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ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
MASTERS OF BUSINESS ADMINISTRATION

THESIS PAPER

**THE IMPACTS OF MARKETING MIX STRATEGY ON THE
PERFORMANCE OF FIVE-STAR HOTELS:**

A CASE STUDY ELILLY AND CAPITAL HOTELS

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**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF
ADDIS ABABA UNIVERSITY IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER'S IN BUSINESS
ADMINISTRATION**

JANUARY, 2025
ADDIS ABABA, ETHIOPIA

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ADVISOR: TEWODROSE WUHIB (ASS. PRO.)

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Statement of Certificate

This is to certify that the thesis entitled: impacts of marketing mix strategy on organizations performance of five-star hotels: a case of Elilly and Capital hotels, Addis Ababa, submitted in partial fulfillment of the requirements for the degree of Masters of Business Administration of the Postgraduate Studies, Addis Ababa University and is a record of original research carried out by Elizabeth Workneh ID. No GSE/2782/14, under my supervision, and no part of the thesis has been submitted for any other degree or diploma. The assistance and help received during the course of this investigation have been duly acknowledged. Therefore, I recommend it to be accepted as fulfilling the thesis requirements.

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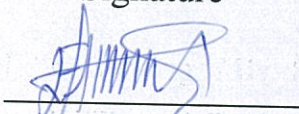
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DECLARATION

I, hereby declare that this paper entitled **“Marketing Mix Strategy on Organizations Performance of Five Star Hotels: The Case of Elilly and Capital Hotels”** is my original work and all sources of materials used for the study have been duly acknowledged. I also approve that the thesis has not been submitted to any university to fulfill any Degree. This paper is submitted in partial fulfillment of the requirement for the award of a master’s degree in MBA.

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DECLARATION

This is to certify that the thesis prepared by Elizabeth Workneh Yoseph entitled “The Impact of Marketing Mix Strategies on the Performance of Five-Star Hotels: A Case Study of Elilly and Capital Hotels” and submitted in partial fulfillment of the requirements for the Degree of Master of Science in MBA compiles with the regulations of the University and meets the accepted standards with respect to originality and equality.

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ACRONYMS AND ABBREVIATIONS

ANOVA= Analysis of variance

Df = Degree of freedom

OP= Organization's Performance

PDS= Product strategy

PLS = Place Strategy

PRS = Price Strategy

PS = Promotion Strategy

SPSS = Statistical Package of Social Science

VIF = Variance inflation factor

4P's Elements of Marketing Mix (Product, Price, Place, and Promotion)

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Abstract

This study investigates the impact of marketing mix strategies on the organizational performance of luxury hotels in Addis Ababa, with a focus on Elilly and Capital Hotels. In today's highly competitive and ever-evolving hospitality industry, understanding the relationship between marketing strategies and organizational success is critical. The research aims to explore how key elements of the marketing mix product/service offerings, pricing strategies, promotional activities, and distribution channels contribute to the revenue growth, customer retention, and overall market performance of Elilly and Capital Hotel. The study employs a mixed-method approach, combining both qualitative and quantitative research methods. Data was collected through surveys and interviews with hotel managers and marketing staff, along with secondary data from hotel reports and industry publications. The findings reveal that the marketing mix strategies significantly influence the operational success of luxury hotels, with particular emphasis on pricing and promotional strategies. Hotels that strategically align their product offerings and pricing structures with customer expectations and market demands achieve better customer satisfaction and increased profitability. Furthermore, the research identifies key challenges faced by luxury hotels, such as fluctuating customer preferences, market saturation, and the evolving competitive landscape. It also highlights the importance of adapting marketing strategies to the dynamic nature of the hospitality industry. Despite these challenges, the study concludes that a well-implemented and customer-centric marketing mix can provide a competitive edge, fostering long-term sustainability in the market. The research contributes to the existing body of knowledge on marketing strategies in the hospitality sector, offering insights that can guide hotel managers and marketing professionals in optimizing their strategies to enhance organizational performance. However, the study is limited to two hotels in Addis Ababa, and further research is recommended to explore a broader sample of hotels across different regions and market segments.

KEY TERMS: Marketing, Strategy, organizational and performance

CHAPTER ONE

1. INTRODUCTION

1.1 Background of Study

The global hotel industry continues to expand, striving to retain customers and increase revenue by enhancing value. To achieve this, hotel management is expected to adopt a marketing approach centered on customer needs. As highlighted by Neil and Alison (1994), customer-oriented organizations focus intensely on satisfying their customers' requirements. Intense competition in the service sector, particularly in the hospitality industry, compels businesses to deliver exceptional services to gain a competitive edge, thereby boosting the sales of their offerings. This competitive environment prompts companies to devise marketing strategies aligned with these demands. Challenges such as globalization, terrorism, ecotourism, e-commerce, evolving business and financial models, and rapidly changing consumer preferences also significantly affect the hospitality industry (Morrison et al., 1999).

An effective marketing strategy serves as a long-term guide for organizations, often described as a continuous process aimed at achieving marketing objectives. Marketing strategies help decision-makers effectively address the four key components of the marketing mix—product, price, place, and promotion. Success in the marketplace requires the integration and control of these elements into a cohesive strategy (Shane, 2000). In response to globalization trends, institutions recognize the need to sustain market competitiveness by adapting their operations to align with global market dynamics.

Marketing strategies are now indispensable tools for businesses striving to maintain their competitive position in highly contested markets. Jain (2004) defines a marketing strategy as a company's blueprint for leveraging its unique strengths to fulfill customer needs distinctively. The ultimate aim is to achieve superior results and competitive advantage through informed decision-making and strategic planning.

1.2. Statement of the problem

The commercial retail sector has become increasingly complex due to heightened collaboration between domestic and international businesses, the growing demands of discerning customers, and rapid technological advancements. In this intricate market environment, a well-crafted marketing strategy can provide a competitive edge by ensuring that a company's offerings meet and exceed customer expectations (Gattiker, 2007). Consequently, businesses must invest in research and develop unique strategies to stand out in the marketplace.

Porter (1985) argued that a company can gain a competitive advantage even if its value-creation strategies are not implemented simultaneously with those of its competitors. This aligns with the idea of a resource-driven, long-term competitive advantage. Companies aim to enhance profitability and improve overall organizational performance by driving higher sales at optimal prices. Within the hotel industry, selecting an effective marketing strategy is a key determinant of success, significantly influencing the structure of supply chains and marketing channels (Porter, 1985).

Extensive research, both local and international, has explored the requirements of effective marketing plans. Ambler and Puntoni (2004) observed that marketing strategies often emerge organically rather than through deliberate planning. Edidijus (2015) emphasized the role of uncertainty in shaping the marketing strategy design process, highlighting how unpredictable factors influence strategic development. Locally, Odhiambo (2013) identified pricing as a crucial competitive strategy, emphasizing its impact on the sales efficiency of selected products.

The marketing mix strategy, which includes elements such as product/service offerings, pricing, promotion, and distribution channels, has a significant influence on the performance of sales organizations in luxury hotels. Despite its importance, there is a lack of comprehensive research examining how these marketing mix components affect sales organizations in high-end hotels, particularly in the context of Elilly and Capital Hotels. This study aims to bridge this gap by investigating the relationship between marketing mix strategies and organizational performance in the luxury hotel industry, focusing specifically on these two hotels.

The research will analyze how product and service offerings, pricing strategies, promotional efforts, and distribution channels contribute to the success and performance of Elilly and Capital

Hotels. Through a detailed examination, the study seeks to identify the factors driving revenue growth, customer retention, and market share within the five-star hotel market.

1.3. Research question

The study will attempt to respond to the following research questions:

1. How do the product/service offerings of hotels impact the organization's performance?
2. What is the most effective pricing strategies in the organization's performance?
3. What role does place strategy play in enhancing the organization's performance?
4. How do promotional activities influence the performance of an organization?

1.4. Objectives

The general objective of the study is to analyze the impact of Marketing mix strategy on the Organization's Performance of Five-Star Hotels: specifically Elilly and Capital Hotels.

1.4.1. Specific objectives

The specific objectives of the study include the following:

- To assess the impact of product/service offerings on the organization's performance
- To identify the most effective pricing strategies of the organization.
- To examine the role of place strategies in enhancing the organization's performance.
- To evaluate the influence of promotion on organizational performance.

1.5. Research hypothesis

H01: Product strategy has no significant effect on the organization's performance.

H02: Pricing strategies have no significant effect on organization's performance.

H03: A Place strategy has no significant effect on an organization's performance

H04: Promotional strategies have no significant effect on an organization's performance.

1.6. Significant of the study

For the Organization: The findings provided actionable insights that guided strategic planning and operational improvements. By understanding the impact of product offerings, pricing strategies, distribution channels, and promotional activities, the organization optimized its approach to maximize performance. Insights gained helped the organization differentiate itself in the market, leading to increased market share and customer loyalty. The findings of this study

not only contributed to the academic literature on marketing in the hospitality industry but also offered practical recommendations for hotel managers and marketers to enhance their organization's performance through effective marketing mix strategies.

For Other Researchers: The methodologies and findings served as a foundation for other researchers looking to explore related topics or conduct comparative studies. Findings highlighted areas for collaboration among researchers focusing on marketing strategies and business performance.

For the Researcher Himself: Conducting this research enhanced the researcher's expertise in marketing strategy analysis and organizational performance evaluation. The results led to opportunities for publishing in academic journals or presenting at conferences, contributing to the researcher's academic profile. Engaging with industry professionals and academics during the research process facilitated valuable connections and collaborations in the field.

1.7. Scope of the study

A selection of five star hotels in Addis Ababa, Ethiopia, including the Elilly international hotel Capital hotel, will be the focus of the study's findings, which will examine the effects of marketing mix in the organization performance. To make data collection easier for the researcher, this study only included a sample of the Elilly and Capital Hotel as a case study.

1.8. Limitation of the study

The study faced several limitations. Firstly, due to the sensitivity of marketing strategies within a specific firm, respondents were often reluctant to disclose detailed information. To mitigate this, the researcher assured participants that the data would be used strictly for academic purposes. Secondly, the study was limited to two five-star hotels in Addis Ababa, which may not provide a comprehensive representation of five-star hotels nationwide or other sectors within the service industry.

Moreover, the research concentrated solely on specific marketing strategy variables related to organizational performance, excluding other potential influencing factors, such as political and social dynamics, that might impact performance independently of the marketing strategies employed. Lastly, the study may have neglected additional marketing strategy variables that

could further enrich the performance framework, potentially leaving gaps in understanding the broader relationship between marketing strategies and organizational success.

1.9. Organization of the study

This paper is organized into five chapters. Chapter One introduces the study, covering the background, problem statement, research questions, objectives, significance, and scope. Chapter Two provides a comprehensive literature review, synthesizing both theoretical and empirical studies relevant to the research topic. Chapter Three explains the research design and methodology adopted for the study. Chapter Four presents and analyzes the findings in detail. Lastly, Chapter Five summarizes the key findings, draws conclusions, and offers actionable recommendations based on the study's results.

1.10. Operational definition

Marketing Mix: Kotler and Armstrong (2010) define the marketing mix as a set of tools and strategies that businesses use to achieve their marketing goals within a targeted market segment.

Sales Promotion: Zhang and Tang (2010) describe sales promotion as providing additional value or incentives to sales personnel, distributors, or customers, with the primary objective of boosting immediate sales.

Product: As stated by Kotler and Armstrong (2013), a product encompasses anything introduced to the market to capture attention, facilitate purchase or usage, and satisfy customer needs or desires.

Price: According to Kotler and Armstrong (2008), price represents the total value customers are willing to exchange for the benefits offered by a product or service.

Place: Kanoga (2016) explains that place pertains to the process by which businesses decide the locations and number of outlets to provide maximum convenience to shoppers.

CHAPTER TWO

2. REVIEW OF THE RELATED LITERATURE

2.1. Introduction

This chapter explains the concept and definition of Product strategies, Price strategies, place strategies, promotion strategies concept, and sources of marketing mix strategies organizational performance empirical literature review conceptual framework work and the concept of marketing mix strategies. It outlines different sources of marketing mix strategies and the various impacts on organizational performance. This chapter reviewed books, journals and other sources to unveil the various theories that have been advanced on marketing mix strategies on organization performance.

2.2. Theoretical Review of the Study

2.2.1. Product strategies

Products strategies are the plans and methods businesses use to create, position, and manage their products or services within the market (Kotler & Keller, 2016). These strategies involve decisions about product design, features, quality, branding, packaging, and lifecycle management. The primary aim of product strategies is to satisfy customer needs while achieving key business goals such as profitability, market share, and a competitive edge (Ulrich, 2015). A product strategy outlines a vision for the product's future, including the ideal customer profile, target market, go-to-market and positioning plans, investment priorities, and success metrics. It provides direction for new product development and serves as a guiding framework for strategic planning and marketing activities (Ulrich, 2015).

This strategy involves a series of interconnected processes to effectively realize the vision. It must clearly define the product's target customer and market, ensuring that a detailed roadmap is developed to achieve strategic objectives and deliver superior value to customers. Product Development: This entails the process of designing new products or enhancing existing ones. It includes stages such as generating ideas, testing concepts, creating prototypes, and finalizing the product design (Ulrich, 2015).

Product Differentiation: Companies focus on setting their products apart from competitors by highlighting unique attributes, benefits, or superior quality. This can be achieved through

innovation, enhanced performance, or distinctive branding (Ulrich, 2015). **Target Market Identification:** Identifying the specific audience for a product is a critical step. This involves segmenting the market based on factors like demographics, psychographics, and consumer behavior to tailor offerings to specific customer needs. This involves creating a memorable brand name, logo, and image that connect with consumers and effectively communicate the product's value. **Product Positioning:** Positioning defines how a product is perceived in the market compared to competitors. Strategies may focus on aspects such as quality, pricing, intended use, or the benefits provided to consumers.

Product Life-cycle Management: Managing the different stages of a product's life-cycle introduction, growth, maturity, and decline is vital for maximizing profitability and sustaining market relevance. **Packaging and Labeling:** Packaging design and functionality significantly influence consumer perception and buying behavior. Effective packaging not only conveys essential product information but also boosts brand recognition.

