is now increasing and becoming unaffordable to the majority of peoples in line with their prevalent demand, particularly in urban areas. This trend is influenced by factors like urbanization, a growing middle class or economic growth and infrastructure development. On the supply side this challenge of not being able to supply sufficient affordable housing to meet the demands, informal settlements have increased in the city and also the price difference among the developers is very fragmented and volatile in the industry, which has intimidating their marketing performance i.e., Sales volume and market share.

Evidence from most studies show that almost all Real estate companies do business on custom base and has the impediment of implementing their strategic plan developed. The starting point for this research, therefore, is to investigate the extent to which Real estate businesses in Ethiopia adopts strategic planning practices in their day to day running of their business. This shall form the basis for the first research question.

Hence, this research seeks to assess how Ethiopian Real estate companies conduct strategic planning and what challenges impede these Real estate firms having a proper or workable strategic plan and what best practice if any is identified or developed. The expected outcome of this research is to ascertain whether internal business plans such as having a strategic planning practice, enhances both the survival and marketing performance of Real estate businesses in Ethiopia, as empirical data from developed economy highlight the importance of embracing

strategic planning practices. It is also hoped that the study will shed more light on the correlation between strategic planning practices and the marketing performance of Real Estate businesses in Ethiopia from a different perspective.

1. Literature Review

2.1 The concept of Strategic planning

Strategic planning is an organization's process of defining its strategy or direction and making decisions on allocating its resources to attain strategic goals (Wikipedia, the free Encyclopedia). Furthermore, it may also extend to control mechanisms for guiding the implementation of the strategy. Strategic planning became prominent in corporations during the 1960s and remains an important aspect of strategic management. It is executed by strategic planners or strategists, who involve many parties and research sources in their analysis of the organization and its relationship to the environment in which it competes (Wikipedia, the free Encyclopedia)

2.2.1 Challenges facing the real estate business:

- 1. Land Ownership:** Land ownership in Ethiopia is primarily controlled by the government. While individuals can obtain leasehold rights for residential or commercial purposes, freehold ownership is limited to Ethiopian citizens. This can pose challenges for foreign investors and limit their ability to fully own properties.
- 2. Access to finance:** Limited access to finance is a significant challenge for both developers and potential buyers in Ethiopia. The mortgage market is underdeveloped, with high interest rates and stringent lending criteria. This makes it difficult for individuals to secure financing for property purchases and developers to access capital for construction projects. (Andualem Gessese; July, 2023).
- 3. Infrastructure deficiencies:** Despite ongoing infrastructure development, there are still deficiencies in terms of road networks, utilities, and public services in some areas. These deficiencies can impact the attractiveness and viability of real estate projects in certain locations (Andualem Gessese; July, 2023).
- 4. Bureaucracy and Red Tape:** The bureaucratic processes involved in acquiring permits, licenses, and approvals can be time-consuming and complex. Streamlining these processes and reducing red tape would facilitate real estate development and attract more investment (Andualem Gessese; July, 2023).
- 5. Market Transparency:** The lack of reliable data and market transparency poses challenges for investors and buyers in making informed decisions. There is a need for improved data collection, analysis, and reporting to enhance market transparency (Andualem Gessese; July, 2023).

2.2.2 Affordability

The affordability of real estate houses in Ethiopia is influenced by various factors such as location, size, quality and demand. Ethiopia is a country located in the Horn of Africa and has experienced significant economic growth in recent years. However, the real estate market in

Ethiopia is still developing and faces challenges in terms of affordability for the majority of the population.

2.3 Effect of strategic planning elements on market performance

2.3.1 Strategic Planning and Marketing Performance

The term "Strategic management" can be defined in a variety of ways. According to (Anwar & Qadir, 2017), is a combination of actions and decisions that determines the long-term performance of a company. It entails scanning both the internal and external environments, developing strategies such as strategic planning, implementing strategies, monitoring and controlling them, (Anwar & Ghafoor, 2017). The term "planning" in management is a process of preparing ways to use resources more economically and efficiently so that the purpose of the company is achieved. In management Ansoff introduced the concept of "strategic planning" in early 70s, (Muhammad Khalique (Dr.), Nov 2014).

The formation of a strategic plan is what strategic management is all about (Anwar & Qadir, 2017). It entails the deployment and implementation of strategic plans, as well as their subsequent measurement and evaluation (Anwar & Shukur, 2015). Setting out the plan and distributing it to all members of the organization is what deployment entails. Allocating resources to the plan, as well as executing the appropriate activities, are all part of the implementation process (Anwar & Surarchith, 2015). (Anwar, 2016) defines strategic management as the analysis, decisions, and actions taken by a company to achieve and maintain a competitive edge. The process of analysis entails determining strategic goals, such as vision, mission, and objectives, while taking into account the firm's internal and external environments. It is critical to make judgments based on analysis; a company must pick which industry to compete in and how it should compete in that sector (Anwar, 2017). Some companies do better than others as a result of their strategies; strategic management gives managers with the information they need to determine how their companies compete in order to achieve long-term growth and profitability (Aziz et al. 2021).

Based on the empirical review on the previous discussion, it is hypothesized that:

H₁: Strategy planning has significant and positive association with Market performance

2.3.2 Acquisition Strategy

An acquisition strategy is a plan that companies use when purchasing or obtains other business, it is called an acquisition. During an acquisition, it's important for businesses to have a strategy or plan in place. Next to building own strategy, there are some common acquisition tactics that companies might use in specific situations. (Jill Conway; July 2021)

Sales Growth Strategy

Sales growth strategy is when a company buys a business in order to help it grow and develop. Sometimes, it's difficult to grow a business organically because it faces a lot of challenges, which can slow its progress and development. Acquiring businesses in the same industry can help them grow more quickly and easily.

Backward Integration Strategy

Backward integration strategy is when a company buys businesses that supply input to its production, so that it will have complete control over its production process and cost. This can help to keep its production time and cost minim.

Low-Cost Strategy

Low-cost strategy is when a company acquires several businesses with the hopes of increasing its sales volume. With a high enough sales volume, the company can then offer some of its products for an incredibly low price. The low price combined with the large sales volume often maintains an effective revenue stream that competitors can't match. When they look for acquisition opportunities, companies often search for businesses that have a lot of customers and products that could be manufactured and sold at a low cost.

According to the literature acquisitions strategy are typically made in order to take control of and build on the target company's strength and synergies. Consequently its' market performance will be improved.

Based on the empirical review on the previous discussion, it is hypothesized that:

H₂: Acquisition strategy has significant and positive association with market performance

2.3.3 Strategic Alliance/Partnership

Strategic alliances/partnership developed and propagated as formalized inter-organizational relationships, particularly among companies in international business systems. These cooperative arrangements seek to achieve organizational objectives better through collaboration than through competition (Umar, A. M. 2020).

