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**PERCEPTION BASED ASSESSMENT ON MARKETING STRATEGY—PERFORMANCE
OF METALS AND ENGINEERING CORPORATION:
A CASE OF BISHOFTU AUTOMOTIVE INDUSTRY**

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June, 2014

ADDIS ABABA, Ethiopia

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**Research Paper Submitted to the Department of Marketing Management of Addis
Ababa University School of Commerce in Partial Fulfillment of the Requirements for
the Degree of Masters of Arts in Marketing Management**

June, 2014

ADDIS ABABA, ETHIOPIA

Addis Ababa University School of Commerce Graduate Studies MA Program

**Perception Based Assessment on Marketing Strategy –Performance of Metals
and Engineering Corporation: A Case of Bishoftu Automotive Industry**

By: Dawit Yalamberhan

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LETTER OF CERTIFICATION

This is to certify that Dawit Yalamberhan has carried out his research work on the topic entitled **“Perception Based Assessment on Marketing Strategy –Performance of Metals and Engineering Corporation: A Case of Bishoftu Automotive Industry”**. This work is original in nature and is suitable for submission for the award of Master of Marketing Management.

Dr. Berhanu Denu
(The Project Advisor)

Date: _____

DECLARATION

I, Dawit Yalamberhan Woldegebriel, hereby declare that **“Perception Based Assessment on Marketing Strategy –Performance of Metals and Engineering Corporation: A Case of Bishoftu Automotive Industry”** is my own work, that it has not been submitted for any degree or examination in any other university, and that all sources I have used or quoted have been indicated and acknowledged by complete references.

By: Dawit Yalamberhan

Date: _____

AKNOWLEDGMENTS

First and foremost I would like to take this opportunity to thank God for giving me the grace and privilege to pursue and successfully complete this thesis.

I express my profound gratitude to my supervisor, Dr. Berhanu Denu for his constructive and unwavering guidance throughout the course of this work.

I forward my heartfelt and most sincere gratitude to Fassica Teffera, who has gotten me to where I am today by supporting me throughout my academic years. You are the best mother anyone can have, I can't thank you enough.

I owe a debt of gratitude to Bitew Belay for his support and useful comments on this project. My deepest gratitude goes to my family and friends for their unceasing encouragement and support. I am also grateful to everyone who cannot be mentioned here due to limited space but have lent me their helping hand in this venture. Thank You.

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List of Abbreviations

| | |
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| BAI | Bishoftu Automotive Industry |
| CA | Competitive Advantage (particularly used for the present study) |
| CEO | Chief Executive Officer |
| CMO | Chief Marketing Officer |
| ETB | Ethiopian Birr |
| FDRE | Federal Democratic Republic of Ethiopia |
| FP | Financial Performance (particularly used for the present study) |
| GTP | Growth and Transformation Plan |
| INNO | Innovation Orientation (particularly used for the present study) |
| I/O | Inside-out Capabilities (particularly used for the present study) |
| METEC | Metals and Engineering Corporation |
| MO | Market Orientation (particularly used for the present study) |

| | |
|------|---|
| MP | Market Performance (particularly used for the present study) |
| MPA | Marketing Performance Assessment |
| O/I | Outside-in Capabilities (particularly used for the present study) |
| R&D | Research and Development |
| ROA | Return on Asset |
| ROI | Return on Investment |
| RV | Research Variable (particularly used for the present study) |
| SEM | Structural Equation Modeling |
| SPSS | Statistical Package for the Social Sciences |
| VIF | Variance Inflation Factor |

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Abstract

Marketing efforts and know-how are instrumental in commercializing ideas and inventions and in running successful business. In spite of its relevance, the effects of strategic marketing on business performance are sparingly studied, especially in particular business contexts. Exploring the potential moderating effects on business performance of strategic marketing more comprehensively, empirical studies with focus on result sensitivity with regard to industry type, market position and company size, among others, is both interesting and relevant. Based on these reasons this study was conducted on the marketing strategy performance of Metals and Engineering Corporation as a case in Bishoftu Automotive Industry. The lack of marketing strategy studies, especially under the context of Bishoftu Automotive Industry, and the sign of improper implementation of the marketing strategy has been a major motivation to carry out this study. Thus, the objective of the study was to examine the effects of key marketing strategy constructs on the financial performance of the Bishoftu Automotive Industry companies through competitive advantages and market performance. The findings show that BAI firms adopted significantly higher market orientation on average. The seven companies that are incorporated under Bishoftu Automotive Industry seem to also possess somewhat sustainable competitive advantage over competitors. However, it seems to be also that those competitive advantages are not being realized as effectively. Results also suggest that the innovation orientation, inside-out capabilities, and outside-in capabilities are at lower level on average. A market-oriented culture likely should be complemented by a spirit of entrepreneurship and an appropriate organizational climate. Therefore, management should note the importance of collaborating marketing and R&D services. Moreover, the companies should develop a clear understanding of their capabilities and competencies, essentially in terms of customer value-addition.

CHAPTER ONE

1. Introduction

This chapter describes the background and the context of the thesis. It also presents the research problems and key research objectives of this study and includes a short introduction to the methodology and concepts used in the later study. Additionally, the chapter discusses research hypotheses, the scope of the study and outlines the structure of this master's thesis.

1.1 Background of the Study

Marketing is one of the number of factors that contribute to firm's performance. Hence, isolating marketing's contribution is important and part of the methodological challenge of working in this part of field. Kotler (1999) argued that, in the future, marketing has the main responsibility for achieving profitable revenue growth for the company. Jaakkola (2010) noted that, cost-efficiency does not provide long-term competitive advantage for companies; whereas marketing, when well conducted, does. Especially in the field of strategic marketing, benefits are still largely waiting for realization.

Marketing has focused on decisions related to analyzing and selecting target markets, product and brand development, promotion, and channels of distribution (Hunt and Morgan, 2001). On the other side, Kotler (2003) positioned marketing as a task of creating, promoting and delivering goods and services to consumers and businesses. It is generally accepted that acquiring a new customer may turn out to be considerably more expensive than building customer loyalty among firm's current customers (e.g. Kotler, 2003). This strongly speaks for the need for higher levels of customer orientation among companies. Similarly to reward systems that base on short-term performance, short-term marketing focus may start working against longer-term market orientation, business performance and strategic intentions of a company (Jaakkola, 2006). Additionally, Morgan, Clark and Gooner (2002) argued that marketing budgets should be seen as capital expenditure in building revenue generating marketing assets rather than overhead expenditure; marketing resources ultimately drive long-term marketing performance.

Varadarajan R. (2010, p. 119) “At the broadest level, marketing strategy can be defined as an organization’s integrated pattern of decisions that specify its crucial choices concerning products, markets, marketing activities and marketing resources in the creation, communication and/or delivery of products that offer value to customers in exchanges with the organization and there by enables the organization to achieve specific objectives”.

From strategic point of view, to be successful, the company must do a better job than its competitors of satisfying target consumers. Providing excellent value and customer service is a necessary but not sufficient means of succeeding in the marketplace. Besides embracing the needs of consumers, marketing strategies must build an advantage over the competition. The company must consider its size and industry position, then decide how to position itself to gain the strongest possible competitive advantage.

According to previous studies (e.g. Jaakkola *et al.* 2010), that focused on country-specific studies, results show that weak relationships between market orientation and outside-in capabilities, and business performance are identified, as opposed to the strong role of inside-out capabilities and innovation orientation. In addition to this, Jaakkola (2006) found, in previous study, that the effect of inside-out marketing capabilities on financial performance is the strongest, followed by innovation orientation, outside-in marketing capabilities and market orientation.