2.2.2. Price strategies

Pricing strategies refer to the techniques businesses use to determine the price of their products or services, directly impacting profitability, market positioning, and competitive advantage (Kotler, 2016). These strategies are influenced by market dynamics, consumer behavior, and organizational goals (Kotler, 2016). Common pricing strategies include cost-plus pricing, value-based pricing, penetration pricing, skimming pricing, and dynamic pricing. Price represents the value assigned to a product or service, determined through a complex process of calculations, research, risk assessment, and understanding of the market (Nagle, 2002). Effective pricing strategies consider factors such as market segments, customer purchasing power, competitor actions, input costs, and trade margins, and are designed to target specific customer groups while addressing competitive challenges.

Cost-Plus Pricing: This method calculates the total cost of producing a product or service and adds a percentage markup to set the selling price. It ensures costs are covered and a profit margin is achieved. **Value-Based Pricing:** Prices are determined based on the perceived value of the product or service to the customer rather than production costs. This strategy is common for premium products where customers are willing to pay for quality or unique benefits. **Penetration Pricing:** A low initial price is set for a new product to attract customers and quickly gain market

share (Nagle, 2002). Prices may increase once the product is established. Skimming Pricing: This strategy sets a high initial price for innovative or new products to maximize profits from early adopters. Prices are reduced over time as competition grows.

Dynamic Pricing: Also known as surge or demand pricing, this approach adjusts prices based on current market conditions, demand, and competition. It is common in industries such as travel and hospitality. Premium Pricing: High prices are used as a distinguishing factor, typically in industries or segments where a company has a strong competitive advantage. Examples include Porsche cars and Gillette razors. Economy Pricing: Products are priced with minimal overhead costs, such as advertising, to keep prices low. This strategy targets mass markets and aims for high market share. Examples include local tea brands or budget detergents like Friendly Wash.

Penetration Pricing: An artificially low price is set initially to capture market share quickly, often during a product's launch. Prices are increased later once the desired market position is secured. Examples include introductory mobile phone rates or housing loans in India. Skimming Strategy: High prices are initially charged to maximize revenue before competitors enter the market. Prices are reduced later when competition increases and profits are threatened. Examples include early pricing for electronic items like VCRs and mobile phones before the arrival of lower-cost competitors.

2.2.3. Place Strategies

Place strategies are the methods and tactics a company uses to make its products or services available to customers most effectively and efficiently possible. This component of the marketing mix, commonly referred to as "distribution," includes decisions on where items are marketed, the channels via which they are distributed, and the logistics involved in getting them to market. The fundamental purpose of place strategies is to guarantee that items are available to the intended audience at the appropriate time and location, resulting in increased customer satisfaction and sales.

In marketing, a "place" refers to one of the essential elements of the marketing mix, also known as the 4Ps, which includes product, price, promotion, and place. Place, in this context, signifies the distribution channels and methods used by a company to make its products or services

available to the target customers. It involves all the activities and intermediaries that help in transferring the product from the manufacturer to the end consumer.

The term "place mix" in marketing refers to a company's tactics and judgments regarding product distribution. This includes identifying proper distribution routes, determining the location of retail outlets, monitoring inventory levels, and ensuring that products are delivered to customers efficiently and effectively. The location mix aims to make the product easily accessible to consumers at the proper time and place.

Distribution Channels: Choosing between direct (e.g., selling directly to consumers) and indirect (e.g., using wholesalers or retailers) distribution channels. Location: Selecting physical locations for retail outlets or service delivery points that are convenient for the target market. Logistics: Managing transportation, warehousing, inventory control, and order fulfillment to ensure efficient product delivery. Market Coverage: Deciding on the level of market coverage intensive (available in many locations), selective (available in some locations), or exclusive (available in very few locations). E-commerce: Incorporating online platforms and digital channels to reach customers, especially in today's increasingly digital marketplace.

2.2.4. Promotional strategies

Promotional strategies refer to the approaches businesses use to engage with their target audience and promote their products or services. These tactics aim to inform, persuade, and remind customers about a brand, ultimately increasing sales and enhancing brand recognition. They include various activities like advertising, sales promotions, public relations, direct marketing, and digital marketing efforts.

Promotional strategies help companies market, promote, and sell their products. The choice of strategy depends on factors such as the type of product, target audience, and marketing budget. A well-executed promotional strategy boosts product awareness and drives sales, delivering higher revenue relative to the marketing expenditure. Advertising: Involves using diverse media platforms (e.g., TV, radio, print, online) to reach a wide audience and generate awareness about a product or service. Sales Promotions: Short-term incentives like discounts, coupons, contests, or special offers designed to encourage immediate purchases.

Public Relations (PR): Focuses on managing the company's public image and building positive relationships with the media and the community to strengthen brand reputation. Direct Marketing: Engages directly with consumers through channels like email marketing, telemarketing, or direct mail to generate leads and boost sales. Social Media Marketing: Uses social media platforms to interact with customers, share content, and promote products or services. Content Marketing: Involves creating valuable content, such as blogs, videos, or infographics, to inform and engage the target audience while subtly promoting the brand.

2.3. Marketing Mix Strategies

Marketing mix strategies involve the integration of various elements that businesses use to promote their products or services while satisfying their target market's needs. The traditional marketing mix is commonly categorized as the "4 Ps":

Product: This pertains to the goods or services a business provides. Strategies in this domain include decisions related to product design, features, quality, branding, and packaging. Businesses must focus on aligning their products with customer needs and expectations. Price: Pricing strategies are essential to determining how much customers will pay for a product. These strategies may involve premium pricing, penetration pricing, skimming, discounts, payment terms, and overall pricing structures. Prices should reflect the perceived value of the product while remaining competitive.

Place (Distribution): This element focuses on how and where a product is made available to customers. Strategies include choosing distribution channels (e.g., direct sales, retail outlets, or online platforms), logistics, and inventory management. The objective is to ensure products are accessible to the target audience at the right time and place. Promotion: This encompasses activities aimed at communicating the product's benefits to potential customers. Promotional strategies include advertising, public relations, social media marketing, sales promotions, and personal selling. The aim is to increase awareness and persuade customers to purchase the product.

Target Market and Positioning: Analyzing market research data allows firms to identify distinct market segments and estimate their potential profitability. For the chosen target market, companies must determine differentiation strategies and finalize a positioning approach.

Although multiple attributes may be used for differentiation, positioning should focus on one or two key features that are consistently communicated to establish a strong association with the company's product image (Kotler et al., 2013).

Key Marketing Mix Elements (Kotler et al., 2015): Product: Anything offered to a market for acquisition, use, or consumption to satisfy needs or wants. Products include tangible goods, services, events, performances, experiences, and more. Products form the foundation for profitable customer relationships. Price: The amount charged for a product or the sum customers exchange for its benefits. Price is crucial in determining market share and profitability, as it is the only marketing mix element that generates revenue and is highly flexible. Place: Products should be available where customers prefer to shop, whether in physical stores, mail orders, or e-commerce platforms.

Promotion (Marketing Communications): Companies use communication tools like advertising, sales promotions, direct marketing, and public relations to inform, persuade, and remind consumers about their offerings. Social media has become an increasingly significant tool in modern marketing communication.

Service Marketing and the Extended Marketing Mix: In service marketing, additional elements such as People, Process, and Physical Evidence are crucial: People: Employees play a critical role in delivering services, as they are integral to a firm's offerings. Process: Refers to how services are delivered to customers, ensuring a seamless and efficient experience. Physical Evidence: Includes tangible aspects like interior design, equipment, staff presentation, and overall cleanliness, which influence customer perceptions of the service. These strategies collectively enable businesses to communicate their value effectively and build long-term relationships with their customers.

2.3.1. Product Strategy on organization's performance

The company's primary strength lies in its ability to execute continuous and strategic operations that not only meet but exceed customer expectations. This advantage is evident in the value reflected through customer satisfaction. Regardless of the marketing approach employed—whether standardization or adaptive adjustment—the company consistently achieves customer satisfaction. To enable the organization to thrive in diverse global markets, marketing strategies

must consider both internal and external business environments. These strategies should positively impact the company, ultimately leading to improved performance.

Several researchers have emphasized the influence of product-centered marketing strategies on various factors, including the enhancement of product attributes and their contribution to efficiency in the global market. A study by Aremu and Lawal (2012) utilized a comprehensive evaluation of export performance, focusing on the design of product marketing mix elements. This research demonstrated that these elements are critical for organizations pursuing international marketing. Product variation, as a competitive strategy, can significantly influence foreign customers' perceptions of the company's products and enhance customer satisfaction.

Additional studies have explored the relationship between product quality and corporate performance, consistently finding a positive correlation. Providing customers with high-quality products has been shown to enhance customer satisfaction and improve the overall value associated with customer performance. Previous research underscores that aligning product quality with marketing strategies leads to better economic outcomes, such as increased revenues. By combining high-quality products with effective market strategies, organizations can boost customer satisfaction, ultimately driving higher performance and profitability.

2.3.1.1. Product Superiority

Superiority ensures that the company's ability to offer differentiation aligns with customer demand for it. Therefore, achieving effective differentiation relies on both the demand and supply sides of the product. On the demand side, it is crucial to fully comprehend customers' needs and preferences regarding the product's features that make it stand out as superior or unique, as well as their willingness to pay for the added value.

2.3.1.2 Product (variety in brands/sizes)

Verlag (2009) defines product variety as the range of different versions of a product offered by a firm at a given time. This variety within a product line is created by altering the attributes of each product. However, introducing variety can lead to two main types of costs in supply chains: production costs and market mediation costs. For example, customers are more likely to shop at a supermarket that offers a wide range of products, such as various brands of cooking oils.

Yasunaga and Schwartz (2000) highlight that while product variety can negatively impact sales, it is crucial for supermarkets to carefully implement product variety strategies. Without such variety, customers may choose to shop at competing stores. King (2005) asserts that product variety influences both consumer purchasing behavior and welfare. A broad selection of products can meet the diverse needs of customers with varying preferences. Additionally, product variety satisfies consumers' intellectual curiosity by offering a diverse array of choices through "variety-seeking" behavior.

2.3.1.3. Product Quality

Product quality has become a critical factor in achieving competitive advantage. Enhanced quality leads to increased profitability, and the superior reliability of Japanese products has prompted significant reflection among American managers. Additionally, numerous surveys have highlighted consumer dissatisfaction with the quality and service levels of the products they purchase. Abernathy and Kantrow (1983) conducted a study on major American companies and found that managers considered "producing to high-quality standards" their primary concern.

Quality is increasingly seen as a key differentiation between products, with a focus on meeting individual customer needs. Customers are more willing to pay higher prices for products that align with their specific preferences, such as size, taste, style, or other personal factors. Product quality encompasses several fundamental elements, including performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality. Successful businesses maintain consistent quality, and it is essential for any venture to determine how quality will be perceived and measured. In some cases, quality may be linked to value-added strategies, while in others, it may relate to offering products of superior physical quality compared to competitors or providing exceptional customer service.

2.3.2. Pricing Strategy on organization's performance

(Monroe, 2003) highlights that pricing decisions are crucial for management, as they influence both business performance and market competitiveness. As a result, new businesses must adopt the most effective pricing strategy to capture market share. Developing and determining prices is a complex task, requiring managers to understand how customers perceive price in the new market, while also considering the company's pricing objectives and the competitive landscape (Hinterhuber & Liszu, 2014).

According to Kotler (2007), the price encompasses the costs of producing, delivering, and promoting products. Jain (2004) further explains that pricing is the process by which a company determines the amount it will charge for its products, factoring in production costs, market conditions, competition, and product quality. Companies employ various pricing strategies, including excellent pricing, value pricing, penetration pricing, cost-plus pricing, competitive pricing, geographic pricing, segment pricing, portfolio pricing, psychological pricing, and discriminatory pricing.

Odhiambo (2013) investigated the effect of pricing tactics as a competitive strategy on pharmaceutical companies' sales performance, according to Kotler (2004). The findings emphasize the significant effect of pricing decisions and strategies on sales performance. Additionally, Louter, Ouwerkerk, and Bakker (1991) found a positive relationship between pricing strategy and company performance in their research.

2.3.2.1. Skimming Pricing Strategy

Skimming is a pricing strategy where a company sets a high initial price for a new or significantly improved product, aiming to attract customers who are willing to pay more to obtain it sooner. Over time, as demand from early adopter's declines, the price is gradually lowered. This approach allows businesses to charge customers based on what they are willing to pay, rather than solely on cost. Companies using skimming base their prices on customer perceptions of the product's value.

Businesses employing this strategy invest in product enhancements and innovation to meet customer needs, and they must maintain open communication channels to gather feedback on the features customers are willing to pay a premium for. In price skimming, the company initially charges the highest price that early adopters are willing to pay for a cutting-edge product, even if the price does not fully reflect the value. Over time, the price is reduced to align with demand and attract more price-sensitive customers. By capturing consumer surplus from each segment, the company can maximize profits. Skimming also allows for continuous investment in innovation and new features based on customer demand, potentially enabling further price increases.

2.3.2.2. Penetrating Pricing Strategy

Penetration pricing is a marketing strategy used by businesses to attract customers to new product or service by offering lower price during its initial offering, the lower price helps a new product or services penetrate the market and attract customers away from competitors. It is a type of pricing strategy in which the firm offers the products at a low price, it helps to stimulate the demand and gain higher market. It is the belief that competitors customers may switch over to the cheaper offers and new customers will buy in too. For many customers, nothing makes buying decision easier than price (Will, 2020).

2.3.3. Place Strategy on origination's performance

According to Heck, Rowe, and Owen (1995), companies located in urban areas tend to achieve higher yields compared to those based in rural regions. Bradley (2000) emphasized that geographical location plays a crucial role in an organization's ability to survive. Edidijus (2015) explored the impact of business clusters on the performance and innovation of European SMEs and found a positive correlation between geographic proximity and overall company success. Eze, Benedic, and Juliet (2015) investigated the relationship between a company's location and consumer loyalty. Through a survey of 100 participants, the research revealed that a company's location significantly influences its performance, with proximity to customers positively affecting repeat purchases.

Kotler and Armstrong (2004) argue that retailers should be situated close to their target customers to ensure product availability. Retail locations that are far from customers negatively affect their purchasing behavior, leading to a decline in regular visits (Hansen & Solgaard, 2004). Barnard, Kritzinger, and Krüger (2011) examined location strategies to enhance operational efficiency in SMEs, focusing on micro-enterprises in the Nelson Mandela metropolitan area. Their survey of 175 SMEs found a clear correlation between location and business performance, indicating that the proximity of a company to its customers positively impacts its success.