Strategic alliance/partnership is critical to organizations for a number of key reasons:

1. Organic growth alone is insufficient for meeting most organizations' required rate of growth (Umar, A. M. 2020).
2. Speed to market is essential and partnerships greatly improve it (Umar, A. M. 2020).
3. Complexity is increasing and no single organization has the required expertise to best serve customers (Umar, A. M. 2020).
4. It can defray rising research and development costs (Umar, A. M. 2020).
5. It facilitates access to global markets (Umar, A. M. 2020).

The strategic alliance/partnership aims to achieve synergy, ensure firm's survival, provide access to critical resources that allow gaining and maintaining competitive advantages, promote cooperation between enterprises, advancement of knowledge, reduction of overspecialization, improving the level of service, rapid innovation, outsourcing, learning, customer acquisition, etc. (Umar, A. M. 2020)

According to the literature, strategic alliance refers partnership of independent institutions or companies for mutual benefit of achieving their strategic goal, it is becoming an important form of business activity in many industries, particularly in view of the realization that companies are

competing on a global field. Strategic alliances are not a panacea for every company and every situation. However, through strategic alliances, companies can improve their competitive positioning, gain entry to new markets or marketing performance.

Based on the empirical review on the previous discussion, it is hypothesized that:

H₃: Strategic alliance has significant and positive association on market performance.

2.3.4 Pricing (Growth) strategy

A growth strategy is a plan of action to increase a business's market share. If your company is looking to expand, a market growth strategy will enable to chart the path to expansion, taking into account the industry, target market and finances (Jackie Chongcs, Sept. 2022). The Ansoff Matrix summarizes four high-level business growth strategies employed by companies; these are Market penetration, Market development, Product development and Diversification.

Companies can increase their market share through various means such as increasing marketing and advertising efforts, improving product features, offering discounts and promotions, or expanding distribution channels. Reach new customer segments or geographic regions with the company's existing products. The company may leverage its success by entering new markets, once they already developed a successful product and customer base. This can be done through establishing new distribution channels, or entering into new partnerships (Muhammad Asif Yusuf, Feb. 2023).

Based on the empirical review on the previous discussion, it is hypothesized that:

H₄: Pricing Strategy has significant and positive effect on and market performance.

2.3.5 Cost reduction and Differentiation (Generic) Strategies

The first challenge faced by firms that enter into the market is finding a way to survive in that market. Statistics and studies that are done have shown approximately one-third of new European firms do not reach the second year of their existence, whereas 50%–60% of them do not manage to survive till the seventh year. Currently, firms are losing their energy to find methods that offer them to maintain the existing position in the market, as well as to increase the market share and profit (X Islami, 2020).

Porter's generic strategies describe how a company pursues competitive advantage across its chosen market scope or determines a firm's relative position within its industry whether a firm's profitability is above or below the industry average. There are three/four generic strategies, either lower cost, differentiated, or focus. A company chooses to pursue one of two types of competitive advantage, either via lower costs than its competition or by differentiating itself along dimensions valued by customers to command a higher price. A company also chooses one of two types of scope, either focus (offering its products to selected segments of the market) or industry-wide, offering its product across many market segments. The generic strategy reflects the choices made regarding both the type of competitive advantage and the scope (Wikipedia, the free Encyclopedia).

Based on the empirical review on the previous discussion, it is hypothesized that:

H₅: Cost management and differentiation strategies has significant and positive association with market performance

2.4 Conceptual Framework

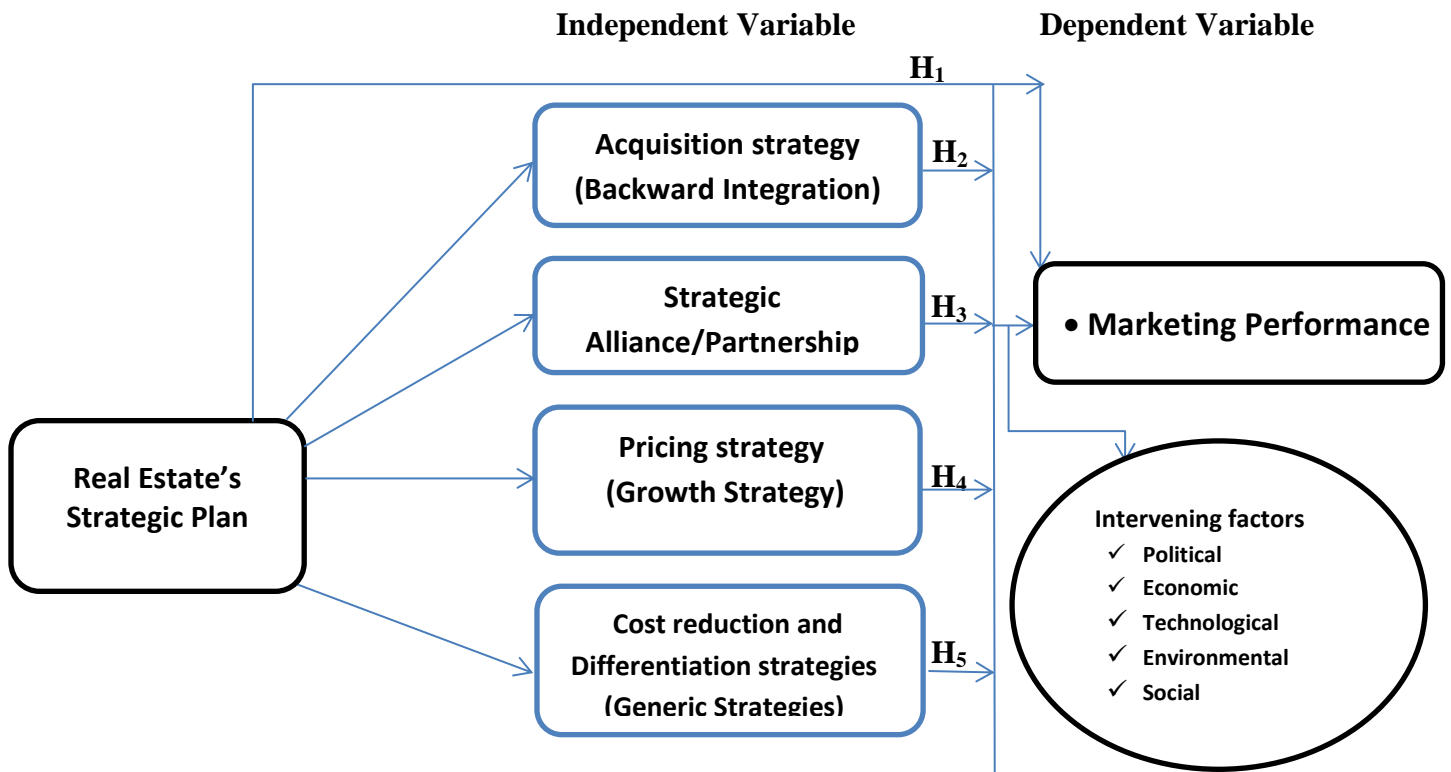


Fig 2.1: Conceptual Framework

Source: Researcher Construct (2024) based on literatures review

The frame work shows the strategic plan independent variables Acquisition strategy for Backward Integration, Strategic alliance/partnership and Pricing strategy (Growth strategy) and Cost reduction and Differentiation (Generic strategies); affect the measurable outcomes of Market Performance i.e., sales volume and market share. This study therefore is undertaken to explore the extent of influence the independent variables comprehensively or interactively have on the dependent variable constructs. As theory and some empirical works postulate, there is positive relationship between these variables. There are however, intervening factors like Political, Economic, Technological, Environmental and Technological, which could disrupt the relationship hypothesized in this study.