By studying the marketing effects over several industries and even over countries, Jaakkola *et al.* found highly averaged results that may also contain a lot of ‘noise.’ This methodological approach regards the influence of strategic marketing as generic. That is, the impact of marketing factors is presumed to be constant across different types of business contexts. It is implied that this is a strong assumption and that they lack sufficient knowledge of the effects of strategic marketing factors in particular business contexts.

In spite of its relevance, the effects of strategic marketing on business performance are sparingly studied, especially in particular business contexts. It seems that studies attempting to link strategic marketing and its consequences on firm performance have not been conducted too much. It is suggested to explore the potential effects of strategic marketing more comprehensively on business performance. Moreover, empirical studies with focus on result

sensitivity with regard to industry type, market position and company size, among others, are both interesting and relevant.

This study took these research gaps into consideration and attempted to fulfill them by analyzing one of the giant industries organized under the Metals and Engineering Corporation of the F.D.R.E., the Bishoftu Automotive Industry (BAI). The study focused on the BAI-data in order to find common regularities in the background of the company performance in general and to examine the influence of four key strategic marketing concepts—market orientation, innovation orientation, and the two marketing capability categories (outside-in and inside-out capabilities) on company performance.

The empirical study is based on one single market through looking the Bishoftu Automotive Industry and its companies from an emerging market, an area in which academic investigations are still developing. Bishoftu Automotive Industry is chosen due to several reasons. First, BAI incorporates 7 factories that are significantly similar in their business cultural heritages and business policies, all emphasizing technological and engineering innovations in these fields. And depending on previous studies (e.g. Jaakkola *et al.* 2010), these characteristics are interesting when examining the relative role of market orientation and marketing capabilities versus innovation orientation. Second, the marketing strategy goals and competitive means of the corporation align with MPA performance standards of the study, which in turn can contribute to minimizing the problem of signaling false alarms when assessing the marketing strategy of a corporation (Morgan *et al.* 2002). In other words, the chosen industry can help to assure the validity of the study. Third, since BAI is becoming one of the giant industries organized under the Metals and Engineering Corporation of the F.D.R.E., the researcher believed that the study may somewhat offer additional relevance to the corporation and improvements in business performance, if the companies under it are able to combine their engineering skills with enhanced marketing skills and market knowledge. Additionally, the absence of studies that attempt to link strategic marketing and its consequences on firm performance coupled by the lack of marketing studies with the focus of marketing strategy of the BAI have been a major motivation to carry out the study. Indeed, these explanations offer potential value-added to both science and business communities.

According to Jaakkola (2006), it is crucial to acknowledge the factors mainly affecting on goodness or badness of performance. If the company is doing poorly, it has to unravel the reasons for the current situation so that it can form a plan for a brighter future. On the other hand, a firm doing well must know what the most influential factors behind its success are, in order to sustain its competitive position in the future.

One of the key questions in a strategic market management system is to determine when a strategy requires review and change. It is usually necessary to monitor a limited number of key measures of strategy performance and the environment. Thus, sales, market share, margins, profit, and ROA may be regularly reported and analyzed. It is not easy, however, for marketing managers to convince executives in the absence of valid, reliable, and credible Marketing Performance Assessment (MPA) systems. In addition to corporate executives, also marketing managers are often unable to uncover and confidently support cause-and-effect relationships between marketing inputs, marketing processes and marketing performance outcomes. (Morgan, Clark and Gooner, 2002) Difficulty to assess the marketing performance is evident since it depends on external, largely uncontrollable factors, such as customers and competitors. In addition, links to business performance are very often complex and may include some irrationality; for example, success sometimes bases considerably on luck. Thus, as the aggravated example shows, high performance of a product or a company may not have much to do with goodness of management.

Understanding marketing's impact is not simply an accounting problem or a tool for marketing budgeting in organizations. There are numerous theoretically interesting and methodologically challenging problems in the area. Strategy research usually does have obvious implications, which Christine Moorman and Donald R. Lehmann (2004) viewed as a plus. Assessing marketing strategy's contribution to firm's performance (eg., profits) requires different metrics than those used to evaluate customer response (eg., satisfaction, loyalty) or product market results (eg., sales, share). Christine Moorman and Donald R. Lehmann (2004) noted that the value of marketing strategy and managerial practice is often questioned, and that this argument cannot be simply dismissed. However, the question, "why assessing marketing strategy?" itself suggests that many people might find value in the research examining it.

Generally, marketing efforts and know-how are instrumental in commercializing ideas and inventions and in running successful business. However, the connection between marketing efforts and business performance is still relatively vague for both academics and decision makers in business context (Jaakkola, *et al.* 2010). It is argued that the effect of strategic marketing on business performance remains elusive, even despite an established research tradition (Hooley, Greenley, Cadogan, & Fahy, 2005; Matsuno, Mentzer, & Özsomer, 2002). This may be due to the fact that the outcomes of strategic marketing are subject to many internal and external influences, making the identification of cause-and-effect linkages very hard (Bonoma & Clark, 1988). A new data set is welcomed, because the factors in previous studies are deeply imbedded and slowly evolving in companies (e.g. Jaakkola, *et al.* 2010). A related issue is that the majority of studies examine only the effects of two or three marketing factors at a time. This is a clear limitation compared to corporate reality. The current situation is alarming and several studies emphasize the urgency to demonstrate relationships between marketing inputs, processes and business outcomes (e.g. Morgan, Clark, & Gooner, 2002; O'Sullivan & Abela, 2007). These facts and the above mentioned research gaps are the reasons for pursuing the study.

1.2 Statement of the Problem

The effect of strategic marketing on business performance remains elusive, even despite an established research tradition (Hooley, Greenley, Cadogan, & Fahy, 2005; Matsuno, Mentzer, & Özsomer, 2002). This may be due to the fact that the outcomes of strategic marketing are subject to many internal and external influences, making the identification of cause-and-effect linkages very hard (Bonoma & Clark, 1988). Some researchers (e.g. Jaakkola, *et al.* 2010) studied this issue by examining the relationships of the four key marketing concepts in three European “engineering countries”, and tested the generality versus context-specific of strategic marketing’s performance impact.

In spite of its relevance, the effects of strategic marketing on business performance are sparingly studied, especially in particular business contexts. It is also noted that studies attempting to link strategic marketing and its consequences on firm performance have not been conducted too much. Exploring the potential moderating effects on business performance of strategic marketing

more comprehensively, empirical studies with focus on result sensitivity with regard to industry type, market position and company size, among others, will be both interesting and relevant.

This study addressed the recognized research gaps and attempted to fulfill them by analyzing the automotive industry in Ethiopia, specifically by assessing the Bishoftu Automotive Industry. First, in order to examine the marketing–performance connection in a specific environment, the study used a single industry type as the research context and carried out the study on Bishoftu Automotive Industry.

Second, as recommended by Hooley, Greenley, Fahy, and Cadogan (2001), the influence of four key strategic marketing concepts—market orientation, innovation orientation, and the two marketing capability categories (outside-in and inside-out capabilities)—on company performance, is examined. As company performance is a complex phenomenon, the assessment is modeled using competitive advantage, market performance, and financial performance (e.g. Morgan *et al.*, 2002).

1.3 Research Questions

One of the major aims of this study is to provide information to BAI managers on which marketing-related issues they should concentrate on in order to maximize the companies' long-term financial performance. The primary research problem for this study can thus be presented as follows:

How does strategic marketing, in terms of orientations and capabilities, influence company financial performance of Bishoftu Automotive Industry?