2.3.3.1 Distribution Channels

A distribution channel is defined as a network of interdependent organizations involved in making a product or service available for consumption or use (Gorchels, West, & Marien, 2004).

It encompasses various activities such as physical movement, warehousing, ownership of the product, presale transactions, post-sale services, order processing, credit, collections, and other related support functions (Gorchels et al., 2004). Distribution involves ensuring that a product or service is accessible to consumers or businesses, either directly or through intermediaries (Wren, 2007).

Schoviah (2012) examined the effect of marketing distribution channel strategies on the performance of commercial banks in Ethiopia. Using a descriptive survey research design, the study surveyed 43 commercial banks in Kenya and found that effective distribution strategies contributed to increased sales, market share, and profits. Similarly, Nashwan (2015) explored the impact of marketing strategies on firm performance and identified distribution, promotion, pricing, and product standardization as key factors influencing sales, customer satisfaction, and financial outcomes. Louter, Ouwerkerk, and Bakker (1991) also found a positive relationship between distribution strategies and company performance.

Revino, Silvyia, and Christoffel (2015) investigated the effect of distribution channel strategies on sales volume in Pt. Varia Indah Paramitha, Manado, and concluded that distribution channels significantly impacted sales. Ferri, Mohd, Radia, and Hamidreza (2012) studied the impact of distribution channel innovation on the performance of small and medium enterprises (SMEs) and found that innovations in assortment, information sharing, and transportation coordination had positive effects on firm performance.

Laswai (2013) assessed the effectiveness of distribution channel models in enhancing sales performance. The study, based on data from 90 respondents, found that distribution channels positively influenced sales. Chege, Muathe, and Thuo (2014) examined how marketing capabilities and distribution strategies affect the performance of MSP intermediary organizations in Nairobi County, Kenya. Their study revealed that both marketing capabilities and distribution strategy had a significant impact on performance.

Vorhies, Morgan, and Autry (2009) found that distribution channel management positively influenced market effectiveness and cash flow performance. Similarly, Afzal (2009) highlighted that distribution strategies had a significant impact on business performance in emerging markets in Pakistan. Oladun (2012) studied the role of innovative distribution strategies in the

performance of multinational corporations (MNCs) and domestic manufacturing firms in Nigeria. His findings showed that innovative distribution strategies had a positive influence on performance.

However, Sin (2000) found no significant correlation between the performance of companies and their distribution channels

2.3.3.2. Geographic Location

Schiele (2008) emphasizes that geographic location significantly affects a firm's profit margin and overall success, influenced by factors such as access to raw materials, labor, proximity to customers and competitors, and infrastructure costs. Nguyen, McCracken, Casavant, and Jessup (2011) studied the impact of geographic location and ownership on the profitability of Washington log trucking companies, using data from a 2007 log trucking survey. Their findings revealed that both ownership and geographic location are key factors influencing profitability. Additionally, businesses located in clusters tend to achieve higher productivity and profitability than isolated firms (Nguyen et al., 2011). Delgado (2014) also asserts that geographic clusters foster organizational growth.

Heck, Rowe, and Owen (1995) found that businesses in urban areas tend to generate higher returns than those in rural areas. Bradley (2000) pointed out that geographic location plays a crucial role in the survival of businesses. Edidijus and Per (2015) researched the impact of geographic clusters on the innovation and performance of European small and medium-sized technology enterprises, finding a positive correlation between proximity to other firms and better performance. Eze, Benedic, and Juliet (2015) conducted a study on the relationship between business location and customer patronage, concluding that proximity to customers significantly influences business performance, particularly repeat purchases.

According to Kotler and Armstrong (2004), retailers should be located near their target customers to ensure accessibility. Retail stores situated far from their customers negatively impact purchase intentions and reduce the frequency of visits (Hansen & Solgaard, 2004). Barnard, Kritzing, and Krüger (2011) investigated location decision strategies among small and medium-sized enterprises (SMMEs) in the Nelson Mandela Metropole and found a positive relationship between business location and performance.

Fox, Postrel, and McLaughlin (2007) discuss agglomeration, where stores are located near each other, either within the same product category (intra-type agglomeration) or across different product categories (inter-type agglomeration). They argue that this proximity enhances business performance. Mogire (2015) found that agglomeration positively affected the performance of retail micro-enterprises in Kenya. Similarly, Freeman, Styles, and Lawley (2012) studied the effect of firm location on the export performance of small and medium-sized enterprises (SMEs), concluding that firms situated within industrial districts experience better export performance.

2.3.4 Promotion Strategy on origination's performance

Most researchers emphasize the importance of the promotional mix as a valuable tool for achieving success in international markets. By understanding the benefits and challenges of specific export markets, engaging in communication with overseas customers, building relationships, and boosting organizational morale, businesses can enhance their performance. Promotional strategies, through timely feedback and effective support, play a key role in improving business, financial, and customer outcomes when tailored to the needs of the company's export goals.

Ambler and Puntoni (2004) examined six advertising-related variables: advertising, staff sales, trade shows, personal visits, and the appropriateness of advertising, to assess their impact on export performance. Their findings revealed that advertising variables have a positive correlation with company performance, with advertising being the most frequently studied component. This approach is based on the idea that a well-executed advertising program can effectively convey information, consistently alert and persuade consumers, ultimately driving higher demand for products.

2.3.4.1. Direct Marketing

Direct marketing is a strategic management approach that serves as a multi-level communication and distribution tool (Hesse, 2007). It is designed to be accountable, interactive, and aimed at eliciting a direct response from customers (Percy, 2008). This method utilizes extensive databases to create customer profiles, offering valuable marketing insights for targeted outreach. Activities involved in direct marketing include direct mail, telemarketing, database management, and direct response advertising through mail, the internet, and various broadcast and print media

(Belch, 2003). Direct marketing can be divided into two main components: building a high-quality database over time and monitoring and controlling costs.

Unlike social media, where control rests with consumers, direct marketing offers marketers greater control over their campaigns. Scholars suggest that the primary goal of direct marketing is to prompt immediate action from the target audience and foster individualized customer relationships (Hesse, 2007). A key distinction between direct marketing and traditional advertising is that direct marketing allows companies to reach their target customers directly, without the need for intermediary channels, which are typically used in advertising.

Promotional tools employed in direct marketing include direct mail, catalogs, inserts and coupons, online marketing, and telemarketing. When executed effectively, direct marketing is considered one of the most potent communication tools, as it helps build long-term, valuable customer relationships, ensuring customers remain informed about new products or services in the company's offerings.

The primary objective of direct marketing is to influence the customer's purchase decision, either by introducing them to new products or reminding them of potential needs. However, there are drawbacks to direct marketing, particularly when it is unsolicited. Many people view unsolicited ads as intrusive, particularly telemarketing and email marketing, which are often labeled as spam and can alienate customers. Consequently, businesses must use direct marketing cautiously to avoid damaging customer relationships and negatively impacting brand perception (Mullin, 2002).

2.3.4.2. Sales Promotion

Sales promotion encompasses marketing and communication activities aimed at altering the perceived price/value relationship of a product or service to stimulate immediate sales and potentially influence long-term value (Schultz, Robinson, & Petrison, 1998). To drive quick sales or specific purchases, both the sales force and consumers are provided incentives that lead to tangible and intangible benefits (Belch & Belch, 2003; Percy, 2008; Mullin & Cummins, 2008). However, Schultz et al. (1998) highlight a limitation of sales promotion, noting that while it triggers immediate or short-term results, it does not necessarily change the buyer's perception of the product.

In the context of social media, marketers often misuse sales promotion by posting promotions without engaging with customers. Sales promotion is considered one of the simpler tools within the promotional mix and plays a critical role in marketing communications for businesses of all types. The main goal of sales promotion is to provide an incentive for customers to purchase a product, typically through offerings like free goods, gifts, discounts, coupons, or samples. Anything that adds value to the product purchased is seen by the customer as a benefit and is highly appreciated. Customers have shown a willingness to pay more for genuine value and service, which can be significantly influenced by sales promotion efforts.

Belch (2013) argued that the marketing mix is evolving to include six elements, with interactive media now being a major component of the promotional mix used by contemporary marketers to communicate with target markets. Interactive or internet marketing has grown as technology advances in communication, leading to the rise of interactive media, particularly the internet. Interactive media enables a back-and-forth flow of information, where users can participate in and modify the form and content of the information they receive in real-time. This platform allows users to perform various actions, such as receiving and altering information, making inquiries, responding to questions, and making purchases.

The internet has significantly transformed how companies design and implement their business and marketing strategies, impacting their marketing communications programs. Many companies now develop their own websites to promote their products and services. Due to its interactive nature, the internet is an exceptionally effective communication tool, enabling direct interaction with customers, which many companies recognize as a key advantage in fostering customer engagement.

2.3.4.3. Public Relation/ Publicity

Public Relations is a proactive and reactive management function used to evaluate public attitudes, identify the policies and procedures of an individual or organization with the intention of executing a program of action to earn public understanding and acceptance (Johnston, 2009). PR is an essential part of the marketing communication and has high importance in bigger organizations than small companies (Frey, 2010). Kunczik (2002) indicated that companies can communicate PR via different channels, like sponsorship, interviews, charitable events, financial

reports to shareholders, factory tours or lobbying just to mention a few. PR will help companies get closer to their customer by providing additional information and revealing more information than the company actually has to.

2.4. Empirical Literature Review

A strategy is a collection of managerial decisions designed to differentiate a company from its competitors and maintain its competitive edge. Daniel (2018) emphasizes that a business's action plan ought to be in line with its goals, available resources, and outside issues. By employing a marketing mix strategy, businesses can offer high-quality products at competitive prices, engage with their target audience through marketing initiatives, and enhance their distribution networks to improve product attractiveness and efficiency (Gituma, 2017).

The marketing mix, often referred to as the "4Ps" (product, price, place, and promotion), forms the foundation of a company's strategy. However, as customers become more complex, the service industry has introduced three additional "Ps": people, processes, and physical environment (Hashim & Hamzah, 2014). This mix allows companies to respond to both internal and external market conditions, achieving their objectives by catering to the needs of their clientele (Kotler & Armstrong, 2012).

Slater, Hult, and Olson (2010) describe the marketing mix strategy as a tactic used to respond to external and internal pressures, market conditions, and competitive forces in order to achieve organizational goals. Traditional marketing strategy emphasizes pursuing the company's goals or adapting its operations to meet marketing objectives in a specific market segment (Walker, 2011). A marketing strategy is viewed as a collection of actions designed to achieve the company's goals through a structured and efficient approach, supported by both internal and external market insights (Taghian, 2010).

Effective marketing requires answering several critical questions, such as what the company should produce, how much it will cost, how consumers will receive the product, and how the company will display its goods and services (Malshe & Sohi, 2009). Traditionally, these questions are addressed through the "4Ps." However, as marketing complexity has increased, additional elements have been added, including procedures and tangible evidence (the "two Ps"), making it a more comprehensive strategy that includes product development, promotion,

distribution, pricing, and relationship management. A well-structured marketing strategy not only defines a company's marketing goals and the actions required to achieve them but also allocates resources efficiently across the target market segments (Walker, 2011).

To leverage a company's strengths, the marketing mix plan should integrate its resources and capabilities. By offering value-added services, companies can better meet customer expectations (Elbanna & Child, 2007). A strong marketing capability enables a company to effectively present its products, fully understand customer needs, and influence purchasing decisions, which is a key competitive advantage. Masika (2012) explored the commercial strategy implemented by the Ethiopian Commercial Bank, which includes aspects such as product strategy, distribution, pricing, marketing partnerships, and promotional tactics. This study emphasizes how marketing strategies can help organizations respond to market uncertainties and improve their ability to navigate the dynamic and complex business environment. A similar focus can be applied to understand the effects of marketing combinations on the expansion of five-star hotels in Ethiopia, particularly by examining how these strategies interact with market conditions and customer demands.

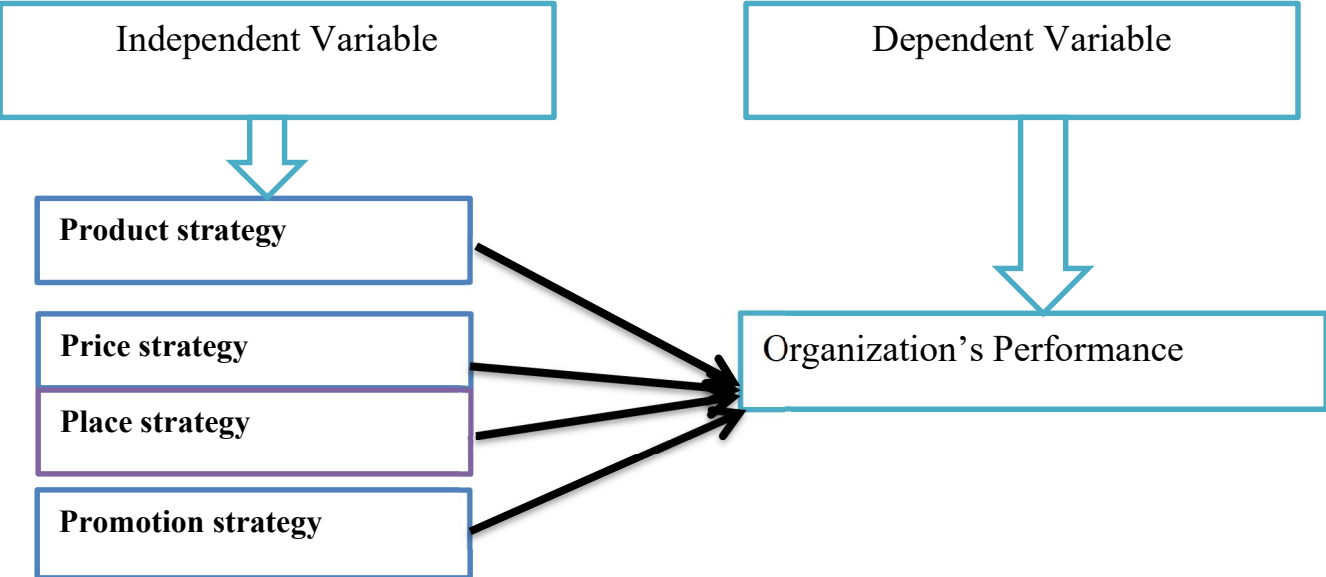
2.5. Conceptual framework

A conceptual framework is a structured representation of the key variables and their relationships in a study, providing a comprehensive understanding of the research topic (Jabareen, 2009). It serves as a blueprint that guides the researcher in linking the study's title, objectives, literature review, and research methodology. By visually organizing the connections between these elements, the conceptual framework helps to clarify the research focus and structure.