3

Methodology

3.1 Description of study area

This study examines the marketing performance of the real estate's businesses in Ethiopian specifically of Ayat, Gift, Noah and Ovid Real estates in relation to their strategic planning. These real estates are selected based on their marketing performance or market share as a leader in the industry for time and resource constraints.

3.2 Research Approach

Both qualitative and quantitative research methodologies are used by the researcher. To get insight and knowledge of the condition in the real estate market performance, a qualitative research method is used. The variables of the study are Acquisition strategy for cost reduction, Strategic alliance for addressing unaffordability issue, Growth strategies and Generic strategies as independent variables and market performance as dependent variable. A quantitative research approach is used to examine variables of the study.

3.3 Research Design

This research used both explanatory and descriptive research designs are used to describe the situation in the market as it exists. The use of this method believed contributes to identifying the factors affecting the market performance of real estate in Addis Ababa by addressing who, what, when, where and how questions. Due to different constraints, depth analysis of large number of sample becomes unattainable. Thus, deductive approach is used to undertake this research. In addition, explanatory research design attempts to clarify why and how there is a relationship between two aspects of a situation or phenomenon. Therefore, based on the research question and objectives of the study, explanatory research design is used in order to carry out the study.

3.4 Data sources and types

Both primary and secondary data is collected for the purpose of this research.

3.4.1 Primary Data Source

Primary data for the study specific purpose is obtained by administering questionnaire to respondents and gathered with the help of field assistants and colleagues due to time constraints.

3.4.2 Secondary Data Source

The secondary data for the study is collected by reviewing books, Internet and industry reports.

3.5 Population and Sampling Technique

Population of the study comprises Management staffs in the selected Real estate companies. The researcher first divided the real estate companies by geography. According to EIC data; there are 630 Real estate investments across the country, out of which 125 (One Hundred Twenty Five) are located in Addis Ababa. The researcher chooses the Real estate companies that are found in Addis Ababa, who are leaders with higher market share and 1 (one) newly joining the industry. Accordingly, the researcher specifically chooses Ayat, Gift, and Noah as leaders and Ovid Real estate newly joined the Industry.

Second to ensure that all the various respondents in the sampling frame is surveyed; senior and middle level Managers from these Real estates' willing to fill out the questionnaire is picked using confidence sampling. The objective is to have credible representation of respondents.

According to the researcher, data is collected from each Real estate and the number of management staffs at each Real estate is as follows:

S.N	Company Name	No., of Senior and middle level managers (Director, Sales Managers & Supervisors) of the selected Real estates	Population Proportion (Calculated Sample Size)	Actual Sample Collected
1	Ayat Real Estate	45	22.32	41
2	Noah Real Estate	25	12.4	24
3	Gift Real Estate	30	14.88	30
4	Ovid Real Estate	25	12.4	25
	Total	125	62	120

$$n = \frac{Z^2 p (1-P)/e^2}{(1 + (Z^2 p (1-p)/ (e^2 N))}$$

$$(1.96)^2 (0.50) (0.50) / (0.05)^2 / (1 + (1.96)^2 (0.50)(0.50) / (0.05)^2 (125)) = \underline{62}$$

Where:

n is the sample size

Z is the z score

e is the margin of error

N is the population size

P is the population proportion

A sample size of 62 (Sixty Two) respondents proportionately selected from each real estate is considered to be adequate and representative enough to give informed answers to the research question.

3.6 Ethical considerations

Special attention is given for ethical issues in reference to ethical guide lines. The researcher makes sure that respondents have received clear briefing on the purpose of the study, the right to participate voluntarily, the right to ask questions, the right to have access to the copy of the final report of the study, the right to have their privacy respected and finally the right to choose not to respond to some particular questions.

3.7 Data Analysis

There are two sections to the interview process. The first section is arranged around the demographics of the respondents, while the second section is organized around the study objectives. The qualitative data collected via interview from willing marketing/sales management of the real estate companies is sorted, categorized in a logical sequence and discussed. Respondents provided quantitative data in response to a survey question, sorted, processed, calculated and analyzed using Statistical Package for Social Science Software (SPSS).

According to the aims and descriptors, appropriate statistical analyses such as Frequency, percentage, means, standard deviation. The interdependence between the independent and dependent variables is further investigated using correlation analysis. Finally, regression analysis is used to do hypothesis testing. The data is utilized in accordance with the objectives and

descriptions. Table and Graphic representation are created using descriptive data analysis approaches to show the analyzed data.

3.8 Model Specification

The necessary data for the study is collected, analyzed and interpreted. The questionnaires are manually sorted out by editing, classifying and collecting, so that they are suitable for further analysis. The analyzed data is organized in tables and percentage computations mean standard deviation and analyzed through correlation and multiple regressions. The quantitative study is analyzed using the multiple linear regressions specified as follows:

$$Y_1 = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where Y_1 is the dependent variable Market performance, X_1 is Acquisition strategy for cost reduction, X_2 is Strategic alliance for addressing unaffordability, X_3 is Growth strategy, X_4 is Generic strategy, and e is random error term.

3.9 Reliability and Validity Test

3.9.1 Reliability test

The reliability of a measure indicates the extent to which it is without bias (error free) and hence ensures consistent measurement across time and across the various items in the instrument. In other words, the reliability of a measure is an indication of the stability and consistency with which the instrument measures the concept and helps to assess the “goodness” of a measure. (Sekaran, 2019)

Consistency with in the items of the questionnaire (internal consistency) and their reliability is measured using Cronbach Alpha.