Accordingly, the problem can be further divided into sub-problems, or research questions as presented below:

1. What is the relationship between marketing resources and business orientations, and financial performance of a firm?
2. Are the results consistent with the companies under Bishoftu Automotive Industry, or are there any significant firm-specific differences?
3. What are potential areas of improvement, and are these the same in all companies?

These questions are highly relevant for both theory development and managerial practice. The three sub-problems are closely related to each other. Additionally, they are all empirical in nature. Answers to these questions are of interest to any company that seeks long-term profitable growth. The clear implication of these research questions together is the answer to the question: How should METEC companies conduct their strategic marketing in the markets and different business environmental contexts?

Answering these questions provide a comprehensive model of the strategic marketing–performance relationship and are critical to the assumption of the generic nature of this relationship. In more managerial terms, the study aim is to examine whether it is innovation-driving company culture and principles, highly developed market orientation, or perhaps certain marketing capabilities that most strongly drive superior performance in the context of Bishoftu Automotive Industry.

1.4 Objectives of the Study

First, and foremost, the objective of this study is to find answers to the main research problem and the three sub-problems related to it.

The general objective of the study is to empirically examine how market orientation, innovation orientation, and marketing capabilities affect the financial performance of the Bishoftu Automotive Industry companies through competitive advantages and market performance.

The objective here is not to form models that take into account each and every aspect of marketing. Instead, it is to seek for such models that illuminate some of the most interesting relationships between certain marketing resources, business orientations and performance of firms.

The specific objectives of the research problems are:

- To test hypothesized relationships between strategic marketing subjects and business performance of a firm,

- To explore generalizability of the results to firms of Bishoftu Automotive Industry and market conditions,
- To assess the most strongly area of strategic marketing that drive superior performance, and
- To propose usable managerial implications and action recommendations.

1.5 Research Hypotheses

One of the sources of hypotheses is folk wisdom or current popular beliefs and practices suggesting both the problem and hypothesis (Sumathi & Saravana, 2003). The authors noted that deduction is useful in planning a research project and induction is useful in analyzing data and drawing inferences, at the final stage. According to this, the researcher used original hypotheses of a pilot project done by Jaakkola, *et al.* (2010) in the exploratory stages, together with inductive reasoning in analyzing data and drawing inferences.

Sumathi & Saravana (2003, p. 79) “In inductive reasoning conclusions are tentative and may change with further observations. In this form of reasoning conclusions do not necessarily follow as in the case of deductive reasoning. In other words, even if the premises are true and the reasoning is sound, inductive logic may lead to false conclusions, as for example in a case where the number of specific observations (evidence) is either insufficient or lopsided. It is, therefore, necessary for researchers to use the right sampling techniques and the probability concept”. Thus, to be fruitful the study, the researcher used a contextual MAP systems and investigated BAI from an individual firm-level perspective.

The researcher hypothesized the relationship of strategic marketing concepts and put the findings for verification in right perspective. Generally, the present study has been based on previous marketing surveys and tested the following scientific theory or set of hypotheses empirically, in similar marketing trend, but with different research context.

1.5.1 Market Orientation

H1a: Market orientation positively relates to market performance of BAI companies,

H1b: Market orientation positively relates to financial performance of BAI companies,

H1c: Market orientation positively relates to (sustainable) competitive advantage of BAI companies.

1.5.2 Innovation Orientation

H2a: Innovation orientation positively relates to market performance of BAI companies,

H2b: Innovation orientation positively relates to financial performance of BAI companies,

H2c: Innovation orientation positively relates to (sustainable) competitive advantage of BAI companies.

1.5.3 Inside-out capabilities

H3a: Inside-out capabilities positively relate to market performance of BAI companies,

H3b: Inside-out capabilities positively relate to financial performance of BAI companies,

H3c: Inside-out capabilities positively relate to (sustainable) competitive advantage of BAI companies.

1.5.4 Outside-in capabilities

H4a: Outside-in capabilities positively relate to market performance of BAI companies,

H4b: Outside-in capabilities positively relate to financial performance of BAI companies,

H4c: Outside-in capabilities positively relate to (sustainable) competitive advantage of BAI companies.

1.5.5 Sustainable Competitive Advantage

H5a: (Sustainable) competitive advantages positively relate to market performance of BAI companies,

H5b: (Sustainable) competitive advantages positively relate to financial performance of BAI companies.

1.5.6 Business Performance

H6a: Market performance is positively related to financial performance of BAI companies.

1.6 Definition of Terms

Marketing

From the managerial perspective, marketing has often been defined as “the art of selling products”. But the aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy.

The American Marketing Association put the following definition of marketing: “Marketing is the activity, set of instructions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”.

Marketing Strategy

Marketing strategy can be defined as an organization’s integrated pattern of decisions that specify its crucial choices concerning products, markets, marketing activities and marketing resources in the creation, communication, and/or delivery of products that offer value to customers in exchanges with the organization and there by enables the organization to achieve specific objectives.

Strategic Marketing Decisions

Varadarjan (2009, p.123): “Strategic marketing decisions can be viewed as an organization’s decisions in the realm of marketing that are of major consequence from the standpoint of its long-term performance (decisions that can have a major impact on an organization’s long-term performance for better or for worse, ranging from positive impact to adverse impact on performance)” .

Business Performance

Performance outcomes result from success or market position achieved (Hooley *et al.*, 2001). Performance can be defined in various ways. It might stand for financial performance, market performance, customer performance or overall performance. Business performance is mainly used as a general performance measure.

Marketing Resources

Marketing resources consists of marketing assets and capabilities. Assets are the resource endowments the business has accumulated (e.g. investments in scale, scope, efficiency of facilities and systems, location and brand equity). Capabilities, in turn, are “the glue that brings these assets together and enables them to be deployed advantageously” (Day, 1994) or complexity bundles of skills and collective learning, exercised through organizational processes that ensure superior co-ordination of functional activities (Hooley & Greenley, 2005). Day (1994) suggests that these three are three kinds of capabilities in every firm: outside-in (customer linking) capabilities, inside-out (marketing support) capabilities, and spanning capabilities (innovation orientation).

Marketing Strategy Research

The American Marketing Association (AMA) states the domain of marketing strategy research as follows: “The domain of marketing strategy research is broadly defined to include all firm-level strategic marketing issues, decisions, and problems” (ELMAR 2009).

1.7 Significance of the Study

Performance studies in general, contributes to both managerial decision-making and academic discussion by offering important empirical evidence about key company success factors. The results of such studies guide what to measure, thus, improving the use of truly significant metrics in marketing performance assessment (Morgan *et al.*, 2002). Examination of the context and description of the results provide further contribution as to which issues are of special importance to the industry and to the market. Market differences must be accounted for, even in such relatively homogenous firms. The results of previous researchers (e.g. Jaakkola, *et al.* 2010), quantitative analysis are the most important contribution to the field of study. Assessing the automotive industry, specifically the BAI, directly or indirectly lead to improved performance and benefits the public, since the transportation sector is one of the important sectors which seeks attention of the government in expansion of public transport services.

In total, the findings provide new insights on how to assess the marketing strategy-performance of a company and also provide awareness on which issues companies should concentrate on in order to improve their effectiveness in terms of strategic marketing.

1.8 Delimitation / Scope of the Study

The research is built on previous studies, and attempted to fill the gaps by empirically testing the developed hypothesis on a single market (Ethiopia). The study looked at a giant governmental corporation (METEC) which incorporates more than 75 companies under 15 industries.