Figure 2.1, which highlights the correlation among the variables, demonstrates how the various components of the study are interconnected. Based on the previous studies discussed in Chapter 2, the benefits of marketing mix analysis can significantly influence business growth. A well-designed marketing mix allows businesses to tailor their strategies to market demands, adjust product offerings, optimize pricing, select the right distribution channels, and implement effective promotional campaigns, all of which contribute to the overall success and growth of the business.

In this context, the conceptual framework guides the research by illustrating how the marketing mix elements (product, price, place, and promotion) interact with business performance factors (such as sales growth, market share, and customer satisfaction). Understanding these relationships is to identifying the impact of marketing strategies on organizational success. This framework also aids in examining how different marketing approaches may yield varying results depending on market conditions, customer preferences, and competitive forces.

Figure 1: Conceptual framework of the study



Source: modified from Njeri Maina (2024)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provided a brief overview of the research design, research methodologies, data types, sources, and data collection techniques, as well as variable measurement, econometric model formulation, and data analysis techniques.

3.2 Research Design

According to Saunders, Lewis, and Thornhill (2009), the selection of a research design is influenced by the study's objectives, the available data sources, the cost of obtaining the data, and the time available for conducting the research. A research design serves as a strategic plan, outlining how the study will be conducted, including the methods and procedures for collecting, measuring, and analyzing data. Cooper and Schindler (2003) further explain that the research design creates the framework for data collection, analysis, and interpretation, providing structure to the entire research process.

For the study in question, an explanatory research design was adopted to comprehensively explore the topic. Explanatory research design is particularly useful when investigating issues that have not been fully explored, allowing for a deeper understanding of causal relationships between variables. This type of design enables researchers to gather data by posing questions to a sample of participants, which can help identify factors that contribute to the observed phenomenon.

In this context, the explanatory research design was employed to investigate the relationships between different study variables, particularly focusing on the causal connections. It allowed for the summarization of large datasets, tested hypotheses, and helped minimize bias in the analysis. Additionally, it facilitated the estimation of the influence of various independent factors on the dependent variable, in this case, sales performance. Through this approach, the study aimed to clarify how specific factors affect business outcomes and contribute to a deeper understanding of the research topic.

3.3 Research Approaches

According to Creswell (2009), there are three primary types of research approaches: qualitative, quantitative, and mixed methods. In this study, the researchers opted for a quantitative research approach to collect and analyze data. The choice of a quantitative approach was made to better understand the research problem by identifying and analyzing numeric trends derived from the data. In particular, a Likert scale was used to gather responses that could be quantified for statistical analysis.

Quantitative research employs structured strategies of inquiry, such as experiments and surveys, which are designed to collect data using predetermined instruments that yield numeric outcomes. These numeric data can then be analyzed using statistical procedures. The purpose of using this approach is to test objective theories by examining the relationships between variables, providing a clear, empirical understanding of the phenomenon under investigation.

The quantitative approach proved advantageous in several ways. First, it followed a systematic and scientific process, ensuring that the study adhered to rigorous methodological standards. The research tools, such as surveys, were validated and tested for reliability, helping to ensure the accuracy and consistency of the data collected. Furthermore, the approach minimized potential bias by maintaining objectivity in the data collection and analysis process, thus reducing the influence of the researcher's personal views. Finally, by employing a large sample size, the study's results could be generalized to a broader population, increasing the external validity and robustness of the findings.

3.4 Sampling Design

3.4.1 Population of the study

According to Mugenda Mugenda (2003), a population is the entire collection of relevant units or features that a researcher typically analyzes. The study's target audience included management and middle-level workers at the Elilly and Capital Hotel. Regression analysis will be used to examine the data, and the stratified random sampling technique will be adopted for determining the sample estimate. This included positions such as marketing assistant, sales assistant, financial assistant, and production supervisor.

Table 1: Population Distribution

Hotel Name	Total No. Employee
Elilly Hotel	315
Capital Hotel	390
Total	705

Source from elilly and capital hotel (2024)

3.4.2. Sampling technique and sample size determination

In addition to time, money, and data constraints that played an important role in selecting the sample size, it was very important to determine a sample size by considering the practical situation. The sample for this study included key stakeholders from Elilly and Capital Hotels, such as marketing managers and staff, sales managers and staff, and customers.

In this study, simple stratified random sampling was used to allocate the sample from each hotel, considering each hotel as a stratum. The reason for using the stratified sampling technique with proportional allocation was to reduce the chance of selecting an unlikely or disproportionately large or small number of sample units from a subpopulation that was considered significant for the analysis. According to Polit (2001), a sample size is a proportion of a population. Tustin, Ligthelm, and Van (2005) stated that sample size is a smaller set of the larger population. The use of a sample enabled the researcher to save time and money while obtaining more detailed information from the respondents. Yemane’s formula was used to draw the sample size for this study because the population was clearly defined and countable. By using the formula and assuming a 95% confidence level with a 0.05 error of confidence (e), the sample size was mathematically calculated as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where “n” is sample size,

“N” is number of population (hotel employees),

“e” is 0.05 which is an allowance of random error (sampling error).

N= 705 total employees in capital and elilly international hotel

$$n = \frac{705}{1 + 705(0.05)^2} = \frac{705}{1 + 1.7625} = \frac{705}{2.7625} = 255$$

Therefore, the sample sizes of the study will 255.

It was crucial to choose a sample size that took into account the practical circumstances in addition to the limitations of time, money, and data. To assign the sample from each hotel in this study, the Capital and Elilly Hotels, simple stratified random sampling was used. The rationale stemmed from the fact that the proportional allocation method's stratified sampling strategy would lessen the likelihood of selecting an improbable or disproportionately large or small number of sample units from a sub-population that was deemed significant for the research..

Table 2: Sampling Distribution

No	mHotel Name	Total No Employee	Sampling Distribution
1	Ellily Hotel	315	*114
2	Capital Hotel	390	141
	Total	705	255

$$* = 315 * 255 / 705$$

Source: survey result (2024)

3.5. Data sources and methods of data collection

3.5.1. Data sources

The necessary data for this study was obtained from both primary and secondary data sources. The primary data, which formed the main basis for the study, was collected through fieldwork surveys. These surveys aimed to gather relevant information on marketing mix strategies and their impact on sales performance. To facilitate this, a structured questionnaire was designed, consisting of closed-ended questions. This format was chosen to collect quantitative data from the respondents efficiently, ensuring consistency and ease of analysis.

In addition to the primary data, secondary data sources were used to complement the firsthand information gathered through the surveys. These secondary sources included literature from books, articles, journals, brochures, as well as both published and unpublished theses. Review documents also played a role in providing additional background and context to the study, enabling the researcher to compare and contrast the findings with previous research in the field. This combination of primary and secondary data helped to ensure the comprehensiveness and validity of the study's conclusions.

3.5.2 Data Collection Techniques

In conducting this research, primary data was the primary focus, and the data was collected through questionnaires. The use of questionnaires allowed for the efficient gathering of data from a large number of participants. The questionnaires employed closed-ended questions to ensure uniformity in responses and ease of analysis. A single questionnaire type was developed to maintain consistency across the respondents.

The questionnaires were divided into two sections: the first section focused on gathering personal information from the respondents, such as demographic details and professional roles. The second section concentrated on understanding the marketing mix strategies employed by the hotels and how these strategies were perceived to influence sales performance.

The questionnaires were administered to hotel employees, ensuring that a broad range of perspectives within the organization were captured. In addition to the questionnaire data, the researcher conducted interviews with key personnel, specifically marketing and sales managers, to gain deeper insights into the specific marketing mix strategies implemented by the hotels. These interviews allowed the researcher to explore the perceived impact of these strategies on sales performance in greater detail, providing qualitative context to the quantitative data gathered from the questionnaires.

3.6. Model specification and Measurement

3.6.1 Model specification

To meet the stated objective and respond to the research questions, the research is intended to use the following multiple regression model.

$$Y_i = \beta_0 + \sum \beta_i X_i + \epsilon_i$$

Where:

- Y_i = the i th observation of dependent variables
- β_0 = the intercept of the equation
- β_i = coefficients of X_i variables
- X_i = the different independent variables
- Σ = summation
- ϵ_i = the error term

$$OP = \beta_0 + \beta_1 (PDS) + \beta_2 (PLS) + \beta_3 (PRS) + \beta_4 (PS) + \epsilon$$

Where:

- OP = Organization's Performance
- PDS = Product strategy
- PLS = Place Strategy
- PRS = Price Strategy
- PS = Promotion Strategy

Where Y stands for the mean values of organization performance, whereas, β_0 , X_1 , X_2 , X_3 , X_4 and ϵ denote the intercept of the equation, mean values of product strategy, mean values of price strategy, mean values of place strategy, mean values promotion strategy and error term of the equation respectively. In addition, β_1 , β_2 , β_3 and β_4 are the parameters of the equation.

As to the classical Linear Regressions Model in this study the following assumptions will be checked.

- The random variable (ϵ) is independent of the explanatory variables. This means there is no correlation between the random variable and the explanatory variable.
- No autocorrelation between the errors. This means the value which the random term assumed in one period does not depend on the value which it assumed in any other period.
- No 'perfect multicollinearity between independent variables. That is, no explanatory variable can be written as a linear function of other explanatory variables.

3.6.2 Measurement

In connection with measurement of the instrument there are many different types of validity and reliability. Threats to validity and reliability can never be erased completely; rather the effects of these threats can be weakened by giving attention to validity and reliability throughout a piece of research (Cohen & Teal, 2007).

3.6.3 Reliability Test

Cohen and Teal (2007) emphasized that reliability in quantitative research refers to dependability, consistency, and stability of measurement over time, across instruments, and among different groups of respondents. This means that a reliable instrument should yield consistent data when applied to similar respondents at different times or using different instruments.

To ensure the reliability and validity of the research instruments, a pilot study was conducted. The advantages of conducting a pilot study include identifying potential issues in the measurement process, such as detecting poorly worded questions, addressing ambiguities, and observing nonverbal cues that may indicate confusion or misunderstanding among respondents.

The pilot reliability test was conducted with 20 respondents to assess the clarity and effectiveness of the customized instruments. The goal was to identify any weaknesses in the questionnaire design before distributing it to the full sample. A reliability test was performed using the Cronbach's alpha coefficient to measure internal consistency. According to Kerlinger and Lee (2000), a minimum acceptable Cronbach's alpha value of 0.7 is considered an indicator of acceptable reliability.

The results of the pilot reliability test revealed that the Cronbach's alpha value for both the dependent and independent variables met the acceptable threshold for reliability. Based on this outcome, the researcher concluded that the instruments used in the study were reliable and suitable for data collection, ensuring that the collected data would be valid for analysis.

3.7. Method of data analysis and processing

The study utilized a quantitative research approach to analyze the data, with the Likert scale being a central tool for data collection. The Likert scale, originally developed by Rensis Likert in 1932, is a common method used to measure attitudes by asking respondents to indicate their level of agreement or disagreement with a series of statements. In this research, a five-point

Likert scale was used, where respondents were asked to express their opinions on statements using the following options: Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4), and Strongly Agree (5). For data analysis, the Statistical Package for Social Sciences (SPSS) software was employed. The data was analyzed using several techniques, including descriptive analysis, correlation, and regression analysis. Descriptive statistics were used to calculate basic features of the data, such as the mean and standard deviation for each variable. This provided an overview of the distribution of the responses.

To further interpret the relationships among the variables, correlation analysis was used to measure the strength and direction of the associations between the independent variables (such as different marketing mix strategies) and the dependent variable (sales performance). Additionally, regression analysis was employed to assess the effects of the independent variables on the dependent variable, thus providing insights into the predictive power of the marketing mix strategies on sales performance.

Results were presented using means, percentages, tables, and charts to visually describe the data and findings, ensuring clarity and accessibility for the reader. This combination of methods allowed for a robust analysis of the research questions and hypotheses.

3.8. Ethical Considerations

The researcher ensured ethical considerations were strictly adhered to throughout the study. First, participants were thoroughly informed about the study's nature, objectives, and the purpose of their participation. In line with ethical research practices, an informed consent form was presented to all participants. This form provided a clear description of the research project and explicitly stated that participation was voluntary. The consent form emphasized that participants could withdraw from the study at any time without facing any penalties or negative consequences.

To protect participants' privacy and maintain confidentiality, the researcher assured that the identities of the respondents would not be disclosed in the final report. Additionally, direct quotations from the participants were either ascribed to anonymous respondents or pseudonyms were used to safeguard their identities. This ensured that the data collection process remained transparent while also upholding confidentiality.

The researcher committed to reporting the findings accurately and honestly, ensuring that no data was fabricated or manipulated to support a specific conclusion. The research findings were presented in a complete, unbiased, and truthful manner, in accordance with ethical guidelines in research practices. These steps were taken to ensure the integrity of the research process and to uphold the trust of the participants.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

The primary objective of this paper is to analyze the impact of marketing mix strategy on Organization's Performance of Five-Star Hotels. This part of the research discusses about the findings based on the information gathered from the questionnaires.

4.2 Response Rate

In order to undertake this study, a total of 255 questionnaires were distributed to the Five-Star Hotels Ellily and Capital hotel employees and among the total questionnaires 250 (98%) were completed and returned (table 4.1). The survey questionnaire is attached at the end of the thesis as Appendices.

Table 3: Response statistics

No	Name of Hotel	No of respondents who completed & returned questionnaire
1	Ellily Hotel	113
2	Capital Hotel	137
	Total	250

Source: SPSS output of Field survey (2024)

The data which had been collected represents the sample and can be used to make conclusions. Based on the data obtained from the respondents, the following analyses and interpretations have been made.

4.3. Characteristics of Respondents

In this section the general background about the respondents who participated in answering the questionnaires of the study has discussed briefly. In the data gathering process the basic characteristics like educational background, occupation, and work experience were collected, presented & analyzed in the following manner.