Table 3.1 Reliability

Variables	No. of Items	Cronbach's Alpha
Extensive strategic planning and successful marketing performance	7	0.73
Cost reduction and market performance.	8	0.74
Unaffordability and market performance.	6	0.78
Market price and market performance	8	0.72
Effectiveness in strategic planning.	6	0.82
Overall	39	0.76

Cronbach's Alpha coefficients for each variable demonstrated favorable reliability with Cronbach's Alpha value ranging from 0.72 to 0.82, all surpassing the commonly accepted threshold of 0.70. These coefficients indicate that the items within each variable group reliably measure the same underlying construct. Moreover, the overall Cronbach's Alpha for the entire set of variables was 0.76, suggesting a strong level of internal consistency across the comprehensive measurement instrument consisting of 39 items. This reliability assessment underscores the robustness of the measurement tool employed in capturing and evaluating the targeted dimensions of strategic planning and marketing performance in the study.

3.9.2 Validity Test

Hair et al (2010) identify validity requires a thorough understanding of what is to be measured and making it as accurate and right as possible. The validity of results can be either internal or external. The internal validity aspect refers to the analysis of the findings and results obtained. The external validity refers to whether the results and findings can be generalized. Therefore, the results are confined to the organizations under study and that its findings are only to be generalized to the organization under study.

4 Data Analysis and Interpretation

4.1 Introduction

The purpose of this thesis is to investigate Effect of Strategic Planning on Marketing Performance of the Real estate Businesses in Addis Ababa. And in this chapter, the data gathered from respondents via surveys is displayed, evaluated, and translated in order to meet the study questions and goals stated in chapter one. The chapter covers non-response bias, respondents' demographic profile and descriptive statistics of the variables, correlation analysis, regression analysis ANOVA and hypothesis test of the findings. Utilizing Statistical Package for Social Science Students (SPSS) version 26; the data is analyzed and presentation using descriptive and inferential statistics.

1.2 Non-response bias and response rate

The study distributed 125 questionnaires among targeted respondents within the real estate sector in Addis Ababa to investigate the "Effect of Well-Designed Strategic Planning and on Market Performance of Real Estate Companies." A total of 120 questionnaires were effectively collected, resulting in a robust response rate of 96%. The remaining 5 questionnaires (4%) were not collected due to logistical challenges and non-response. While the high response rate enhances the reliability of the findings, potential non-response bias could arise, if the characteristics or perspectives of the 5 non-respondents differ significantly from those who participated. Efforts were made to mitigate this bias by understanding the reasons for non-response and ensuring that the collected data represent a broad spectrum of stakeholders within the real estate industry in Addis Ababa.

1.3 Demographic Background of Respondents

From the table below, the demographic characteristics of the respondents indicated that 70.83 percent were male whereas the remaining 29.17 percent of the responders were female. Regarding the age group of the respondents, 17.5 percent of the respondents were in the age group of 20-30, 49 percent in 31-40, 21.67 percent of the respondents in the age group of 41-50 11.67 percent of the respondents are above 50 year old.

Regarding the educational status of the respondents, 14.17 percent of the respondents are Certificate holders 18.33 percent are holder of Diploma, 30 percent are first degree holders, 22.5 percent are holder of Master's degree and 18 percent are holders of above Master's Degree. From the result in the table 4.1, more of respondents were a holder of Bachelor degrees.

Regarding the work experience of the respondents, 11.67 percent of the respondents are a below 1 year experience, 23.33 percent are 1-5 year experience, 15 percent of the respondents have 6-8 year experience in the industry, 20.83 percent of the respondents have 8-9 year experience and 29.17 percent of the respondents have more than 10 years' experience in the Real estate industry. From the result in the table below, more than 70 percent of the respondents have experience in the industry for more than 5 years.

Table 4.1 Demographic Background of the respondents.

Variable	Category	Frequency	Percentage
Gender	Female	35	29.17%
	Male	85	70.83%
	Total	120	100%
Age	20-30	21	17.5%
	31-40	59	49.17%
	41-50	26	21.67%
	Above 50	14	11.67%
	Total	120	100.0%
Educational Background	Certificate	17	14.17%
	Diploma	22	18.33%
	BA Degree	36	30%
	Master's Degree	27	22.5%
	Above Master's Degree	18	15%
	Total	120	100%
Work Experience	Below 1 Year	14	11.67%
	1-5 Years	28	23.33%
	6-8 Years	18	15%
	9-8 Years	25	20.83%
	Above 10 Years	35	29.17%
	Total	120	100%

Source: Authors computation based on respondents using SPSS 26 (2023)

1.4 Descriptive Statistics of the Variables

The study achieved a high response rate of 96%, with 120 out of 125 questionnaires effectively collected from targeted respondents within the real estate sector in Addis Ababa. This indicates strong participation and engagement from stakeholders, enhancing the reliability and validity of the study's findings. The remaining 4% (5 questionnaires) were not collected due to logistical challenges and non-response, which could potentially introduce non-response bias.

Table 4.2 Relationship between strategic planning and marketing performance

Statement	N	Mean	Standard Deviation
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Does your company engage in strategic planning for marketing purposes?	120	1.81	0.485
What is your level of agreement with the statement: Real estates' acquisition strategies significantly impact marketing performance?	120	2.65	0.768
How do you rate the impact of strategic alliances with different market stakeholders on mitigating the issue of unaffordability and improving market performance?	120	2.96	1.022
Do you agree that strategic planning contributes to the success of marketing initiatives in your company?	120	2.58	0.923
To what extent do you agree that growth strategies have a positive impact on market performance in the real estate business?	120	2.73	1.037
To what extent do you agree that generic strategies, such as cost leadership or differentiation, significantly influence performance in the real estate business?	120	2.38	0.875

Source: Authors computation based on respondents using SPSS 26 (2023)

Mean: Ranges from 1.81 to 2.96

Standard Deviation: Ranges from 0.485 to 1.037

Interpretation: Responses indicate varying degrees of agreement or disagreement with the impact of strategic planning on marketing performance, with some variability in responses as indicated by the standard deviations.

In summary, the data strongly suggests a perceived positive correlation between extensive strategic planning and successful marketing performance in real estate companies. The high levels of agreement regarding engagement in strategic planning, its effectiveness, and its contribution to marketing success reflect a strategic mindset aimed at optimizing marketing outcomes through structured planning and regular evaluation. Hence, the data paints a picture of real estate companies that recognize the pivotal role of strategic planning, in achieving marketing success.

Table 4.3 Strategies for cost reduction and their influence on marketing performance

Statement	N	Mean	Standard Deviation
Does your company implement cost reduction strategies in its operations?	120	1.65	1.12
Do you believe acquisition of other businesses in related industry as cost reduction strategies impact your company's market performance?	120	1.55	1.06

Regulation hurdles and policy challenges impact implementation of cost reduction strategies in your real estate operations?	120	1.75	0.99
Cost reduction strategies of your company should not compromise quality of your real estate offerings?	120	1.8	1.02
Cost-saving efforts of company should be communicated to potential buyers?	120	1.6	1.06

Source: Authors computation based on respondents using SPSS 26 (2023)

Mean: Ranges from 1.55 to 1.80

Standard Deviation: Ranges from 0.99 to 1.12

Interpretation: Generally low means suggest a trend towards less endorsement of these strategies, with moderate variability in responses as shown by standard deviations.