The empirical study is built on firm & industry specific factors. It is based on contextual factors of MPA systems and is focused on a single industry, as the researcher wants the study to look at industry and companies from an emerging market; an area in which academic investigations are still developing. Due to the limited amount of available time and other resources, the study is limited to BAI data and only looked at the marketing strategy of the corporation. The aim of the study was to investigate the marketing strategy-performance of BAI firms from the supply side, results were not analyzed from the demand side; the aim was not to investigate what customers think about a particular marketing strategy associated with BAI companies.

Unique to strategic marketing is a dual focus, namely, marketing strategy being informed by both supply side and demand side considerations. However, questions pertaining to the behavior of firms in the marketplace have been the focus of research in industrial organization (IO), strategic management and strategic marketing, in both IO and strategic management, this issue is examined largely from a supply side (industry structure) perspective. Additionally, an examination of strategic marketing researches (e.g., Jaakkola, *et al.* 2010; Samuel T. 2010; Jemaiyo 2013) indicate that marketing personnel in organizations are likely to be the most knowledgeable about organizational, inter-organizational and external environment phenomena, and, therefore, are equipped to play a major role in charting the strategic direction of the firm. Therefore, the analysis of the study is limited on the data that is collected from BAI employees to find out the marketing performance of the sector. In other words, the research questions are examined from a supply side perspective through questionnaire that is distributed to BAI marketing personnel and not to BAI customers (i.e. the demand side).

Notwithstanding the contextual nature of the field, the findings are not completely void of generalizations that transcend different types of products (e.g., goods, services, ideas, experiences, and places), markets (e.g., consumer markets and institutional markets).

1.9 Structure of the Thesis

Chapter one provides an insight into the context of the project, research problem, a description of the goal and other related background information that will provide general guidance of the study. Next, chapter two provides the conceptual framework of the study as well as an insight to secondary researches. It includes examination of secondary data and focuses on components of strategic marketing concepts. Chapter three describes the methodology of the study. It presents the methods and techniques used to solve the problem and to answer the research questions. Chapter four includes data presentation, statistical analysis, and interpretation. It describes the analyzed information and research findings. Finally, chapter five draws together results and discusses them in light of previous research. It includes summaries, conclusions of the findings and implications for further research.

CHAPTER TWO

2. Literature Review and Hypotheses Development

The purpose of this chapter is to present the concept “strategic-marketing” in relation with other, more established frameworks in marketing and strategy. The relationship between different marketing resources and business orientations, and company performance are also examined. Performance studies and marketing strategy –related issues are, as well discussed. At the end of the chapter, the hypotheses for statistical analyses are presented.

2.1. Definitions and Foundational premises of marketing strategy

Kotler (1997, p. xxxii) notes: “Marketing is not like Euclidean geometry, a fixed system of concepts and axioms. Rather, marketing is one of the most dynamic fields within the management arena. The marketplace continuously throws out fresh challenges, and companies must respond. Therefore, it is not surprising that new marketing ideas keep surfacing to meet the new market place challenges.” Similar sentiments have also been voiced by other marketing scholars. For instance, Sheth and Sisodia (1999) point out that due to the contextual nature of marketing as a field of study, in the face of major contextual discontinuities, there is a need for a critical reassessment of the field’s law-like generalizations. They note that when one or more of the numerous contextual elements surrounding it (e.g., economic forces, technological forces, societal norms, and public policy) change, it can have a significant impact on the nature and scope of the discipline.

In 2004, the American Marketing Association (AMA) adopted the following as its official definition of marketing (Marketing News 2004, p. 1): “Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.” And in 2007, the AMA adopted the following as its new official definition of marketing (Marketing News 2008, p. 28): “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”

Notwithstanding the contextual nature of the field, the marketing discipline is not completely void of generalizations that transcend different types of products (e.g., goods, services, ideas, experiences, and places), markets (e.g., consumer markets and institutional markets), and time horizons (e.g., pre-Internet and post-Internet).

According to Cunningham and Robertson (1983), marketing management is concerned with target market selection and the design of the marketing program. The marketing management literature addresses issues at the level of the individual product or brand. Marketing strategy, on the other hand, addresses issues of gaining long run advantage at the level of the firm or strategic business unit. Nevertheless, both an organization's decisions concerning target market selection (choice of where to compete) and design of the marketing program (choice of how to compete) are primarily concerned with its present and/or planned marketing behavior and not with managing marketing behavior.

Marketing resources refers to all types of resources expended by an organization toward the creation, communication and/or delivery of products that offer value to customers in transactional and relational exchanges with the organization. They include financial resources expended toward specific marketing activities (e.g., advertising, personal selling, consumer sales promotion, trade sales promotion), the accumulated stock of marketing infrastructure assets (e.g., logistics and physical distribution infrastructure, sales force), and the stock of market-based relational assets (e.g., brand equity and channel equity).

Organizational objectives is broadly construed to encompass (1) the facilitation of the achievement of competitive positional advantage (cost and/or differentiation advantage), (2) the achievement of specific market responses from customers (e.g., affect and behavior) and competitors (including inaction or non-response), and (3) the achievement of specific marketplace performance objectives (e.g., market share, revenue, sales, sales growth, customer satisfaction, customer loyalty, and creation of market-based relational assets and intellectual assets), and financial performance objectives (e.g., profit, return on investment, market value creation).

2.2. Domain of Strategic Marketing as a Field of study

In management discipline, marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives. It shows how strategies for target markets and positioning build upon the firm's differential advantages. It should detail the market segments on which the company will focus. These segments differ in their needs and wants, responses to marketing, and profitability. The company should put its effort into those market segments it can best serve from a competitive point of view. It should develop a marketing strategy for each targeted segment. Planning good strategies is only a start towards successful marketing. A brilliant marketing strategy counts for little if the company fails to implement it properly (Varadarajan, 2010).

The term “strategic marketing” suggests that it has something to do with both strategy and marketing. Beyond that, it clearly requires further elaboration and development since the concept is still relatively young. Being identified by Varadarajan (2010, p.126) the following domain statement is proposed: “The domain of strategic marketing is viewed as encompassing the study of organizational, inter-organizational and environmental phenomena concerned with (1) the behavior of organizations in the market place in their interactions with consumers, customers, competitors and other external constituencies, in the context of creation, communication and delivery of products that offer value to customers in exchange with organizations, and (2) the general management responsibilities associated with the boundary spanning role of the marketing function in organizations”.

At the broadest level, marketing strategy can be defined as an organization’s integrated pattern of decisions that specify its crucial choices concerning products, markets, marketing activities and marketing resources in the creation, communication and/or delivery of products that offer value to customers in exchanges with the organization and there by enables the organization to achieve specific objectives.

Marketing scholars have voiced concerns regarding the state of field (e.g. Wind and Robertson, 1983; Day, 1992; Reibstein *et al.*, 2009; Varadarajan, 2010). For instance, voicing concerns over marketing’s loss of influence in the academic discourse about strategy, Day (1992, p.324) noted: “Within academic circles, the contribution of marketing as an applied management discipline, to

the development, testing and dissemination of strategy theories and concepts has been marginalized during the past decade.” In a recent guest editorial, Reibstein *et al.* (2009) noted that the growing balkanization of academic marketing into quantitative modeling and consumer behavior has diminished research on strategic marketing issues.

In 1992, Webster suggests that the distinction between marketing and strategic planning is blurred, and the performers of these functions are increasingly the same. As such movement is evidenced, strategic marketing becomes a recognized phenomenon (see e.g. Fahy & Smithee, 1999). Varadarajan (2010) points out that an examination of marketing strategy literature spanning more than four decades is indicative of diverse points of view concerning the conceptual domain of strategic marketing as a field of study, and the definition of marketing strategy as an organizational strategy construct.