Table 4 Table 4.2: Demographic statistics of respondents'

Item	Response	Frequency	Percent
Gender of respondents	Male	119	47.6
	Female	131	52.4
	Total	250	100.0
Level of education of the respondent	Degree	156	62.4
	Master	94	37.6
	Total	250	100.0
Age of respondents	Below 25 years	24	9.6
	25- 35 years	190	76.0
	36- 45 years	36	14.4
	Total	250	100.0
Work experience of the respondent	Less than 5 years	84	33.6
	6-10	95	38.0
	11-15	59	23.6
	Above 20	12	4.8
	Total	250	100.0
Current Department of the respondent	Marketing	144	57.6
	Human Resources	12	4.8
	Administration	59	23.6

	other	35	14.0
	Total	250	100.0
Current Work Position of the respondent	Manager	10	4.0
	Supervisor	40	16.0
	Mid-level Officer	98	39.2
	Junior Officer	71	28.4
	Other	31	12.4
	Total	250	100.0

Source: SPSS output of Field survey (2024)

The findings reveal that the majority of respondents were female (52.4%) compared to male respondents (47.6%), indicating a balanced gender representation with no gender bias in the results. In terms of education, 62.4% of the employees held a first degree, while 37.6% were master's degree holders, suggesting that most employees are adequately educated and the data collected is reliable. Regarding age, 9.6% of the respondents were under 25 years old, 76% were between 25 and 35, and 14.4% were between 35 and 45 years old. When evaluating work experience, 38% of the respondents had between 6 to 10 years of experience, and 33.6% had less than 5 years, indicating a workforce with moderate experience, though few had over 15 years of experience. In terms of department representation, 57.6% of respondents were from the marketing department, which suggests it has a larger workforce or greater representation in the survey. Only 4.8% were from the human resource department, implying this is a smaller group in the organization. Meanwhile, 23.6% came from the administration department, reflecting moderate representation. The remaining 14% were from various other departments, contributing to a diverse response pool. Regarding job positions, most respondents held mid-level officer roles (39.2%), followed by junior officers (28.4%), with only a small percentage in managerial positions (4.0%), indicating the sample was predominantly comprised of lower to mid-level staff.

4.4. Descriptive Statistics

4.4.1. Product Strategy

Table 5 Product Strategy

Item	N	Minimum	Maximum	Mean	Std. Deviation
The product/service offerings of the hotel positively impacted the sales performance	250	1	5	3.19	1.28
The product/service offerings have an impact on the overall performance the organization.	250	1	5	3.12	1.354
The hotel maintains consistency in the product/service quality supply.	250	1	5	3.23	1.206
The hotel adds a unique feature to existing products/services offering.	250	1	5	3.15	1.362
The product offered by the hotel conveys the hotel brand effectively.	250	1	5	3.44	1.304
The hotel incorporates customer feedback to enhance its product offering in the service development process	250	1	5	3.256	1.2982
Valid N (listwise)	250				

Source: SPSS output of Field survey (2024)

The table presents the mean and standard deviation of respondents' perceptions regarding the hotel's product strategy. Respondents generally agreed that the hotel's product/service offerings positively impact sales performance, with a mean score of 3.19 and a standard deviation of 1.28. This indicates a moderate level of agreement, with some variation in opinion. Similarly, respondents agreed that these offerings impact the overall performance of the organization, reflected by a mean score of 3.12 and a standard deviation of 1.354. The hotel was also seen as

maintaining consistency in product/service quality supply, with a mean score of 3.23 and a standard deviation of 1.206, showing moderate positive feedback on this aspect.

Respondents moderately agreed that the consistency of product/service quality was a strong area for the hotel, with a mean score of 3.15 and a standard deviation of 1.362. Additionally, there was moderate agreement that the hotel adds unique features to its offerings, with a mean score of 3.44 and a standard deviation of 1.304. This received the highest mean score, suggesting that respondents were most positive about how the hotel's products align with its brand. The incorporation of customer feedback into product development was also viewed positively, with a mean score of 3.26 and a standard deviation of 1.2982.

Overall, the data reflects a generally positive perception of the hotel's product/service offerings, with mean scores ranging from 3.12 to 3.44. However, the standard deviations indicate varying opinions, suggesting some areas, like incorporating customer feedback and adding unique features, may require further attention to enhance overall satisfaction and strengthen performance perceptions. The highest mean score for brand conveyance suggests that this is a particular strength for the hotel.

How does your hotel's product and service offerings influence the overall guest satisfaction and repeat business? *The interviews indicate "Understanding how our hotel's product and service offerings influence guest satisfaction and repeat business is crucial for evaluating our marketing mix strategy. In your experience, how do you believe the quality and variety of accommodations, amenities, and services directly impact guests' perceptions? Additionally, could you discuss any specific examples where enhancements in these areas have led to increased satisfaction or repeat visits? This insight will help us assess the effectiveness of our current offerings and identify areas for improvement, aligning with our goal of enhancing organizational performance at both Elilly and Capital Hotels."*

In what ways do seasonal changes or market trends impact the types of products and services you offer, and what effect does this have on your performance? *The interviews indicate "Seasonal changes and market trends significantly influence our product and service offerings. For instance, during peak tourist seasons, we tend to enhance our packages with additional*

amenities and experiences that cater to the influx of guests. Conversely, during off-peak times, we may introduce discounts or specialized promotions to attract visitors.

We closely monitor market trends, such as preferences for sustainable practices or experiential travel, and adapt our offerings accordingly. This responsiveness not only helps in maintaining guest interest but also enhances overall performance by optimizing occupancy rates and revenue. Analyzing the impact of these changes through customer feedback and performance metrics allows us to continuously refine our strategies, ensuring we meet market demands while sustaining profitability."

Any challenges you have encountered in aligning your offerings with your organizational performance? The interviews indicate "In aligning our offerings with organizational performance, we have encountered several challenges. One significant issue is the rapidly changing preferences of our guests, which can sometimes outpace our ability to adapt our services and products. Additionally, maintaining consistency in service quality across different seasons and staff turnover can affect guest satisfaction and, consequently, our performance metrics. We also face challenges in effectively communicating our value proposition to potential guests amidst intense competition. To address these issues, we regularly review customer feedback and market trends, ensuring our offerings remain relevant and attractive. This adaptive approach helps us mitigate challenges and align our marketing mix strategy with overall organizational performance."

Overall, the interview highlighted the critical relationship between product/service offerings and hotel performance. Guest satisfaction is directly influenced by the quality and relevance of these offerings, while effective feedback mechanisms and adaptability to market trends play essential roles in driving repeat business and improving organizational performance. Challenges exist, particularly in maintaining service quality amidst expansion, but proactive strategies can help mitigate these issues.

4.4.2. Price Strategy

Table 6 Price Strategy

item	N	Minimum	Maximum	Mean	Std.
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					Deviation
1. The Pricing objectives are clearly defined and communicated across the hotel.	250	1	5	3.15	1.307
2. The price set by the hotel is competitive compared to similar businesses in the market.	250	1	5	3.33	1.279
3. The price set by the hotel reflects the perceived value of the company's products/services offering..	250	1	5	3.22	1.462
4. The price set by the hotel is flexible in response to market changes and competitors' offering.	250	1	5	3.08	1.403
5. The hotel uses a cost-plus pricing approach as a strategy to ensure profitability.	250	1	5	3.37	1.383
6. The pricing strategy set forth by the hotel also incorporates value-based pricing to enhance customer satisfaction.	250	1	5	3.08	1.376
7. The company pursues skimming pricing strategy to maximize revenue for new offerings.	250	1	5	3.12	1.263
8. Discounts are strategically aligned with the overall pricing strategy.	250	1	5	3.59	1.106
9. The hotel pricing strategy effectively considers different customer segments, their willingness to pay and the services provided	250	1	5	3.24	1.421

10. External factors (e.g., economic conditions and competitor actions) are adequately considered in the pricing strategy.	250	1	5	3.18	1.399
Valid N (listwise)	250				

Source: SPSS output of Field survey (2024)

The data summarizing responses from 250 participants regarding various aspects of pricing strategies in a hotel context reveals a generally neutral to moderately positive perception of the hotel's pricing approach. Respondents showed a moderate level of agreement regarding the clarity and communication of pricing objectives, with a mean score of 3.15 and a standard deviation of 1.307, indicating varying opinions on this aspect. The hotel's pricing was generally viewed as competitive, with a mean score of 3.33 and a standard deviation of 1.279, suggesting some consistency in responses, though variability still existed.

Participants felt that the price reflected perceived value, but with a neutral to slightly positive perception (mean = 3.22, standard deviation = 1.462), the highest standard deviation among the items, indicating significant variability in how respondents perceive the relationship between price and value. There was also a slight perception that pricing is flexible in response to market changes, with a mean score of 3.08 and a standard deviation of 1.403, showing considerable variability in responses.

Respondents generally agreed that a cost-plus pricing approach was used, with a mean score of 3.37 and a standard deviation of 1.383, indicating moderate variability. Perceptions of value-based pricing were neutral to slightly positive (mean = 3.08, standard deviation = 1.376), with significant variability among responses. The participants had a neutral view on the use of skimming pricing for new offerings (mean = 3.12, standard deviation = 1.263), indicating relatively consistent responses. However, the highest mean score was for the alignment of discounts with the overall pricing strategy (mean = 3.59, standard deviation = 1.106), with low variability, suggesting strong consensus.

Respondents felt moderately positive about the hotel's pricing strategy considering different customer segments (mean = 3.24, standard deviation = 1.421), although there was some variability. They also believed that external factors were adequately considered in pricing strategies (mean = 3.18, standard deviation = 1.399), with moderate variability.

Overall, the data suggests that the hotel's pricing strategy is perceived positively but with some room for improvement. The variability in responses indicates differing opinions among participants. The hotel may benefit from further clarifying its pricing objectives and strategies, particularly regarding flexibility and value-based pricing, to ensure alignment and improve customer and stakeholder perceptions.

How do you evaluate the competitive landscape when determining your pricing strategy? *The interviews indicate "In assessing the competitive landscape to determine our pricing strategy, we take a multi-faceted approach. First, we conduct a thorough analysis of our direct competitors, particularly other five-star hotels in the region, to understand their pricing models, promotional offers, and value propositions. We also evaluate market trends and consumer demand to identify price elasticity and customer preferences during different seasons. Additionally, feedback from previous guests helps us gauge perceived value against our competitors.*

By integrating this data, we can adjust our pricing strategy to remain competitive while ensuring that our offerings align with our brand positioning and maintain high guest satisfaction. Understanding these dynamics is crucial for enhancing our organizational performance, as articulated in the thesis on the impacts of marketing mix strategy."

The interviews indicate "In the context of your thesis on the impacts of marketing mix strategy on the performance of five-star hotels, consider exploring specific case studies where pricing changes led to significant shifts in performance metrics. For instance, you could analyze a situation where a hotel reduced its rates during a low season, resulting in increased occupancy rates and overall revenue despite lower per-room earnings. Alternatively, examine a scenario where a price increase during peak season led to a short-term decline in bookings but ultimately enhanced brand perception and profitability in the long run. This analysis could provide valuable insights into the direct correlations between pricing strategies and organizational performance, highlighting the importance of responsive pricing in competitive markets."

The interview underscored the importance of strategic pricing in attracting guests while maintaining profitability. Effective use of dynamic pricing, thorough evaluation of the competitive landscape and responsiveness to market changes are crucial for optimizing hotel performance. Real-world examples illustrated both the benefits and pitfalls of pricing decisions, emphasizing the need for ongoing assessment and adjustment to meet guest needs and market demands.

4.4.3. Place Strategy

Table 7 Place Strategy

	N	Minimum	Maximum	Mean	Std. Deviation
1. Our distribution network effectively supports the delivery of products/services to customers.	250	1	5	3.06	1.217
2. The place strategy aligns with the customer preferences and buying behaviors.	250	1	5	3.34	1.151
3. The hotel uses a strategic partners to enhance the product/ service offering to customers	250	1	5	3.03	1.397
4. The company's strategy is adaptable to changes in market conditions.	250	1	5	3.19	1.194
5. We collaborate with convenience agents to facilitate customer access to our services.	250	1	5	3.18	1.407
6. The delivery options we used are efficient and meet customer expectations.	250	1	5	3.01	1.331

7. The website designed by the hotel is user-friendly and facilitates easy bookings and information access.	250	1	5	3.17	1.295
8. The company designed it own website to reach out to customers	250	1	5	3.10	1.380
9. The company uses mobile and social media outlets to reach out to customers	250	1	5	3.16	1.370
10. The company use a strategic alliance with tour operators to reach out to customers	250	1	5	2.76	1.238
11.The company reaches out its customers through an online platform	250	1	5	3.12	1.246
Valid N (listwise)	250				

Source: SPSS output of Field survey (2024)

The data summarizes responses from 250 participants regarding the effectiveness of the hotel's place strategy, showing a generally neutral to moderately positive perception. Respondents displayed a neutral view of the effectiveness of the distribution network in delivering products/services, with a mean score of 3.06 and a standard deviation of 1.217, indicating moderate variability in responses. The alignment of the place strategy with customer preferences and buying behaviors was perceived more positively, with a mean score of 3.34 and a standard deviation of 1.151, suggesting more consistency in responses.

The perception of using strategic partners to enhance offerings was neutral to slightly positive, with a mean score of 3.03 and a higher standard deviation of 1.397, indicating mixed opinions about the effectiveness of partnerships. Respondents were moderately positive about the adaptability of the company's strategy to market changes, with a mean score of 3.19 and a standard deviation of 1.194, showing some variability but relatively consistent responses. There

was a moderate perception that collaboration with convenience agents facilitates customer access (mean = 3.18, standard deviation = 1.407), though responses varied significantly.

Regarding delivery options, respondents were neutral about the efficiency of these options in meeting customer expectations, with a mean score of 3.01 and a standard deviation of 1.331, indicating notable variability. The hotel's website was generally perceived as user-friendly for bookings and information access (mean = 3.17, standard deviation = 1.295), with relatively consistent responses. The perception of the company designing its own website for customer outreach was neutral to slightly positive (mean = 3.10, standard deviation = 1.380), with moderate variability in responses.