This suggests that companies in the real estate sector are actively engaged in efforts to manage operational expenses effectively.

This perception implies that reducing costs not only contributes to financial health but also enhances competitive positioning and profitability within the real estate market.

Table 4.4 Strategic alliance/partnership and its impact on marketing performance

Statement	N	Mean	Standard Deviation
Does your company use strategies to address the issue of unaffordability in real estate offerings?	120	1.48	1.07
Do you agree that your company strategic partnership with financial institutions have impact on your market performance	120	1.53	1.06
Do you agree that your real estate offerings are unaffordable?	120	1.59	0.94
Government policies play pivotal role in shaping your company's approach to addressing unaffordability?	120	1.91	1.04
Do you agree that there should be balance between profitability and affordability?	120	1.64	0.93

Source: Authors computation based on respondents using SPSS 26 (2023)

Mean: Ranges from 1.48 to 1.91

Standard Deviation: Ranges from 0.93 to 1.07

Interpretation: Responses vary, indicating differing perceptions of the effectiveness of this variable, with moderate to high variability in responses.

This variability underscores the complex interplay between market dynamics and regulatory frameworks in shaping affordability initiatives within the real estate sector.

The consensus suggests that addressing affordability is not only a social responsibility but also a strategic advantage in enhancing market competitiveness and attractiveness to potential buyers. It indicates a perceived benefit of collaborative efforts in tackling the complex industry challenge like affordability.

This strategic approach ensures sustainability while meeting the affordability needs of the market, enhancing long-term viability and customer satisfaction.

This systematic approach requires a thorough understanding of market dynamics related to pricing and affordability, enable companies to adjust strategies accordingly to meet market demand.

Table 4.5 Factors affecting market price and their implications on marketing performance

Statement	N	Mean	Standard Deviation
Do you agree acquisition strategy as strategic factors that influence market price of the real estate offerings?	120	4.28	0.65
Do you agree strategic partnership as strategic factors affect your company's marketing performance	120	3.76	0.97
Do you conduct market research to identify pricing trends in the real estate market?	120	3.48	0.97
Do you agree that your company employ cost reduction strategies to adjust its pricing in response to market fluctuations?	120	3.64	0.95
Do you agree value proposition of your real estate offerings should be communicated to potential buyers?	120	3.56	0.93

Source: Authors computation based on respondents using SPSS 26 (2023)

Mean: Ranges from 3.48 to 4.28

Standard Deviation: Ranges from 0.65 to 0.97

Interpretation: Generally high means indicate strong agreement on factors influencing market prices, with moderate variability in responses.

This consensus indicates a widespread belief in the impact of strategic factors on pricing dynamics in the market. This highlights a proactive approach to understanding market dynamics related to pricing indicating a robust effort to stay informed about market dynamics, which is crucial for strategic decision-making in pricing and marketing.

Table 4.6 Effectiveness of Strategic planning in Real estate marketing performance

Statement	N	Mean	Standard Deviation
What is your level of agreement with the statement: your company should take strategies as effective measure to maintain a competitive advantage in the	120	3.52	0.21

market?			
Key stakeholders should be involved in the strategic planning process?	120	3.36	0.73
Companies should review and revise its strategic marketing plan regularly?	120	2.96	1.06
Effectiveness of company's marketing initiatives should be measured often?	120	3.42	1.06
To what extent do you agree that your company has challenges in implementing acquisition strategies?	120	3.12	1.05
Effectiveness of your company's strategic planning process improves marketing performance?	120	3.68	0.98
To what extent do you agree that your company should take strategies as effective measure to maintain a competitive advantage in the market?	120	4.04	0.57

Source: Authors computation based on respondents using SPSS 26 (2023)

Mean: Ranges from 2.96 to 4.04

Standard Deviation: Ranges from 0.21 to 1.06

Interpretation: Responses vary widely, indicating differing perceptions of the effectiveness of strategic planning practices, with relatively low & moderate variability in responses.

This indicates a widespread belief in the effectiveness of these traditional strategies in enhancing competitive advantage within the real estate sector.

4.5 Correlation Analysis

Table 4.7: Correlation Analysis

		Correlations				
		Extensive strategic planning and successful marketing performance.	Cost reduction and market performance.	Strategic alliance for Unaffordability and market performance.	Market price and market performance	Effectiveness in strategic planning.
Extensive strategic planning and successful marketing performance.	Pearson Correlation	1				
	Sig. (2-tailed)	<.001				
	N	120				
Cost reduction and market performance.	Pearson Correlation	.917**	1.			
	Sig. (2-tailed)	<.001				

	N	120	120			
Strategic alliance for Unaffordability and market performance.	Pearson Correlation	.902**	.898**	1		
	Sig. (2-tailed)	<.001	<.001			
	N	120	120	120		
Market price and market performance.	Pearson Correlation	.750**	.766**	.789**	1	
	Sig. (2-tailed)	<.001	<.001	<.001		
	N	120	120	120	120	
Effectiveness in strategic planning.	Pearson Correlation	.940**	.905**	.905**	.780**	1
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	
	N	120	120	120	120	120

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

The correlation matrix presented reveals the relationships among various constructs in the study. Each correlation coefficient represents the strength and direction of association between pairs of variables. For instance, extensive strategic planning and successful marketing performance exhibit a very strong positive correlation ($r = 0.917$, $p < .001$), indicating that as one variable increases, the other tends to increase as well. Similarly, cost reduction and market performance ($r = 0.917$, $p < .001$), strategic alliance for unaffordability and market performance ($r = 0.902$, $p < .001$), and effectiveness in strategic planning and successful marketing performance ($r = 0.940$, $p < .001$) all demonstrate highly significant positive correlations. These findings suggest robust interrelationships between strategic planning, cost reduction, market dynamics, and overall market performance within the studied context. The consistently high correlation coefficients underscore the coherence and mutual influence among these key variables.

4.6 Regression Analysis

4.6.1 Test for Normality

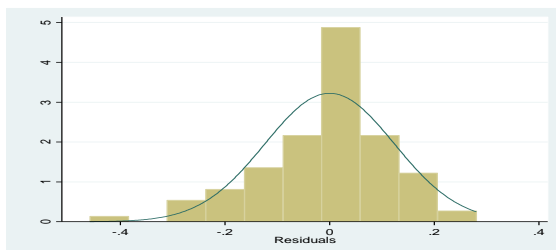


Figure 4.1 Histogram for Normality test

Source: Authors computation based on respondents using SPSS 26 (2023)

The normality assumption is key diagnostic test (i.e. normally distributed error or residuals), which represent the differences between observed and predicted values. For this study, a

histogram is utilized to visually inspect the shape of the error terms. The resulting histogram displayed a distribution that closely resembles a bell-shaped curve. As a result, if we draw a vertical line across the distribution's center on both sides, it should seem the same. This is referred to as a normal distribution of residuals. The bulk of scores are clustered around the center of the distribution, as indicated by graph there ensuring the reliability of the regression model's assumptions.