In management discipline, the term strategic management refers to the field of study, and corporate strategy (strategy at the firm level in a multi-business firm) and business strategy (strategy at the business unit level in a multi-business firm) are among the organizational strategy constructs that are the focus of the field. However, in the marketing discipline, the term strategic marketing and marketing strategy are used interchangeably in reference to the field of study, and marketing strategy is also used in reference to the original strategy construct that is the principal focus of the field. In the remainder of the paper the term strategic marketing is used in reference to the field of study and marketing strategy in reference to the original strategy construct that is the principal focus of the field (except in instances where the term marketing strategy is used to refer to the field of the study in the sources that are cited).

Historically, the field of strategy has been dominated by conceptual contributions based on personal experience and insights. More recently, an empirical research tradition has begun. The qualitative case-study approach provides useful hypotheses and insights. In addition, a host of quantitative research streams compare and study the performance and characteristics of samples of business units over time.

2.2.1. Issues fundamental to the field of strategic marketing

Extant literature provides valuable insights into issues that are fundamental to marketing as a field of study. For instance, Hunt (1983) describes marketing science as the behavioral science

that seeks to explain exchange relationships and focuses on four inter-related sets of fundamental explananda: (1) the behaviors of buyers directed at consummating exchanges, (2) the behaviors of sellers directed at consummating exchanges, (3) the institutional framework directed at consummating and/or facilitating exchanges, and (4) the consequences on society of the behaviors of buyers, the behaviors of sellers, and the institutional framework directed at consummating and/or facilitating exchanges. Day and Montgomery (1999) delineate the following as issues fundamental to the field of marketing: (1) How do customers and consumers really behave? (2) How do markets function and evolve? (3) How do firms relate to their markets? (4) What are the contributions of marketing to organizational performance and societal welfare? Teece, Pisano and Shuen (1997) implied that the fundamental question in the field of strategic management is how firms achieve and sustain competitive advantage.

2.2.2. Why assessing marketing strategy performance?

Day (1992, p. 324) noted: “Within academic circles, the contribution of marketing as an applied management discipline, to the development, testing and dissemination of strategy theories and concepts has been marginalized during the past decade.” In a recent guest editorial, Reibstein et al. (2009) implied that the growing balkanization of academic marketing into quantitative modeling and consumer behavior has diminished research on strategic marketing issues.

Chief among the issues that are fundamental to strategic marketing as a field of study are the questions of how the marketing strategy of a business is influenced by demand side factors and supply side factors. Varadarajan (2009, p.120) noted: “Regardless of whether the domain of marketing strategy research is defined as including all firm-level strategic marketing issues, or as including strategic marketing issues at all levels in a firm there is a need to clarify what distinguishes strategic marketing issues, decisions and problems from those that are not strategic.”

2.2.3. Strategic marketing decisions: some distinguishing characteristics

Organizations are faced with the need to address issues relating to “how to compete” on an ongoing basis and make appropriate mid-course changes, the question of “where to compete”

(choice markets to serve and market segments to target) is an issue that is addressed relatively infrequently.

As Varadarajan (2009, p. 123) stated: “Strategic marketing decisions can be viewed as an organization’s decisions in the realm of marketing that are of major consequence from the standpoint of its long-term performance (decisions that can have a major impact on an organization's long-term performance for better or for worse—ranging from positive impact to adverse impact on performance).”

Chief among the distinguishing characteristics of strategic marketing decisions that stem by virtue of their long-term performance implications are the following.

Strategic marketing decisions:

- entail resource commitments that are either irreversible or relatively difficult to reverse (see Ghemawat 1991);
- entail resource commitments that are relatively larger in magnitude;
- entail resource commitments that are made with a relatively longer term outlook;
- entail resource commitments that are spread over a relatively longer time period;
- entail resource commitments that are made with a relatively greater emphasis on the achievement of a competitive cost and/or differentiation advantage;
- are made in the context of other strategic decisions, in light of inter-dependencies between them; and
- are made at higher levels in an organization (e.g. the top management level—the CEO and executives directly reporting to the CEO), and/or at higher levels within the marketing function (e.g. the CMO and executives directly reporting to the CMO).

2.2.4. Strategic marketing decisions, actions, activities and behaviors

A cursory examination of marketing strategy and business strategy literature is indicative of extensive reference to an organization’s decisions, actions, activities and behaviors. For instance, Mintzberg (1987a) points out that while a statement of strategy that is future focused is an

explicit guide for consistent future behavior of the firm, one that is past focused describes consistency in past behavior.

Porter (1996) views the essence of strategy as activities—a business' decision to perform different activities (choice of activities to perform) and/or perform specific activities differently (the manner in which specific activities are performed) relative to its competitors. He points out that competitive cost advantage is the result of a business' performing specific activities more efficiently than competitors, and competitive differentiation advantage is a consequence of a business' choice of activities to perform and the manner in which they are performed.

Day et al. (1990) note that marketing strategy focuses on marketing activities and decisions that are related to building and maintaining a sustainable competitive advantage. Within reason, the terms actions, activities and behaviors can be used interchangeably. An organization's marketing decisions specify the marketing actions or marketing activities or marketing behaviors to engage in (in the marketplace). While a number of marketing related activities may occur within the boundaries of an organization (e.g., new product development related activities), customers respond to and competitors react to an organization's marketing actions, activities or behaviors in the marketplace (e.g., actions such as the distinctive features of a firm's product offering, the channels through which the product is made available, and the price of the product offering).

Varadarajan (2009, p. 125) noted: "Strategic marketing as a field of study has evolved over almost half a century and continues to evolve. For instance, during the late 1970s and early 1980s, highlighting the benefits to organizations of greater involvement of marketing personnel in charting the strategic direction of the firm (e.g., analysis, planning and strategy formulation at the corporate and business unit levels), a number of marketing scholars (e.g., Day 1984; Wind 1982; Wind and Robertson 1983) called for a broader construal of the field".

2.3. Market Orientation

Narver and Slater (1990) conceptualizes that market orientation comprises customer orientation, competitor orientation and inter-functional coordination, with long-term and profitability focuses. Slater & Narver (1995) Market orientation is inherently a learning orientation which can be divided into responsive (market-driven) and proactive (market-driving) market orientations.

The former attempts to discover, understand and satisfy expressed customer needs, while the latter also latent needs.

2.4. Innovation Orientation

According to Jaakkola M., *et al.* (2010) noted, Joseph Schumpeter, in 1934 presented that invention is the creation of something new whereas innovation is the act through which these new ideas are successfully introduced to the market. Innovation also calls for innovation orientation, which refers to “the knowledge structure that permits the recognition of market dynamism and then provides a knowledge template to develop the required process and to build a firm's dynamic capabilities” (Siguaw *et al.*, 2006).

2.5. Marketing Assets and Capabilities

Marketing resources of a firm consist of marketing assets and marketing capabilities. Marketing assets is one category of firm's organizational assets. Those include, among others, distribution penetration, marketing expertise, market positioning, market knowledge, customer loyalty, brand name reputation and relationships with distributors (Proctor, 2000). The three capability categories potentially providing competitive advantage are determined as outside-in capabilities, spanning capabilities and inside-out capabilities. The division of capabilities into the three categories depends on orientation and focus of the defining processes (Day, 1994). Barney (1991) Marketing capabilities refer to a firm's ability to use its resources in competitively advantageous ways.