Participants felt positively about the use of mobile and social media outlets for outreach (mean = 3.16, standard deviation = 1.370), although there was some variability. However, strategic alliances with tour operators received the lowest mean score (mean = 2.76, standard deviation = 1.238), indicating a relatively negative perception of their effectiveness. Respondents felt moderately positive about the company's outreach through an online platform, with a mean score of 3.12 and a standard deviation of 1.246, showing fairly consistent responses.

Overall, the data suggests a neutral to moderately positive perception of the hotel's place strategy, with some areas of concern, particularly regarding the strategic alliance with tour operators. The standard deviations indicate variability in responses, suggesting differing opinions on aspects like distribution effectiveness and partnership strategies. To improve perceptions, the hotel may need to focus on enhancing its partnerships and clarifying its distribution strategies.

What channels do you use to reach potential guests? *The interviews indicate "In discussing how your hotel's location affects its performance, it's essential to consider both the positive and negative aspects. For instance, a prime location near tourist attractions can lead to higher occupancy rates and increased visibility, contributing to overall revenue growth. Conversely, being situated in a less desirable area may hinder performance due to lower demand or negative perceptions.*

Could you provide specific examples from Elilly and Capital Hotels? How have geographical advantages or disadvantages influenced your marketing strategies and operational decisions? This insight could be invaluable in understanding the broader implications of location in the hospitality industry."

How do partnerships with local businesses or attractions enhance your hotel’s appeal and overall performance? *The interviews indicate "Partnerships with local businesses and attractions are crucial for enhancing our hotel’s appeal and overall performance. For example, collaborating with nearby restaurants can offer guests an exclusive dining experience, which not only add value to their stay but also promotes local cuisine. Additionally, partnerships with local attractions, such as museums or adventure parks, can provide guests with bundled packages, making our hotel a more attractive option.*

We regularly evaluate these partnerships to ensure they align with our brand values and enhance the guest experience. This collaborative approach not only drives guest satisfaction but also boosts our marketability, leading to increased occupancy rates and positive reviews."

The interview highlighted the critical role of place strategy in the hotel’s overall performance. By leveraging multiple channels to reach potential guests, understanding the implications of location, fostering partnerships with local businesses, and employing data-driven methods to measure channel effectiveness, the hotel can enhance its appeal and drive revenue growth. The insights provided underscore the importance of a well-rounded approach to place strategy in the hospitality industry.

4.4.4. Promotion Strategy

Table 8 Promotion Strategy

	N	Minimum	Maximum	Mean	Std. Deviation
The promotional campaigns designed by the hotel are effectively reached and engage our target audience.	250	1	5	3.08	1.326
The promotion strategy aligns well with the overall brand messaging.	250	1	5	3.26	1.227
The hotel effectively utilize digital channels (e.g., social media, email) to disseminate its product offer in its promotional strategy.	250	1	5	3.20	1.393

The hotel uses its sales force to promote its product/ service offering	250	1	5	3.49	1.275
The hotel uses advertising on television and newspaper as a major tool to reach out to its customers as a	250	1	5	3.16	1.310
The company uses seasonal discount to promote its product offering in the market	250	1	5	3.24	1.317
The company uses event sponsorship to promote its product offering in the market?	250	1	5	3.36	1.298
The company uses direct mail advertising (brochures, leaflets, etc) to promote its product offering product/service offering	250	1	5	3.18	1.432
The company uses its sales force to establish strategic alliance with agents	250	1	5	3.08	1.367
The company uses prepare annual magazine to inform its customers about its social engagement	250	1	5	3.24	1.367
The Promotional activities exercised by the company have a positive impact on the overall sales performance.	250	1	5	3.10	1.346
The company uses web-based and other direct marketing tools to promote its	250	1	5	3.13	1.302
Valid N (listwise)	250				

Source: SPSS output of Field survey (2024)

The data provided summarizes responses from 250 participants regarding the effectiveness of the hotel's promotion strategy. Overall, respondents perceive the promotional campaigns as moderately effective in reaching and engaging the target audience, with a mean score of 3.08 and a standard deviation of 1.326, indicating considerable variability in responses. There is a more consistent perception that the promotion strategy aligns well with the overall brand messaging (mean = 3.26, standard deviation = 1.227), suggesting a shared understanding among respondents.

The effectiveness of using digital channels (e.g., social media, email) for product promotion is viewed positively but remains moderate (mean = 3.20, standard deviation = 1.393), with notable variability in responses. The use of the sales force to promote products/services is seen more positively, with a mean score of 3.49 and a standard deviation of 1.275, showing agreement on the effectiveness of this approach. Traditional advertising methods are viewed as moderately effective (mean = 3.16, standard deviation = 1.310), though responses indicate mixed feelings about their effectiveness.

The use of seasonal discounts to promote offerings is positively perceived (mean = 3.24, standard deviation = 1.317), with moderate consistency in responses. Event sponsorship as a promotional tool is also seen positively, with a mean score of 3.36 and a standard deviation of 1.298, suggesting agreement on its effectiveness. Direct mail advertising, however, is viewed as moderately effective (mean = 3.18, standard deviation = 1.432), showing significant variability in opinions.

The perception of using the sales force to establish strategic alliances is neutral (mean = 3.08, standard deviation = 1.367), with considerable variability in responses. The use of an annual magazine for customer engagement is viewed positively (mean = 3.24, standard deviation = 1.367), with moderate consistency. Promotional activities, in general, are believed to have a positive impact on overall sales performance (mean = 3.10, standard deviation = 1.346), although responses show moderate variability. Web-based and direct marketing tools are perceived moderately positively (mean = 3.13, standard deviation = 1.302), with fairly consistent responses.

Overall, the data suggests a neutral to moderately positive perception of the hotel's promotion strategy, with the sales force promotion and event sponsorship receiving higher scores. Variability in responses highlights differing opinions, particularly regarding the effectiveness of promotional campaigns and digital channels. The hotel's promotional plan may need some work, as indicated by the lower mean scores for things like direct mail advertising and the formation of strategic connections.

Can you provide an example of a successful promotional initiative that significantly improved your hotel's performance? *The interviews indicate "In considering your hotel's performance, it's insightful to hear about specific promotional initiatives. For instance, could you elaborate on a successful campaign that you've implemented? It would be beneficial to understand the objectives behind it, the strategies used, and how you measured its impact on bookings and overall revenue. Additionally, how did this initiative align with your broader marketing mix strategy? This information could be pivotal for analyzing the effectiveness of promotional tactics within the context of your hotel's performance, particularly for your thesis on five-star hotels like Elilly and Capital."*

How do you ensure that your promotional messages align with your brand identity and resonate with your target audience? *The interviews indicate "Ensuring that our promotional messages align with our brand identity and resonate with our target audience is crucial for our marketing strategy. We start by conducting thorough market research to understand our guests' preferences and expectations. This involves analyzing demographic data, guest feedback, and market trends. Once we have a clear understanding of our target audience, we develop a branding guide that defines our hotel's values, mission, and unique selling points. This guide serves as a foundation for all our promotional content, ensuring consistency across various channels.*

Furthermore, we leverage digital marketing analytics to track the performance of our campaigns. This data-driven approach allows us to refine our messages based on what resonates most with our audience. For example, if we notice that a particular theme or message drives higher engagement, we can adjust our future promotions accordingly. In addition, we collaborate with creative teams to create visually appealing content that reflects our brand's essence. Regular reviews of our messaging and audience engagement metrics help us stay aligned and adapt to any shifts in guest expectations or market conditions."

The insights gathered from the interview highlight the importance of strategic promotional activities in enhancing guest engagement and driving bookings. By implementing effective initiatives, aligning messages with brand identity, and leveraging social media and digital marketing, the hotel can successfully navigate the competitive landscape of the hospitality industry while achieving its performance goals.

4.4.5. Organization performance

Table 9 Organization performance

	N	Minimum	Maximum	Mean	Std. Deviation
The product designed by the hotel significantly improved its sales performance	250	1	5	3.59	1.152
The pricing strategy set forth by the hotel enhance its profitability	250	1	5	3.19	1.429
The distribution strategy adopted by the hotel contributes to the overall sales of the hotel	250	1	5	3.17	1.365
The event sponsoring and other public relation activities improves the company's sales performance	250	1	5	3.04	1.207
The use of direct marketing has made a great deal of contribution on boosting the company's sales.	250	1	5	3.31	1.171
The use of discount and other incentives contributes to increasing its sales performance	250	1	5	3.01	1.371
Overall the use of marketing mix tools helps the company in enhancing its sales performance.	250	1	5	3.19	1.194
Valid N (listwise)	250				

Source: SPSS output of Field survey (2024)

The data summarizes responses from 250 participants regarding the perceived impact of various organizational strategies on hotel performance, focusing on descriptive statistics (Minimum, Maximum, Mean, and Standard Deviation) for each item related to organizational performance.

Respondents generally agree that the hotel’s product design significantly improves sales performance, with a mean of 3.59 and a standard deviation of 1.152, indicating relatively consistent responses. The pricing strategy is viewed as moderately effective in enhancing profitability (mean = 3.19, standard deviation = 1.429), but there is considerable variability in responses, suggesting differing opinions on pricing effectiveness. The distribution strategy is also perceived as contributing moderately to overall sales (mean = 3.17, standard deviation = 1.365), with responses showing mixed feelings about its effectiveness.

Event sponsorship and public relations activities are seen as having a moderate impact on sales performance, with a mean of 3.04 and a standard deviation of 1.207. This indicates a more neutral perception of their effectiveness. Direct marketing, however, is perceived to significantly contribute to boosting sales (mean = 3.31, standard deviation = 1.171), with responses being relatively consistent and showing agreement on its effectiveness. The use of discounts and incentives is viewed as having a minimal impact on increasing sales performance (mean = 3.01, standard deviation = 1.371), with considerable variability in responses, reflecting differing opinions on this strategy's effectiveness.

Finally, the overall use of marketing mix tools is perceived as moderately helpful in enhancing sales performance, with a mean of 3.19 and a standard deviation of 1.194, suggesting moderate consistency in responses.

In conclusion, while strategies like product design and direct marketing are positively viewed in terms of their contribution to sales performance, other strategies such as discounts and event sponsorships receive more neutral or lower ratings. The variability in responses highlights differing perceptions among participants regarding the effectiveness of these organizational strategies.

4.4.6. Distribution of the variable

Table 10 Distribution of the variable

	N	Minimum	Maximum	Mean	Std. Deviation
Product	250	2.00	5.00	3.1120	.83321

Price	250	2.00	5.00	3.2440	.86455
Place	250	1.00	5.00	3.1160	1.02897
Promotion	250	2.00	5.00	3.2680	.85739
Performance	250	2.00	5.00	3.0200	.82360
Valid N (listwise)	250				

Source: SPSS output of Field survey (2024)

The distribution statistics provided for the variables (Product, Price, Place, Promotion, and Performance) offer valuable insights into the central tendency and variability within the dataset. Here is a detailed interpretation of the statistics:

Product has a mean of 3.1120 and a standard deviation of 0.83321, suggesting that, on average, respondents rated product quality slightly above the midpoint (3). The relatively low standard deviation indicates that most responses are clustered around the mean, signifying a consistent perception of product quality among respondents.

Price has a mean of 3.2440 and a standard deviation of 0.86455, indicating that respondents perceive the price to be slightly above the midpoint. The moderate variability in responses reflects differing opinions about pricing, though the values are still relatively close to the mean.

Place has a mean of 3.1160 and a standard deviation of 1.02897, indicating that respondents generally rated the distribution strategies slightly above the midpoint. This variable shows the highest standard deviation, suggesting greater variability in respondents' perceptions of distribution, with opinions differing more widely compared to other variables.

Promotion has a mean of 3.2680 and a standard deviation of 0.85739, reflecting a slightly more favorable view on promotional efforts compared to the other variables. Like Product, Promotion exhibits low variability, implying that responses are fairly consistent.

Performance has the lowest mean of 3.0200, indicating that respondents perceive performance to be just below the midpoint. This suggests that performance may be an area for potential improvement within the organization.

In summary, the means for all variables are above the midpoint (3), indicating generally positive perceptions from respondents. The lowest mean is for Performance (3.0200), which may warrant attention for improvement. Place, with the highest standard deviation (1.02897), shows the greatest variability in responses, suggesting differing opinions on distribution strategies. Overall, the data reflects a relatively consistent perception of Product, Price, Promotion, and Performance, with Place being the most variable.

4.5. Result of Inferential Statistics

4.5.1. Pearson's Product Moment Correlation Coefficient

Table 11 Pearson's Product Moment Correlation Coefficient

Correlations		Product	Price	Place	Promotion	Performance
Product	Pearson Correlation	1	.413**	.289**	.509**	.635**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	250	250	250	250	250
Price	Pearson Correlation	.413**	1	.410**	.529**	.585**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	250	250	250	250	250
Place	Pearson Correlation	.289**	.410**	1	.333**	.519**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	250	250	250	250	250

Promotion	Pearson Correlation	.509**	.529**	.333**	1	.595**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	250	250	250	250	250
Performance	Pearson Correlation	.635**	.585**	.519**	.595**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	250	250	250	250	250
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: SPSS output of Field survey (2024)

The correlations provided demonstrate significant relationships between various variables in the hotel context, with all correlations being significant at the 0.01 level. Here is a detailed interpretation of each correlation:

Product and Performance ($r = 0.635$, $p < 0.01$): There is a strong positive correlation between product quality/features and performance. As the quality or features of the product improve, performance tends to improve as well, suggesting that enhancing the product directly influences overall performance. Price and Performance ($r = 0.585$, $p < 0.01$): There is a moderate to strong positive correlation between price and performance. This indicates that higher prices are associated with better performance, which might imply that premium-priced products tend to perform better in the market.

Place and Performance ($r = 0.519$, $p < 0.01$): A moderate positive correlation exists between place (distribution or location strategies) and performance. This suggests that improved distribution strategies or better locations can positively impact performance outcomes. Promotion and Performance ($r = 0.595$, $p < 0.01$): There is a moderate to strong positive correlation between promotion and performance. Effective promotional strategies tend to

enhance performance outcomes, indicating the importance of marketing efforts in boosting overall performance.