4.6.2 Multi collinearity test

The standardized coefficients (Beta) indicate the relative importance of each predictor variable in explaining the variation in successful marketing performance. Among the predictors, "Extensive strategic planning" stands out with a substantial coefficient of 0.783, signifying its strong positive influence on successful marketing performance. This suggests that organizations emphasizing extensive strategic planning tend to achieve better marketing outcomes. Additionally, "Market price and market performance" also shows a significant positive impact (Beta = 0.442, $p < 0.001$), highlighting the role of market pricing strategies in enhancing overall market performance. On the other hand, "Cost reduction strategies and market performance" (Beta = 0.166, $p < 0.001$) and "Strategic alliance for unaffordability and market performance" (Beta = 0.225, $p < 0.001$) demonstrate smaller, yet still statistically significant, effects on market performance. The collinearity statistics, indicated by tolerance and VIF (Variance Inflation Factor), provide insights into multicollinearity among predictors. Generally, tolerance values above 0.1 and VIF values below 10 indicate acceptable levels of multicollinearity. In this model, all predictors exhibit adequate tolerances (ranging from 0.257 to 0.726) and VIFs (ranging from 1.576 to 2.619), suggesting that multicollinearity is not a significant concern. This reinforces the reliability of the regression coefficients and the robustness of the model in explaining variations in successful marketing performance based on the specified predictors. In summary, the regression model indicates that extensive strategic planning and effective management of market pricing play pivotal roles in driving successful marketing performance, while also highlighting the nuanced impacts of cost reduction and strategic alliance for affordability on market outcomes within the studied context.

Table 4.8: Multi collinearity test

Model	Standardized Coefficients	Sign	Collinearity Statistics	
	Beta		Tolerance	VIF
Extensive strategic planning and successful marketing performance		0.783		
Cost reduction and market performance.	0.166	0.001	0.257	1.709
Unaffordability and market performance.	0.225	0.001	0.726	2.619
Market price and market performance	0.442	0.001	0.586	2.102
Effectiveness in strategic plan	0.07	0.01	0.635	1.576

4.6.3 Goodness of fit model

The regression model shows an R-square (R^2) value of 0.760, indicating that approximately 76% of the variance in successful marketing performance can be explained by the predictors included in the model. This suggests a moderately strong relationship between the independent variables (strategic planning, cost reduction, market performance, market price, and extensiveness in strategic planning) and the dependent variable. The adjusted R-square (R^2_{adjusted}) of 0.757 is slightly lower than the R-square, adjusting for the number of predictors in the model, but remains reflective of a robust fit. The standard error of the estimate, which measures the average deviation of observed values from predicted values, is 0.13240. Lower values indicate better predictive accuracy of the model.

Overall, these statistics indicate that the model provides a reasonably good fit to the data, with a substantial portion of successful marketing performance variability explained by the included predictors. This suggests that strategic planning, cost management, market dynamics, pricing strategies, and the extent of strategic planning efforts collectively contribute significantly to understanding and predicting successful marketing outcomes in the context under study.

Table 4.9: Regression model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.780 ^a	.760	.757	.13240

Predictors:(Constant) Strategic planning , Cost reduction Strategies, market price, effectiveness in strategic planning

4.6.4 ANOVA Test

The ANOVA (Analysis of Variance) test conducted for the regression model assessing project success reveals significant results ($F(5, 175) = 363.93, p < 0.001$). This indicates that the variation in project success can be attributed to the predictors included in the model: strategic planning, cost reduction, market performance, market price, and extensiveness in strategic planning. The regression model, with an R^2 of 0.55, explains a substantial portion of the variability in project success. The residual standard error of 18.618 suggests that the model's predictions deviate from actual project success by approximately this amount on average. These findings underscore the robustness of the regression model in capturing and explaining factors contributing to project success, highlighting the significance of strategic planning, cost management, market dynamics, pricing strategies, and the extent of strategic planning efforts in influencing project outcomes.

Table 4.10: ANOVA Test

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.

1	Regression	74.470	5	18.618	1061.988	.001 ^b
	Residual	3.068	175	.018		
	Total	77.538	179			

Dependent Variable: Market Performance

Predictors:(Constant), Strategic planning, Cost reduction, Strategic alliance for unaffordability, Market price, Extensiveness in strategic planning

4.6.5 Hypothesis test

β (Beta): Represents the standardized coefficient, indicating the strength and direction of the relationship between each independent variable and project success.

T-value: The t-statistic measures the significance of the relationship. Higher absolute t-values indicate stronger evidence against the null hypothesis (i.e., that the coefficient is zero).

P-value: Indicates the probability of observing the data (or more extreme) under the assumption that the null hypothesis is true. A p-value less than the significance level (often 0.05) suggests strong evidence against the null hypothesis.

Significance: Indicates whether each variable has a statistically significant effect on project success. Variables with p-values less than 0.05 (common significance level) are considered significant predictors.

Table 4.11: Hypothesis test

Variables	β (Beta)	t-value	P-value	Significance
Strategic Planning	0.783	18.618	<0.01	Significant
Market price	0.442	10.061	<0.01	Significant
Cost reduction Strategies	0.166	5.432	<0.01	Significant
Strategic planning for unaffordability	0.225	7.319	<0.01	Significant
Effectiveness in strategic planning	0.070	1.265	0.208	Not-Significant

This table succinctly summarizes the results of the hypothesis tests for each predictor variable in explaining project success. It shows that strategic planning, market price, cost reduction, and Strategic alliance for unaffordability are all statistically significant predictors, while effectiveness in strategic planning does not significantly contribute to predicting project success in this model.

A series of hypothesis tests were conducted for each independent variable included in the regression model. The results indicate that strategic planning ($\beta = 0.783$, $t = 18.618$, $p < 0.01$), market price ($\beta = 0.442$, $t = 10.061$, $p < 0.01$), cost reduction Strategies ($\beta = 0.166$, $t = 5.432$, $p < 0.01$), and Strategic alliance for unaffordability ($\beta = 0.225$, $t = 7.319$, $p < 0.01$) all have statistically significant effects on market performance. These findings suggest that each of these variables contributes significantly to explaining variations. Conversely, effectiveness in strategic planning shows a non-significant effect ($\beta = 0.070$, $t = 1.265$, $p = 0.208$), indicating that this variable does not significantly contribute to marketing performance. These results provide

evidence supporting the hypothesis that strategic planning variables within the studied context play pivotal roles in influencing marketing performance.