2.6. Gaining and Sustaining Competitive Advantages

Sustainability occurs only when a firm's comparative resource advantages continue to yield a competitive advantage position despite competitor actions (Hunt & Morgan, 1995). Fahy and Smithee (1999) state that sustainable competitive advantages allow the firms enjoy high market performance and earn above-average returns. A company who possesses cost leadership can sell its offerings at such a low price that customer base significantly increases but, still, not at expense of profitability. On the other hand, differentiated offerings can often be sold with remarkably high profit margin but concurrently, due to high customer interest, also strong market penetration can be achieved. Isolating mechanisms, such as hardly identifiable way of resource

usage, create barriers to imitation which further increases the business performance impact of competitive advantages (Fahy and Smithee, 1999).

Resource-based view of the firm, highlighting the importance of key resources in achieving competitive advantages, thus it has significant amount of explanation power when it comes to gaining competitive advantage (Hooley *et al.*, 2001). Competitive advantage and subsequently performance, depends on historically developed resource endowments (Hooley and Greenley, 2005). Proctor (2000) supplements these definitions by adding a sustainability component and arguing that “for a strategy to be sustainable it has to be based on the firm’s resources and capabilities”. Day (1999) argue that committed relationships are among the most durable advantages because they are hard for competition to understand, copy or displace.

2.7. Measuring Business Performance

Here, the term “business performance” is used as a general performance construct to capture both the market and financial aspects of performance. Financial performance literally refers to financial measures, such as profit margin and return on investment, whereas market performance implies measures such as market share and sales volume.

Assessing marketing performance is an increasingly important but unfortunately difficult task for managers and other corporate stakeholders. The difficulty is apparent since marketing performance depends on external, largely uncontrollable actors, such as customers and competitors, as well as on internal measures of performance (Clark, 2002). As a consequence of assessment-related difficulties, both academics and managers currently lack a comprehensive understanding of the marketing performance process and factors that affect the design and use of assessment systems within companies (Morgan, Clark and Gooner, 2002).

According to previous researchers, literature has, using one division, focused on three dimensions of marketing performance: 1) effectiveness, the extent to which organizational goals and objectives are achieved (e.g. marketing productivity analysis); 2) efficiency, the relationship between performance outcomes and the inputs required to achieve them (e.g. marketing audits); and 3) adaptiveness, the ability of the organization to respond to environmental changes (Walker and Ruekert, 1987; Bonoma and Clark, 1988). Using another categorizing, literature in strategic marketing has highlighted three measurement orientations relevant to performance assessment:

customer-focused indicators, (e.g. customer satisfaction and customer retention); competitor-centered indicators (e.g. relative sales growth and relative market share); and internally oriented indicators (e.g. profitability and ROI) (Morgan, Clark and Gooner, 2002).

Morgan, Clark and Gooner (2002) suggest that effective MPA systems could be important in generating future marketing performance and monitoring current marketing performance. Despite several positive sides attached to MPA systems, it is possible that managers create such systems that support their strategies and time span of objectives. However, in terms of performance, managers often do not know what to measure or how to interpret the results. They may collect wide collection of performance metrics but if these cannot be managed to change marketing activities and performance results, it is of not very much use.

In general, performance assessment systems can be viewed as processes with four basic steps: setting a desired performance standard, collecting and communicating information relating to actual performance, comparing this information with the performance standard, and taking corrective action where necessary (Morgan, Clark and Gooner, 2002).

Jaakkola (2006) noted that measurement systems should take different business environments and firm characteristics and conditions well into account. Additionally, measures of performance should be accurate enough but also simple enough to be usable. There should be methods available to evaluate the metrics of performance even if it is not possible to access the current “raw” accounting measures of the company in question or its competitors. Additionally, Jaakkola points out that before 1990s, research interest in studies examining performance impact of strategic marketing was focused on organizational resources and positions relating to sustainable competitive advantage while organizational processes were not much considered. Nowadays, however, both of these research streams that importantly explain long-term competitive advantages and business performance are well represented.

The three basic components of any performance study are (1) variables, (2) sample and (3) results: variables, or factors of interest, are studied within sample of population to be able to generalize the results to the entire population. There are, nevertheless, several approaches to conducting such studies. Two main streams can be identified: sample data may be collected from accounting records of a company, such as profit and loss statement and balance sheet, or from

the people who are experts or somehow otherwise involved in the issue under study. The latter approach might be carried out, for example, with a help of a questionnaire or structured interview. The former bases relatively more on pure facts (financial figures) and can therefore be considered as the “objective” method of these two while the latter is the “subjective” one. Many authors have brought up the fact that even accounting measures can be calculated so that they present company success in positive light, making them less objective in nature. When selecting the respondents of the survey, it should be made sure that they form the most appropriate group of people regarding the issues of interest in the study, and thereby assuring that meaningful interpretations on results can be made.

2.8. Performance Impact of Strategic Marketing

It is reasonable to assume that same resources, strategies and orientations do not lead to identical performance in different countries and business environments. This is due to differences in, for example, market culture and buyer orientations. Business environments are in a state of continuous change. Competitive positions will themselves evolve and change as the resource base and the market environment in which they are created changes. In some markets this change will necessarily be very rapid. In others, it might be occurring at a slower pace (Hooley *et al.*, 2001). Whatever the environment, the job of the marketing department is to adapt a firm’s strategy to different environmental conditions in a way that produces a favorable response (Clark, 2000).

Orientation research has been a fruitful field of study in the marketing literature. In the beginning of 1990s and in the spirit of market orientation, Kohli and Jaworski (1990) interviewed some American managers. They saw profitability as a consequence of market orientation rather than part of it. How would market orientation lead to superior performance, they suggested that it facilitates clarify focus and vision in an organization’s strategy (Kohli and Jaworski, 1990).

Several market orientation studies have proposed that market orientation effects on business performance might be moderated by market environment (Hooley *et al.*, 2002). For example, according to Kohli and Jaworski (1990), the greater the market (technological) turbulence, the stronger (weaker) the relationship between a market orientation and business performance. They also argue that the greater the competition, the stronger the relationship between a market

orientation and business performance, and the weaker the general economy, the stronger the relationship between a market orientation and business performance. Slater and Narver (1994), too, found market and other stakeholder effects on performance to be moderated by the operational environment. To sum up, it seems that in certain circumstances, such as limited competition, stable market preferences and technologically turbulent industries, market orientation may not be critical factor in good business performance. This is due to relatively high resource needs of market orientation (Kohli and Jaworski, 1990).

Result of an empirical study pursued by Jaakkola M. (2006), on strategic marketing and business performance, indicated that effect of inside-out marketing capabilities on financial performance is the strongest, followed by innovation orientation, outside-in marketing capabilities and market orientation. Majority of the hypotheses were supported and marketing performance assessment tool for Finnish companies use was developed.

Jaakkola M., *et al.* (2010) studied the issue of strategic marketing on business performance by examining the relationships of the four key marketing concepts in three European “engineering countries”, and tested the generality versus context-specific of strategic marketing’s performance impact. They explained that the other critical aspect in the strategic marketing research is the dominance of cross-sectional research design. By studying the marketing effects over several industries and even over countries, they received highly averaged results that may also contain a lot of ‘noise.’ This methodological approach regards the influence of strategic marketing as generic. That is, the impact of marketing factors is presumed to be constant across different types of business contexts. They implied that this is a strong assumption and that they lack sufficient knowledge of the effects of strategic marketing factors in particular business contexts. Thus, exploring the potential moderating effects on business performance of strategic marketing more comprehensively, empirical studies with focus on result sensitivity with regard to industry type, market position and company size, among others, will be both interesting and relevant. In other words, further researches are needed.