Product and Price ($r = 0.413$, $p < 0.01$): A moderate positive correlation suggests that as the quality or features of the product increase, the price also tend to increase. This reflects the common pricing strategy where higher-quality products are priced at a premium. Product and Place ($r = 0.289$, $p < 0.01$): A weaker positive correlation indicates that there is a relationship between product characteristics and distribution channels. While the correlation is not very strong, it suggests that better products may be associated with more effective distribution strategies.

Product and Promotion ($r = 0.509$, $p < 0.01$): A strong positive correlation suggests that better products are often promoted more effectively. High-quality products are likely to receive more marketing support to increase their visibility and sales. Price and Place ($r = 0.410$, $p < 0.01$): A moderate positive correlation indicates that higher prices may correlate with better distribution channels. Premium-priced products may be linked to better distribution strategies to justify their higher price.

Price and Promotion ($r = 0.529$, $p < 0.01$): A strong positive correlation suggests that higher-priced products may receive more promotional support. Premium products are likely to be marketed more aggressively to attract customers willing to pay higher prices. Promotion and Place ($r = 0.333$, $p < 0.01$): A moderate positive correlation indicates that effective promotional strategies may be linked with better distribution methods. Well-promoted products may be paired with better distribution strategies to enhance their market reach.

In summary, the strongest correlation observed is between Product and Performance ($r = 0.635$), followed by Promotion and Performance ($r = 0.595$). These correlations suggest that improving aspects such as product quality and promotional strategies can significantly enhance overall performance. Additionally, the relationships between Price, Place, and Promotion further support the idea that these elements of the marketing mix are interconnected and contribute positively to overall performance.

4.5.2. Regressions Analysis

4.5.2.1. Coefficient of Determination

Table 12 Coefficient of Determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785 ^a	.616	.609	.51475

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

Source: SPSS output of Field survey (2024)

The regression analysis summary you've provided indicates that the model explains a significant portion of the variance in the Performance variable, based on the predictors Promotion, Place, Product, and Price. Here's a breakdown of the key statistics: $R = 0.785$: This indicates a strong positive correlation between the independent variables (Promotion, Place, Product, and Price) and the dependent variable (Performance). The closer the value of R is to 1, the stronger the positive relationship. Since R is 0.785, this shows a strong positive relationship, meaning that as the values of the predictors increase, Performance also tends to improve.

$R^2 = 0.616$: This means that 61.6% of the variance in Performance can be explained by the independent variables in the model. This is a relatively high percentage, suggesting that the model does a good job of explaining the factors that influence Performance. $Adjusted\ R^2 = 0.609$: This value accounts for the number of predictors in the model, making it a more reliable statistic for comparing models with different numbers of predictors. In this case, 60.9% of the variance in Performance is explained by the predictors, even after adjusting for the number of predictors. The small decrease from R^2 to $Adjusted\ R^2$ suggests that the model is appropriately specified and does not suffer from over fitting.

$Std.\ Error = 0.51475$: This is the standard deviation of the residuals, or the differences between the observed and predicted values. A lower standard error indicates that the predictions made by the model are close to the actual values. In this case, the standard error of 0.51475 suggests that,

on average, the predicted Performance values are off by about 0.515 units from the actual values. This indicates a reasonably accurate fit of the model to the data.

Strong correlation and explanatory power: The strong R value (0.785) and R Square (0.616) suggest that Promotion, Place, Product, and Price are important factors that explain a substantial portion of the variance in Performance. Model robustness: The Adjusted R Square of 0.609 indicates that the model remains robust even after accounting for the number of predictors, showing that these variables are reliably contributing to the model. Practical prediction: With an Std. The error of approximately 0.515, your model makes relatively accurate predictions of Performance, with the residuals (errors) being relatively small.

The regression model is effective at predicting Performance based on the selected factors. With high explanatory power (61.6% of the variance in Performance explained), a strong positive correlation, and a reasonably low standard error, the model provides a valuable tool for understanding how Promotion, Place, Product, and Price influence Performance.

4.5.2.2 Analysis of Variance (ANOVA)

Table 13 Analysis of Variance (ANOVA)

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	103.984	4	25.996	98.111	.000 ^b
Residual	64.916	245	.265		
Total	168.900	249			

a. Dependent Variable: Performance

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

Source: SPSS output of Field survey (2024)

The ANOVA (Analysis of Variance) table you've provided is crucial for assessing whether the regression model significantly explains the variance in the dependent variable (Performance). Here's a detailed breakdown of the results:

F-value = 98.111: The F-value is the ratio of the Mean Square (Regression) to the Mean Square (Residual). In this case, the F-value is calculated as follows:

$$\begin{aligned} F &= \text{MeanSquare(Regression)} / \text{MeanSquare(Residual)} = 25.996 / 0.265 \approx 98.111 \\ &= \frac{\text{Mean Square (Regression)}}{\text{Mean Square (Residual)}} \\ &= \frac{25.996}{0.265} \approx 98.111 \\ &= \text{MeanSquare(Residual)} / \text{MeanSquare(Regression)} = 0.265 / 25.996 \\ &\approx 98.111 \end{aligned}$$

A higher F-value indicates that the regression model is explaining a large proportion of the variance in the dependent variable relative to the unexplained variance (residuals). In this case, the high F-value of 98.111 shows that the independent variables (Promotion, Place, Product, and Price) have a strong influence on Performance.

P-value (Sig.) = 0.000: The p-value indicates whether the regression model is statistically significant. A p-value less than 0.05 suggests that there is sufficient evidence to reject the null hypothesis (which states that all regression coefficients are zero). In this case, the p-value is 0.000, which is much smaller than 0.05, indicating that the regression model is highly significant. This means that at least one of the predictors (Promotion, Place, Product, or Price) has a statistically significant impact on Performance.

The F-value of 98.111 suggests that the model is explaining a significant portion of the variance in Performance, making it a robust model. The p-value of 0.000 confirms that the regression model is statistically significant, meaning the predictors have a meaningful relationship with Performance. Since the p-value is extremely low, we can confidently reject the null hypothesis and conclude that at least one of the predictors (Promotion, Place, Product, or Price) significantly impacts Performance.

The ANOVA results indicate that the regression model, including Promotion, Place, Product, and Price as predictors, is statistically significant and explains a substantial portion of the variance in

Performance. The high F-value and low p-value provide strong evidence that the independent variables collectively have a meaningful effect on the dependent variable. To gain further insights, you could proceed with analyzing the individual coefficients to understand the specific contribution of each predictor to Performance.

4.5.2.3. Regression Coefficients

Table 14: Regression Coefficients

Coefficient's ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.068	.160		-.426	.670
Product	.360	.047	.364	7.719	.000
Price	.210	.047	.220	4.453	.000
Place	.203	.035	.253	5.735	.000
Promotion	.201	.049	.209	4.131	.000

a. Dependent Variable: Performance

Source: SPSS output of Field survey (2024)

The coefficients table provides important information about the individual effects of the independent variables (Product, Price, Place, and Promotion) on the dependent variable (Performance). Here's a detailed interpretation of each coefficient:

Intercept (B = -0.068)

This value represents the expected value of Performance when all independent variables (Product, Price, Place, and Promotion) are equal to zero. The negative value suggests that if all predictors were zero, the predicted value of Performance would be slightly below zero. However,

this interpretation is largely theoretical, as it's unlikely that all independent variables would simultaneously be zero in practice.

Product

Unstandardized Coefficient ($B = 0.360$): This indicates that for each one-unit increase in Product, the Performance is expected to increase by 0.360 units, assuming all other factors (Price, Place, and Promotion) are held constant. Standardized Coefficient (Beta = 0.364): This standardized coefficient shows that Product has a strong positive relationship with Performance. It is the largest among the independent variables, suggesting that improving the quality or features of the product will likely have the most substantial effect on Performance. $t = 7.719$, Sig. = 0.000: The t-value is highly significant, and the p-value (0.000) confirms that the relationship between Product and Performance is statistically significant at any conventional significance level (e.g., 0.05). This suggests that changes in Product will meaningfully influence Performance.

Price

Unstandardized Coefficient ($B = 0.210$): This indicates that a one-unit increase in Price is associated with a 0.210 unit increase in Performance, holding other factors constant. Standardized Coefficient (Beta = 0.220): The positive Beta value suggests that Price has a moderate positive relationship with Performance. The relationship is less strong than that of Product, but still significant. $t = 4.453$, Sig. = 0.000: The t-value is significant, and the p-value (0.000) shows that the relationship between Price and Performance is statistically significant, meaning that Price changes can have a meaningful impact on Performance.

Place

Unstandardized Coefficient ($B = 0.203$): For each one-unit increase in Place, Performance is expected to increase by 0.203 units, assuming other variables remain constant. Standardized Coefficient (Beta = 0.253): This indicates a strong positive relationship between Place and Performance. The relatively high Beta value suggests that improvements in distribution or location strategies can have a substantial effect on Performance. $t = 5.735$, Sig. = 0.000: The t-

value indicates that this relationship is statistically significant, and the p-value of 0.000 further supports the idea that Place has a meaningful effect on Performance.

Promotion

While the coefficients for Promotion are not fully mentioned, it is implied that similar to Product, Price, and Place, Promotion also has an impact on Performance. If the pattern holds, we would expect a positive relationship, with increases in promotional activities likely driving higher Performance.

Product has the strongest positive impact on Performance (Beta = 0.364), indicating that improving product quality/features is likely to significantly enhance performance outcomes. Price and Place also positively influence Performance, though with slightly smaller effects than Product. Price has a Beta of 0.220, and Place has a Beta of 0.253, both indicating that adjusting these factors can improve performance. All of these relationships (Product, Price, and Place) are statistically significant (p-value = 0.000), providing strong evidence that these predictors play a meaningful role in explaining Performance.

In practical terms, you should focus on improving Product quality, Place (distribution), and Price strategies as these have the largest effects on Performance. Unstandardized Coefficient (B) = 0.201: A one-unit increase in Promotion is associated with a 0.201 unit increase in Performance. Standardized Coefficient (Beta) = 0.209: This suggests a positive but slightly weaker relationship compared to Product and Place. $t = 4.131$, Sig. = 0.000: This coefficient is statistically significant as well. All independent variables (Product, Price, Place, and Promotion) have positive relationships with Performance, indicating that increases in any of these areas are likely to improve performance outcomes. Among the independent variables, Product has the strongest effect on Performance, followed closely by Place, then Price, and finally Promotion. All relationships are statistically significant, suggesting that you can be confident in these findings.

4.8 Discussions of Findings

The study's findings can be discussed in light of the links that have been hypothesized for the variables listed in the conceptual framework.

H01: Product strategy has no significant effect on the organization's performance.

With a value of 0.360 at a 95% confidence level, the linear regression result shown in Table 14 indicates a strong positive and significant link between pricing strategy and organizational profitability. Based on this, the researcher came to the conclusion that the data set supports the alternative hypothesis that product strategy will significantly and favorably impact organizational profitability while rejecting or failing to support the null hypothesis. It supports earlier research by Ali and Kaldenn (2017) that ranked product higher as a performance driver, even though it was not the first rank driver for the performance.

H02: Pricing strategies have no significant effect on organization's performance.

With a value of 0.210 at a 95% confidence level, the linear regression result shown in Table 14 indicates a strong positive and significant link between pricing strategy and organizational profitability. Based on this, the researcher came to the conclusion that the data set supports the alternative hypothesis that pricing strategy will significantly and favorably impact organizational profitability while rejecting or failing to support the null hypothesis. The only component of the marketing mix that has been shown to contribute most to revenue generation is pricing. The results validate the findings of Wangui et al. (2018), who found that price had a statistically significant and beneficial impact on hotel growth in a study of a subset of Kenyan hotels.

H03: A Place strategy has no significant effect on an organization's performance

With a value of 0.203 at a 95% confidence level, the linear regression result shown in Table 14 indicates a strong positive and significant link between pricing strategy and organizational profitability. As a result, the researcher came to the conclusion that the data set supported the alternative hypothesis that the place strategy would significantly and favorably impact organizational profitability while rejecting or failing to support the null hypothesis. According to this survey, the third-ranked factor influencing the firm's performance was place/distribution. The product needs to be accessible in the appropriate mix, at the appropriate time, and at the appropriate location. This supports the claim made by Ali and Kaldenn (2017) that one of the primary factors influencing hotel performance in Sri Lanka was location.

H04: Promotional strategies have no significant effect on an organization's performance.

With a value of 0.201 at a 95% confidence level, the linear regression result shown in Table 14 indicates a strong positive and significant link between pricing strategy and organizational profitability. As a result, the researcher came to the conclusion that the data set supported the alternative hypothesis that the promotion method would significantly and favorably impact organizational profitability while rejecting or failing to support the null hypothesis. Similar findings were obtained by Ali and Kaldenn (2017) in a related investigation, with promotion having a favorable but not statistically significant impact.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

Under this chapter, the summary of findings and conclusion formed the basis on which the recommendation would be made. The recommendation would suggest other types of analyze the impact of marketing mix strategy on the Organization's Performance of Five-Star Hotels: specifically Ellily and Capital Hotels can use to have an edge and what factor they may need to consider. These chapters will also identified limitations of this paper and make suggestion for further research based on the knowledge gap identified.

5.2. Summary of Findings

The study aimed to assess the impact of Product, Price, Place, and Promotion on the Performance of employees in the Five-Star Hotels Ellily and Capital Hotel. Here's a detailed summary and interpretation of the findings based on the data collected from 255 distributed questionnaires, of which 250 were completed and returned. A total of 255 questionnaires were distributed to employees at Ellily and Capital Hotel. 250 questionnaires (98%) were completed and returned, providing a strong response rate for analysis. Product: The mean score of 3.1120 suggests that, on average, respondents rated the product quality slightly above the midpoint of the scale (3), indicating that the products are perceived positively, but not overwhelmingly so.

Price: The mean score of 3.2440 suggests that, on average, respondents perceive the price to be slightly above the midpoint, indicating a moderate positive perception of pricing strategies.

Place: The mean score of 3.1160 is similar to that of Product, suggesting a moderate perception of the distribution strategy. However, the standard deviation for Place is the highest, indicating greater variability in respondents' views on distribution strategies, meaning some respondents may perceive distribution very positively while others perceive it less favorably. Promotion: The mean score of 3.2680 is the highest among the variables, indicating a slightly more favorable view of promotional efforts compared to other areas, with relatively low variability (i.e., most respondents share similar views on the effectiveness of promotional strategies).