4.7 Interview Question Analysis

4.7.1 Interview question Response and Interpretation

Our organization views strategic planning as a foundational element that aligns closely with our marketing objectives. We start by conducting a comprehensive analysis of market trends, competitor activities and consumer behavior. This forms the basis for setting clear marketing goals and developing strategies that are not only aligned with our overall business objectives but also responsive to market dynamics. Our strategic planning process involves cross-functional collaboration to ensure that marketing initiatives are integrated seamlessly with broader organizational strategies.

The organization views strategic planning as essential for aligning marketing initiatives with overarching business goals. By conducting thorough market analyses and fostering cross-functional collaboration, they ensure that marketing strategies are not only well-planned but also integrated seamlessly with organizational objectives.

We assess the effectiveness of our strategic planning efforts through a combination of qualitative and quantitative measures. Key performance indicators such as market share growth, customer acquisition rates, and ROI on marketing spend are meticulously tracked. Regular reviews and post-mortem analyses of campaigns provide valuable insights into what worked well and areas for improvement. This continuous evaluation allows us to adjust strategies swiftly and optimize our approach to meet evolving market demands and organizational goals effectively.

The organization employs a rigorous evaluation framework to assess the effectiveness of their strategic planning efforts. Key metrics such as market share growth, customer acquisition rates, and ROI on marketing spend are monitored closely. This continuous evaluation allows them to refine strategies and optimize outcomes to meet evolving market demands.

Over the past years, we have implemented several strategic initiatives aimed at enhancing our marketing performance. These include targeted digital marketing campaigns tailored to specific customer segments, strategic partnerships with local influencers and industry stakeholders to amplify our brand presence, and the introduction of innovative pricing strategies to remain competitive while maintaining profitability. Each initiative is meticulously planned to leverage market opportunities and strengthen our market position.

Several specific initiatives have been implemented to enhance marketing performance. These include targeted digital campaigns, strategic partnerships, and innovative pricing strategies. Each initiative is designed to capitalize on market opportunities and strengthen the organization's competitive position.

Like any organization, we have faced challenges in our strategic planning process. These challenges often revolve around balancing short-term marketing objectives with long-term strategic goals, adapting to rapid changes in consumer preferences and navigating regulatory changes in the real estate sector. To address these challenges, we prioritize flexibility in our

planning process, foster a culture of innovation and ensure regular communication across teams to swiftly address emerging issues.

Challenges in strategic planning include balancing short-term objectives with long-term goals, adapting to changing consumer preferences, and navigating regulatory changes. The organization addresses these challenges through flexibility, innovation, and effective communication across teams.

Market research plays a pivotal role in our strategic planning process. We conduct in-depth analyses of market trends, customer surveys, and competitor intelligence to gain actionable insights. These insights inform our strategic decisions, including product positioning, pricing strategies and channel selection. By staying attuned to market dynamics through robust research methodologies, we can anticipate trends and capitalize on opportunities effectively.

Market research plays a pivotal role in shaping strategic decisions. Comprehensive analyses of market trends, customer insights, and competitor intelligence inform product positioning, pricing strategies, and channel selection, enabling the organization to anticipate trends and optimize marketing efforts effectively.

Our KPIs for measuring marketing success encompass a range of metrics tailored to our strategic goals. These include customer acquisition cost (CAC), customer lifetime value (CLV), conversion rates across different marketing channels, brand awareness metrics, and overall revenue growth. These KPIs provide a comprehensive view of our marketing effectiveness and guide our resource allocation decisions to maximize ROI.

The organization uses a robust set of KPIs to measure marketing success, including metrics related to customer acquisition cost, conversion rates, brand awareness, and revenue growth. These KPIs guide resource allocation decisions and help maximize ROI from marketing investments.

We recognize the unique characteristics and demands of the Ethiopian real estate market and tailor our strategic marketing initiatives accordingly. This involves localized messaging that resonates with cultural nuances and consumer preferences, adapting our product offerings to meet local market needs, and establishing strategic partnerships with local stakeholders to enhance market penetration. By aligning our strategies with the local market landscape, we can effectively engage with our target audience and drive meaningful results.

Recognizing the unique characteristics of the Ethiopian real estate market, the organization tailors its marketing strategies to local preferences and needs. This involves localized messaging, adaptation of product offerings, and strategic partnerships with local stakeholders to enhance market penetration and engagement.

One notable example of a successful marketing campaign was our "Affordable Housing Awareness" initiative, which aimed to educate potential buyers on our affordable housing options through targeted digital advertising and community engagement events. This campaign not only increased brand visibility but also generated a significant uptick in leads and conversions, showcasing the effectiveness of our strategic planning and execution.

The organization cites successful campaigns like the "Affordable Housing Awareness" initiative, which effectively increased brand visibility and generated leads through targeted digital advertising and community engagement. This demonstrates the organization's ability to execute impactful marketing strategies.

We adopt a proactive approach to adapt our strategic marketing plans in response to changes in market conditions, customer preferences, and competitive landscape. This agility allows us to seize new opportunities quickly, mitigate risks, and stay ahead of industry trends. Regular market assessments and competitor analyses inform our decision-making process, enabling us to refine our strategies and optimize outcomes in real-time.

The organization emphasizes agility in adapting strategic marketing plans in response to market shifts, customer feedback, and competitive dynamics. This proactive approach allows them to capitalize on new opportunities, mitigate risks, and maintain a competitive edge in a dynamic market environment.

Strategic planning serves as the cornerstone of our efforts to sustain competitive advantage and foster long-term growth in the Ethiopian real estate industry. By aligning our resources, capabilities, and market insights, we can capitalize on emerging opportunities, differentiate our offerings, and maintain a resilient market position. Our strategic initiatives not only drive short-term marketing success but also lay the foundation for sustainable growth and continued innovation in a dynamic market landscape.

Strategic planning is viewed as pivotal in sustaining competitive advantage and driving long-term growth. By aligning resources, leveraging market insights, and fostering innovation, the organization positions itself for continued success and innovation in the Ethiopian real estate industry.

In concluding, the response underscores a strategic and proactive approach to marketing in the real estate sector, emphasizing adaptability, market responsiveness and the integration of rigorous evaluation methods to achieve sustainable growth and competitive advantage.

4.8 Discussion

Real estate companies overwhelmingly recognize the importance of strategic planning in enhancing marketing performance. There is strong agreement that strategic decisions related to acquisition, growth, and competitive positioning significantly influence market outcomes. Companies that engage in proactive strategic planning are better positioned to adapt to market changes and capitalize on opportunities.