2.9. Industry Overview

Charles H., Richard St., *et al.* (1996) implied that one of the most critical issues for the automotive industry is competitiveness in cost, quality, and product offerings. Companies cannot

survive in today's market if they neglect any of these areas. The automobile is one of the most complex consumer products in existence. The automotive manufacturing process serves as the "moment of truth" for the entire design, development, supply chain, and manufacturing process. If the parts do not fit when the manufacturer attempts to put them together, the system has a defect that must be tracked down and eliminated. Thus, auto companies focus a great deal of attention on understanding and improving the manufacturing process. To succeed, auto manufacturers must manage large and complex supply chains, spanning many geographic regions, and pursue opportunities in diverse national markets. While national policies play an important role in shaping the environment for local manufacturing operations and resulting products, cost competition increasingly drives the industry toward global product offerings.

The automotive industry is new and an infant sector in our country. Previously the automotive sector production had been targeted to a minimum capital and less complicated one, to be delivered to upper classes. It is known that transportation sector is one of the important sectors which seeks due attention of the government of Ethiopia in the expansion of public transport services. Bishoftu Automotive Industry (BAI) that recently these years become one of the giant industries organized under the Metals and Engineering Corporation of the F.D.R.E. incorporates 7 factories. The main focus of the Bishoftu Automotive Industry at present is supplying public transport vehicles (city and cross country buses, mid and mini buses, pickups, station wagons dump trackers and ambulances). It is also producing command cars, Urals, tanks, etc. that facilitate fastest movement and efficiency of the army. Also construction machineries are assembled and overhauled to be delivered to the market.

2.10. Research Hypotheses

The results of certain previous researches are considered to develop the following hypotheses. Due to recent changes in the business environment, most industries must continuously focus on customer needs and market opportunities (Walker, Mullins, Boyd, & Larréché, 2006; Menguc & Auh, 2006). Customers also seek innovative suppliers that offer new value concepts or total solution packages (Berghman *et al.*, 2006). Thus, firms that provide superior customer value are in strategic competitive positions. The researcher believed that these considerations apply to BAI companies. Importance of market orientation has not been questioned in marketing literature; Kotler (2003) argues that segmentation, targeting and positioning – which all can be effectively

performed in companies of high market orientation – is the essence of strategic marketing. Also Kohli & Jaworski (1990) argued that market orientation facilitates clarified focus and vision in terms of an organization's strategy, which consequently leads to superior performance. Further, resources that enable value creation, such as market orientation, are potential sources of competitive advantage that require high barriers for competitors to match (Fahy & Smithee, 1999; Noble, Sinha, & Kumar, 2002). The following set of hypotheses is thus developed:

H1a: Market orientation positively relates to market performance of BAI companies,

H1b: Market orientation positively relates to financial performance of BAI companies,

H1c: Market orientation positively relates to (sustainable) competitive advantage of BAI companies.

A key component of success for industrial firms is the extent of their innovativeness, which relates to the firm's capacity to engage in innovation; introduction of new processes, products, or ideas in the organization and market (Hult *et al.*, 2004). Firms that possess high innovation orientation differentiate themselves from other companies mainly with degree of innovation they build into their offerings (Hooley and Greenley, 2005). (Hooley and Greenley, 2005), “Being first to market requires effective new product development systems and processes, effective R&D skills, and a degree of creativity in identifying market gaps and opportunities. Because of the complex interplay of resources required for effective innovation, a position based on this is likely to enjoy a high degree of defensibility.” Due to R&D investments and the inherent importance of innovativeness in METEC, innovation orientation seems to support its place within the framework of this study. The following set of hypotheses is developed:

H2a: Innovation orientation positively relates to market performance of BAI companies,

H2b: Innovation orientation positively relates to financial performance of BAI companies,

H2c: Innovation orientation positively relates to (sustainable) competitive advantage of BAI companies.

According to Fahy and Smithee (1999), an essential element of the RBV of the firm, in addition to firm's key resources, is the role of management in converting those resources into positions of sustainable competitive advantage which ultimately leads to superior performance in the marketplace. Thus, it is argued that resources have potential to offer a rather good explanation for the performance differentials among firms. Möller (2006) suggests that an individual organization's value creation is based on its collection of capabilities or competencies.

Hunt and Morgan (1995) argue that a comparative advantage in resources can translate into a position of competitive advantage in the marketplace and superior financial performance. Vorhies and Morgan (2005) found positive relationship between inside-out capabilities as marketing implementation and channel management, and overall firm performance. Also other scholars identified positive link between inside-out capabilities and performance superiority. These arguments lead to hypothesize that:

H3a: Inside-out capabilities positively relate to market performance of BAI companies,

H3b: Inside-out capabilities positively relate to financial performance of BAI companies,

H3c: Inside-out capabilities positively relate to (sustainable) competitive advantage of BAI companies.

According to Day (1994), outside-in capabilities connect the processes that define other organizational capabilities to the external environment and enable businesses to compete by anticipating market requirements ahead of competitors, thus creating durable relationships with customers and other stakeholders. Moreover, according to Hooley *et al.* (2005) and Nath *et al.* (2010), outside-in capabilities statistically relate significantly positively to market performance, which positively relates to a firm's financial performance. (Jaakkola M., *et al.* 2010) Tuominen *et al.* (2005), for their part, empirically verify a positive relationship between outside-in capabilities and innovativeness which further drives performance. Thus, the following set of hypotheses is developed:

H4a: Outside-in capabilities positively relate to market performance of BAI companies,

H4b: Outside-in capabilities positively relate to financial performance of BAI companies,

H4c: Outside-in capabilities positively relate to (sustainable) competitive advantage of BAI companies.

Barney (1991) Sustainable competitive advantages cannot be bought from the marketplace. Instead, to be a source of sustainable competitive advantage, a resource has to fulfill four conditions: 1) it must be valuable, 2) it must be rare among a firm's current and potential competition, 3) it must be imperfectly imitable, and 4) there cannot be strategically equivalent substitutes for this resource that are valuable but neither rare or imperfectly imitable. These attributes, according to Barney, can be interpreted as empirical indicators of how heterogeneous and immobile a firm's resources are and, thus, how useful these resources are for generating sustained competitive advantages. Sustainability occurs only when a firm's comparative resource advantages continue to yield a competitive advantage position despite competitor actions (Hunt & Morgan, 1995). Therefore, the following set of hypotheses is developed:

H5a: (Sustainable) competitive advantages positively relate to market performance of BAI companies,

H5b: (Sustainable) competitive advantages positively relate to financial performance of BAI companies.

Jaakkola M., *et al.* (2010) indicated that performance measures should capture business performance at both current and future levels. More explicitly, a broad and well-balanced performance conceptualization, including financial and non-financial measures, will help marketers to fully understand the performance consequences of their strategies (Varadarajan & Jayachandran, 1999). Thus, both financial and market performance entities are incorporated other empirical study (e.g. Jaakkola M., *et al.* 2010). Every firm should, in principle, seek profitable growth over maximum sales alone. Studies found that a strong positive link exists between market share and ROI measures (e.g., Hooley *et al.*, 2005). Further, Hooley *et al.* (2001) argue that superior market performance likely results in superior financial performance. These arguments lead to hypothesize that:

H6a: Market performance is positively related to financial performance of BAI companies.