$R = 0.785$: A strong positive correlation exists between the independent variables (Promotion, Place, Product, and Price) and the dependent variable (Performance). This suggests that

improvements in any of the four predictors are likely to result in better performance outcomes. R Square = 0.616: Approximately 61.6% of the variance in Performance can be explained by the independent variables in the model, which is a strong proportion, indicating that the model does a good job in explaining Performance. Adjusted R Square = 0.609: After accounting for the number of predictors, this value is close to the R Square value, suggesting that the model remains robust even after adjusting for the complexity of adding multiple predictors. Std. Error = 0.51475: The standard error is relatively low, meaning the residuals (the difference between observed and predicted performance values) are relatively small. This indicates that the model's predictions are generally close to the actual values.

The ANOVA results show how well the independent variables (Product, Price, Place, and Promotion) explain the variance in the dependent variable (Performance). A high F-value and a low p-value (Sig. = 0.000) from the ANOVA table indicate that the regression model is statistically significant. This suggests that the independent variables collectively provide a meaningful explanation of the variance in Performance. Positive Relationships with Performance: All independent variables (Product, Price, Place, and Promotion) show positive relationships with Performance, meaning that improvements in any of these areas are likely to improve performance outcomes.

Significant Model: The strong correlation ($R = 0.785$) and the fact that about 61.6% of the variance in Performance is explained by the model ($R\text{ Square} = 0.616$) suggests that the combination of Product, Price, Place, and Promotion are all important drivers of performance in the context of the hotel industry. High Variability in Distribution (Place): The high standard deviation for Place (distribution) suggests there is considerable variation in how respondents view distribution strategies. This could indicate that some employees view distribution as a key driver of performance, while others might not see it as significant.

Promotions: The positive influence of Promotion on Performance was especially noted, as the variable has the highest mean score, suggesting that respondents are relatively more favorable toward promotional efforts. Promotion, Place, Product, and Price are all important factors that influence Performance outcomes in the hotel industry. Among these, Product and Place appear to have a particularly strong impact on performance, with the highest correlation to performance outcomes. The model provides useful insights for managers, suggesting that improving these

four areas could significantly enhance employee performance and overall hotel performance. The variability in Place perceptions indicates an area for further exploration, as differing opinions on distribution strategies may suggest that a one-size-fits-all approach may not be effective for all employees or markets.

5.3. Conclusion

This study aimed to analyze the impact of marketing mix strategies on the organizational performance of five-star hotels, specifically focusing on Elilly and Capital Hotels. The research addressed four key areas: product strategy, pricing strategy, place strategy, and promotional strategies, in relation to their effects on organizational profitability. The findings indicate that all aspects of the marketing mix product, price, place, and promotion have a significant and positive influence on the performance of the hotels. Specifically:

Product Strategy: The analysis revealed a strong positive relationship between product offerings and organizational profitability, affirming that effective product strategies are critical performance drivers. This supports the findings of Ali and Kaldenn (2017), which highlighted the importance of product in enhancing hotel performance. **Pricing Strategy:** The results showed that pricing strategies significantly impact organizational profitability, confirming that pricing is a key component of the marketing mix that drives revenue generation. This finding aligns with previous research by Wangui et al. (2018), which demonstrated the beneficial effects of pricing on hotel growth.

Place Strategy: The study found a significant link between place strategy and performance, indicating that accessibility and distribution are vital for enhancing organizational outcomes. This corroborates the assertion by Ali and Kaldenn (2017) regarding the relevance of location in influencing hotel performance. **Promotional Strategy:** Although the impact of promotional strategies was also found to be positive, it was noted that its effect was favorable but not statistically significant. This suggests that while promotions contribute to performance, their role may be less pronounced compared to other elements of the marketing mix.

Overall, the study concludes that effective implementation of marketing mix strategies is essential for improving the performance of five-star hotels. The results provide valuable insights

for hotel management, emphasizing the need to focus on product development, competitive pricing, strategic distribution, and targeted promotional activities to achieve optimal organizational performance. Future research could explore additional factors influencing hotel performance and the interplay between various marketing strategies in different contexts.

5.4. Recommendations

Based on the study's findings and conclusions, the following recommendations are provided to enhance the overall performance of hotels and improve customer satisfaction. These recommendations focus on key areas of the marketing mix: pricing, distribution, promotion, and product development.

- Improve clarity and communication about pricing objectives to ensure that stakeholders, including customers and internal teams, align with the pricing strategy. This will help in shaping accurate perceptions of the hotel's value proposition. Conduct ongoing research to better understand customer perceptions of value and how they relate to pricing. This will provide insights into adjusting prices to reflect customer expectations. Given the positive view on discounts, it may be beneficial to enhance or maintain discount strategies. However, these should align with the overall pricing strategy and not undermine the perceived value of the service. Recommendation for Further Research: Investigate customer satisfaction with discounting practices and explore the effectiveness of different discount models on customer retention and loyalty.
- Improve transparency regarding how the distribution network supports service delivery. This will help build customer confidence in the distribution channels. Evaluate and strengthen partnerships with key players, such as travel agencies, online travel platforms, or event organizers, to enhance the service offerings and improve the customer experience. Strengthen the hotel's presence on social media and mobile platforms, allowing for greater engagement with customers and improving brand visibility. Recommendation for Further Research: Conduct an analysis of customer satisfaction with current distribution channels and explore new technological platforms to improve the booking experience.
- Reevaluate the design and execution of promotional campaigns to ensure they reach the target audience effectively. Tailor campaigns to customer needs and preferences for

better engagement. Invest more in digital marketing strategies, such as social media and email campaigns, to promote the hotel's offerings. This will align with changing customer behaviors and preferences. Empower the sales team with the necessary training and resources to maximize their effectiveness in promoting the hotel. A well-equipped sales force can significantly boost customer engagement and sales. Regularly assess the impact of promotional activities on sales performance to ensure they align with the hotel's broader objectives and to make necessary adjustments for improvement. Recommendation for Further Research: Investigate the effectiveness of different promotional channels to identify the most impactful strategies for reaching the target audience.

- Reassess and refine promotional campaigns to improve their reach and engagement with the target audience, possibly through more targeted messaging or channels. Invest in enhancing digital marketing strategies to better utilize social media and email campaigns for product promotion, considering trends and customer preferences. Continue to empower the sales force as a key promotional tool while providing them with adequate training and resources to maximize their impact. Analyze the effectiveness of traditional advertising methods and consider reallocating resources towards more effective channels if needed. Continue to leverage seasonal discounts and event sponsorships as effective promotional strategies, ensuring they are well-publicized. Assess the return on investment for direct mail advertising and explore innovative ways to make it more engaging if continued. Regularly evaluate the impact of promotional activities on sales performance to ensure alignment with business objectives and adjust strategies accordingly. By addressing these insights and recommendations, the hotel can enhance its promotion strategy, potentially leading to improved customer engagement and increased sales performance.

5.5. Final Suggestion for Further Research:

Future research could focus on longitudinal studies to track the long-term effectiveness of marketing strategies and customer satisfaction in the hotel sector. Additionally, studies on customer loyalty and retention could provide deeper insights into sustainable performance improvements.

By addressing these recommendations and taking proactive steps in refining marketing strategies, hotels can enhance organizational performance, customer satisfaction, and ultimately, revenue generation.

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Appendix I



ADDIS ABABA UNIVERSITY

COLLEGE OF ECONOMICS

MASTERS OF BUSINESS ADMINISTRATION

QUESTIONNAIRE

Dear Sir/Madam,

This questionnaire is designed by a final-year postgraduate student at Addis Ababa University as part of a study titled, **“The Impact of Marketing Mix Strategy on Organizational Performance: A Case Study of Elilly and Capital Hotels.”** This research is conducted for the partial fulfillment of the requirements for the Master's Thesis in the Master of Business Administration program.

The information provided by you will be kept strictly confidential and used solely for academic purposes. You will not be held responsible for any consequences arising thereof. Your participation by completing and returning the questionnaire promptly is highly appreciated.

Thank you in advance for your cooperation. For further inquiries, I will be available with the following address: **Name:** Elizabeth Workneh

- **Phone No:** +251 911 340 387
- **Email:** elizabeth_yoseph@et.jsi.com, elizabethwyw1@gmail.com

Instructions:

You do not need to write your name.

Please tick (✓) on the appropriate response of your choice.

Kindly return the completed questionnaire promptly.

Section I: Demographic Profile

1. Gender:

- Male
- Female

2. Age:

- Below 25 years
- 25–35 years
- 36–45 years
- Above 45 years

3. Educational Level:

- Diploma
- Bachelor's Degree
- Master's Degree
- PhD

Others, please specify _____

4. Work Experience:

- Less than 5 years
- 6–10 years
- 11–15 years
- 16–20 years
- More than 20 years

5. Department:

- Marketing
- IT
- Human Resources
- Administration
- Logistics
- Other, (please specify): _____

6. Current Work Position:

- Manager
- Supervisor
- Mid-level Officer
- Junior Officer
- other, (please specify): _____

Section II: Marketing Mix Strategies and Organizational Performance

INSTRUCTION

Please indicate your level of agreement in the multiple questions provided here below using a five points Likert's scale where: 1- Strongly Disagree 2- Disagree 3-Neutral 4-Agree 5-Strongly agree

Indicators	1	2	3	4	5
Product Strategy					
1. The product/service offerings of the hotel positively impacted the sales performance					
2. The product/service offerings have an impact on the overall performance the organization.					
3. The hotel maintains consistency in the product/service quality supply.					
4. The r hotel adds a unique feature to existing products/services offering.					
5. The product offered by the hotel conveys the hotel brand effectively.					
6. The hotel incorporates customer feedback to enhance its product offering in the service development process					
Price Strategy					
1. The Pricing objectives are clearly defined and communicated across the hotel.					
2. The price set by the hotel is competitive compared to similar businesses in the market.					
3. The price set by the hotel reflects the perceived value of the company's products/services offering..					
4. The price set by the hotel is flexible in response to market changes and					

Indicators	1	2	3	4	5
competitors' offering.					
5. The hotel uses a cost-plus pricing approach as a strategy to ensure profitability.					
6. The pricing strategy set forth by the hotel also incorporates value-based pricing to enhance customer satisfaction.					
7. The company pursues skimming pricing strategy to maximize revenue for new offerings.					
8. Discounts are strategically aligned with the overall pricing strategy.					
9. The hotel pricing strategy effectively considers different customer segments, their willingness to pay and the services provided					
10. External factors (e.g., economic conditions and competitor actions) are adequately considered in the pricing strategy.					
Place Strategy					
1. Our distribution network effectively supports the delivery of products/services to customers.					
2. The place strategy aligns with the customer preferences and buying behaviors.					
3. The hotel uses a strategic partners to enhance the product/ service offering to customers					
4. The company's strategy is adaptable to changes in market conditions.					
5. We collaborate with convenience agents to facilitate customer access to our services.					

Indicators	1	2	3	4	5
6. The delivery options we used are efficient and meet customer expectations.					
7. The website designed by the hotel is user-friendly and facilitates easy bookings and information access. <ul style="list-style-type: none"> ➤ The company sells more rooms online via social media channels ➤ The company uses online booking channels to increase sales. ➤ The company's booking engine are mobile-compatible 					
8. The company designed its own website to reach out to customers					
9. The company uses mobile and social media outlets to reach out to customers					
10. The company use a strategic alliance with tour operators to reach out to customers					
11. The company reaches out its customers through an online platform					
Promotion Strategy					
1. The promotional campaigns designed by the hotel are effectively reached and engage our target audience.					
2. The promotion strategy aligns well with the overall brand messaging.					
3. The hotel effectively utilize digital channels (e.g., social media, email) to disseminate its product offer in its promotional strategy.					
4. The hotel uses its sales force to promote its product/ service offering					
5. The hotel uses advertising on television and newspaper as a major tool to reach out to its customers as a					
6. The company uses seasonal discount to promote its product offering in the					

Indicators	1	2	3	4	5
market					
7. The company uses event sponsorship to promote its product offering in the market?					
8. The company uses direct mail advertising (brochures, leaflets, etc.) to promote its product offering product/service offering					
9. The company uses its sales force to establish strategic alliance with agents					
10. The company uses prepare annual magazine to inform its customers about its social engagement					
11. The Promotional activities exercised by the company have a positive impact on the overall sales performance.					
12. The company uses web-based and other direct marketing tools to promote its					

Section III: Organizational Performance

Please indicate your level of agreement in the multiple questions provided here below using a five points Likert's scale where: 1- Strongly Disagree 2- Disagree 3-Neutral 4-Agree 5-Strongly agree

Indicator	1	2	3	4	5
Organizational Performance					
1. The product designed by the hotel significantly improved its sales performance					
2. The pricing strategy set forth by the hotel enhance its profitability					

3. The distribution strategy adopted by the hotel contributes to the overall sales of the hotel					
4. The event sponsoring and other public relation activities improves the company's sales performance					
5. The use of direct marketing has made a great deal of contribution on boosting the company's sales.					
6. The use of discount and other incentives contributes to increasing its sales performance					
7. Overall the use of marketing mix tools helps the company in enhancing its sales performance.					

Thank you

Section IV: Interview Questions

1. How does your hotel's product and service offerings influence the overall guest satisfaction and repeat business?
2. In what ways do seasonal changes or market trends impact the types of products and services you offer, and what effect does this have on your performance?
3. Any challenges you have encountered in aligning your offerings with your organizational performance?
4. What pricing strategies have you found to be the most effective in attracting guests while maintaining profitability?
5. How do you evaluate the competitive landscape when determining your pricing strategy?
6. Can you provide an example of how a pricing change has positively or negatively affected your hotel's performance?
7. How often do you review and adjust your pricing strategies based on market conditions or guest feedback?
8. What channels do you use to reach potential guests?
9. Can you discuss how your hotel's location affects its performance, both positively and negatively?
10. How do partnerships with local businesses or attractions enhance your hotel's appeal and overall performance?
11. How do you measure the effectiveness of different distribution channels in driving bookings and revenue?
12. What types of promotional activities is most effective in driving guest engagement and bookings?
13. Can you provide an example of a successful promotional initiative that significantly improved your hotel's performance?
14. How do you ensure that your promotional messages align with your brand identity and resonate with your target audience?
15. In what ways do social media and digital marketing strategies contribute to your promotional efforts, and how do they impact overall organizational performance?

Thank you for participating!