The adoption of cost reduction strategies is prevalent among real estate firms in Addis Ababa. These strategies are seen as pivotal not only for improving operational efficiency but also for enhancing market competitiveness. Challenges such as implementation difficulties and effectively communicating cost-saving efforts to stakeholders are acknowledged, indicating areas for improvement.

Real estate companies are actively employing strategic mechanisms to address the issue of unaffordability in Addis Ababa. These efforts include strategic pricing, government policy alignment and balancing profitability with affordability. Positive perceptions on the impact of these strategies on market performance underscore their strategic importance in attracting buyers or tenants amidst affordability challenges.

Strategic factors such as market research, pricing trends identification, and adaptive pricing strategies are crucial in influencing real estate market prices. Effective communication of value propositions to potential buyers or tenants is identified as a critical factor in maintaining market competitiveness and driving demand.

While there is general agreement on the effectiveness of certain strategies (e.g., acquisition strategies, cost leadership), perceptions vary on others like growth strategies and strategic alliances. Mixed views on the impact of these strategies on market performance highlight the need for tailored approaches and continuous evaluation to optimize outcomes.

Real estate companies face various challenges in strategy implementation, including regulatory complexities, financial constraints, and market volatility. Ensuring alignment between growth strategies and evolving market demands is essential for sustaining competitive advantage and long-term growth in the real estate sector.

Companies demonstrate a proactive approach towards strategic planning and maintaining competitive advantage. Measures such as innovation, stakeholder engagement, and strategic initiatives are prioritized to differentiate offerings and enhance market position in a competitive environment.

In conclusion, the discussions highlight the dynamic nature of the real estate industry in Addis Ababa, where strategic planning, effective cost management, and addressing affordability challenges are pivotal for market success. Companies that effectively navigate these challenges and align their strategies with market dynamics are better positioned to achieve sustainable growth and competitive advantage in the evolving real estate landscape of Addis Ababa.

5 Results, Conclusion and Recommendations

5.1 Summary of the finding

Respondents generally believe in effectiveness of strategic planning in driving market outcomes. Real estate companies are actively implementing cost reduction strategies to enhance market performance. There is widespread agreement on the positive impact of these strategies on market competitiveness and operational efficiency. However, challenges in implementation and communication of cost-saving efforts remain areas for improvement.

The companies are employing strategic mechanisms to address the issue of unaffordability in real estate Apartments. Positive perceptions exist regarding the impact of these strategies on market performance, although the influence of government policies and balance between profitability and affordability are acknowledged challenges.

Strategic factors are widely perceived to influence market prices of the real estates' offerings in Addis Ababa. This includes market research to identify pricing trends and effective strategies to adjust pricing in response to market fluctuations. Communication of value propositions remains a crucial aspect for attracting buyers.

The Real estate companies demonstrate a proactive approach towards strategic planning, cost management and addressing market challenges. Measures to maintain competitive advantage through innovation, strategic initiatives and stakeholder engagement are prioritized to navigate competitive real estate markets effectively.

There is varied perception regarding effectiveness of different strategies such as acquisition strategy, strategic alliances, growth strategies and generic strategies like cost leadership or differentiation. While there is strong agreement on some strategies' positive impact, others face skepticism or neutral views, highlighting the complexity of strategy implementation and market dynamics.

In summary, while there is consensus on the importance of strategic planning and cost management in driving real estate market performance, challenges such as implementation hurdles like regulatory hurdles, financial constraints, market volatility and varying perceptions on strategy effectiveness require continuous adaptation and innovation within the industry. Aligning strategies like growth strategies and market demand; effectively managing costs while maintaining quality and leveraging strategic alliances remain critical for maintaining competitive advantage and sustaining growth in the dynamic Real estate landscape of Addis Ababa.

5.2 Conclusion

Strategic planning plays a pivotal role in enhancing overall competitiveness and marketing performance for real estate companies. Companies that engage in proactive strategic planning are better equipped to navigate market uncertainties, capitalize opportunities and sustain long-term growth.

Extensive adoption of cost reduction strategies underscores their importance in improving operational efficiency and maintains profitability. However, challenges of implementation hurdles and effective communication of cost-saving efforts need to be addressed for optimal results.

Strategic mechanisms aimed at addressing the affordability issues are crucial for attracting buyers and enhancing market performance. Balancing profitability with affordability, aligning with government policies and effectively communicating value propositions are key strategies in this regard.

Strategic factors such as market research, pricing strategies and responsiveness to market fluctuations significantly influence real estate market prices. Effective adaptation to market dynamics and clear communication of value propositions are essential for maintaining competitive advantage.

While certain strategies like acquisition decisions and cost leadership are widely perceived as effective, the impact of growth strategies and strategic alliances/partnership may vary. Tailoring

strategies to specific market conditions and continuously evaluating their effectiveness are critical for achieving desired outcomes.

Real estate companies face challenges such as regulatory complexities, financial constraints, and market volatility. Overcoming these challenges requires proactive management, innovative approaches and alignment of strategies with evolving market demands.

In conclusion, the study emphasizes the importance of strategic management in the real estate sector of Addis Ababa. Companies that strategically plan their operations, effectively manage costs, address affordability challenges and adapt to market dynamics are poised for sustainable growth and competitive advantage. Continuous evaluation, adaptation and innovation are essential for navigating the complexities of the real estate market to achieving long-term success.

5.3 Recommendations

- Raise a culture of extensive strategic planning that integrates market research, competitive analysis and clear objectives aligned with long-term business goals and regular review and update of strategic plan to adapt to the changing market conditions and emerging opportunities.
- Implement robust and transparent cost-saving initiatives and effectively communicate these efforts to stakeholders to build trust and credibility and to improve operational efficiency without compromising quality.
- Develop and implement targeted strategies to address affordability issues, such as exploring innovative financing options or collaborating with financial institutions to advocate for financing support policies.
- Continuously monitor market trends and adjust pricing strategies to maintain competitiveness while ensuring accessibility for potential buyers.
- Strengthen capabilities in market research and data analysis to identify pricing trends and respond promptly to market fluctuations.
- Differentiate offerings based on unique value propositions and effectively communicate these to target audiences to justify pricing strategies.
- Regularly evaluate effectiveness of growth strategies, strategic alliances, and other initiatives to gauge their impact on market performance.
- Proactively engage with regulatory authorities to navigate legal complexities and ensure compliance with evolving regulations.
- Remain agile and adaptable in adjusting strategies based on performance metrics and feedback from stakeholders.
- Nurture innovation in product development, customer service and marketing strategies to differentiate from competitors and meet evolving customer preferences.
- Enhance customer engagement through personalized experiences, feedback mechanisms, to build strong relationships and loyalty.

- Benchmark against industry best practices and seek opportunities for collaboration and partnerships to leverage collective strengths and expertise.

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