CHAPTER THREE

3. Research Methodology

The purpose of this chapter is to present the methodologies that were used in the study and to explain the reasons for choosing one method over another. The chapter provides explanations on methods and procedures the researcher used for the thesis. It briefly presents the underlining principles of research methodology and the choice of the appropriate research method used to fit the applied theoretical model. Additionally, the chapter includes the potential variables that lead to analyze the marketing strategy performance of BAI, and the driving forces for localization while limiting the analysis of the chosen industry.

3.1. Research Design

Since the purpose of the study was to describe systematically a situation and attitudes of managers, descriptive research design was selected. This method is selected on the assumption that it helps to accurately portray the characteristics of a particular industry. According to Sumathi & Saravana (2003), survey method is effective to investigate the phenomena in assessing the performance. In addition to this, it helps to obtain pertinent and precise information regarding the study subject. Thus, the survey research method was applied to describe the current phenomena. Descriptive research is concerned with the present and attempts to determine the status of the phenomenon under investigation (Kumar, 2003).

The present study also used explanatory research design. Explanatory studies are characterized by research hypotheses that specify the nature and direction of the relationships between or among variables being studied. The reason for using this method is to study the relationship between dependent and independent variables. Explanatory designs seek to study the relationships and to test the literature-based hypotheses, a cross-sectional survey was employed. It is selected, because it provides a picture of a group of individuals at a particular moment in time, and it is easy to undertake compared to longitudinal survey in this field of study Corbetta (2003).

In relation with the application, the study can be categorized under applied researches. This is because the methodologies that were used in the study are not as rigorous as that of basic research, and its findings are evaluated in terms of local applicability and not in terms of universal validity.

To obtain the desired results of the selected industry and to explore detailed evidence about the research problem, quantitative research techniques were employed. This is because quantitative research is more appropriate to determine the extent of a problem by quantifying the collected data for analysis and interpretation. Additionally, quantitative research is the best approach to use when the study is to test the theory or explanation (Grenner, 2008).

3.2. Study Area

The focus of the study was on the marketing strategy performance of METEC, specifically the BAI. A firm-level analysis is used to assess the value of marketing to the firm or to think about marketing actions as part of an arsenal of firm-level factors (see e.g. Menguc & Auh, 2006).

The present study focuses on strategy at the business unit level (e.g. generic competitive strategies) from the perspective of how strategy at the business unit level influences and is influenced by marketing strategy, and the strategic role of the marketing function in organizations at the business unit level.

This empirical study is based on a single market and investigated the marketing strategy performance of BAI firms. The researcher believed that the study on marketing strategies of BAI firms brings insight into the growing automotive industry of Ethiopia and provides valuable information on the performance of the industry.

3.3. Population and Sampling Techniques

The target population of the study was managers and employees of the Bisoftu Automotive Industry. Currently Bishoftu Automotive Industry holds a total of 2,424 employees, comprised of military and civil-contracted employees, working in the seven factories. Among these, twenty three of them are marketing experts. An examination of marketing strategy studies (e.g. Jaakkola et al. 2010; Samuel 2010; Jemaiyo 2013) indicate that marketing personnel in an organization are

likely to be the most knowledgeable experts about organizational, inter-organizational and external environment phenomena, and therefore, are equipped to play a major role in charting the strategic direction of the firm. In addition to this, the goal of the study is to build a “data matrix”, (i.e. to gather the collected data in a standard format), which is the same for all cases. Thus, in order to have true representative sample of the target universe, the study utilized non-probability sampling design, and used purposive sampling technique.

In order to have the best available knowledge concerning the study and in order to ensure the clarity of the data, accompanied by the reliable assumption (i.e. expert opinions of marketing personnel are valuable), the researcher used purposive sampling technique and included all the marketing staffs of BAI as respondents. According to Kumar (2006), the idea of purposive sampling is to pick out the sample in relation to some criterion, which is considered important for the particular study.

According to Corbetta (2003), quantitative research is concerned with the generalizability of the results, and the use of statistically representative sample. With regards to the field of the study and for achieving the required level of precision, the present study includes 23 elements on which data were collected. In spite of the small sample size, all the 23 elements are included as the total population of the study and used as relevant informants of the study.

3.4. Sources and Method of Data Collection

Both primary and secondary data sources are used in the present study. The primary data of the study is collected using structured survey questionnaire. The survey questionnaire is developed following the review of prior works. The research questionnaire contains only closed-ended questions. The questions were developed and modified, essentially by considering the research problem and the research questions. All measurement items are measured on subjective five or seven-point Likert-type scales, mainly related to company’s primary competitors.

The secondary data sources of the study include primary, secondary, and tertiary literature sources. Primary literature sources, such as company literature and company documents are used, because these sources are valuable information sources in the case of the present study (see Greener 2008). Mainly, secondary literature sources, such as published books and articles in

journals are used. In addition to these, tertiary literature sources, such as dictionaries and the web are used slightly.

3.5. Procedures of Data Collection

In order to collect accurate data from the respondents, first, the researcher asked the organization for access of data and cooperation. After getting confirmation from the organization, the researcher conducted a pilot study and checked if there were inconsistencies in the survey questionnaire. Finally, contents were refined and the actual data was collected using a self-administered survey.

3.6. Methods of Data Analysis

In quantitative research data analysis focuses on variables, (i.e. on the characteristics of cases) which are examined with mathematical procedures and statistical tools (Corbetta, 2003). According to this, the data analysis of the present study is performed on variables with quantitative statistical tools to produce “causal models”, in which variables are connected through causal-effect relationships.

Data was coded using Excel Spreadsheet and analyzed descriptively using SPSS package (version 20.0). The data were analyzed by using statistical technique to draw some results.

Descriptive statistics, such as percentages, mean, standard deviation and tabular representation are used to present the analyzed data. The hypotheses are tested using non-parametric statistical techniques and some conclusions are drawn in the form of generalization. The hypotheses were tested by one design of research. The conclusions are presented in the form of generalization. Non-parametric tests are employed for presenting and interpreting the results of the study. The main reasons for employing non-parametric statistics over parametric tests are mainly because non-probability sampling technique is selected and that the variables of the study are quantifiable. Kumar (2003) implied that non-parametric tests may be used effectively in these situations. In line to this, Spearman's Rho correlation method is selected, particularly because of the small sample size (which is <30). Spearman Rho correlation is employed when the sample size is small, not large, and that the data are presented at ordinal or interval scale (Kumar, 2003).

The data are classified by division into, subgroups, and are then analyzed and synthesized to verify or reject the hypotheses.

In general, descriptive statistical analysis helps to describe a particular group numerically; the data describe one group and one group only, and any similarity to those outside the group cannot be taken for granted (Kumar, 2003). As a result, the researcher used descriptive statistical analysis to present findings and to interpret the results. Since the focus was not to estimate a parameter and since non-probability technique was utilized, inferential statistical analysis was not selected for the present study.

3.7. Operationalization of Variables

There are seven constructs in total included in this empirical study; three dependent and four independent variables (explanatory variables). Corbetta (2003, p. 114) “In experimental psychology, the terms stimulus and response are used to indicate the variables involved in the causal relationship. Again the formal causal models (such as path analysis or structural equation models) use the econometric terminology, which splits the variables into exogenous (external to the model, only independent) and endogenous (inside the model; these may be independent in some relationships and dependent in other)”. Nevertheless, these differences are almost entirely terminological and reflect only slightly differing views of the causal relationship. Therefore, for the sake of simplicity, the terms “dependent” and “independent” are used almost exclusively in the present study.

Dependent latent variables are influenced by explanatory (independent) variables in the structural model, either directly or indirectly (Kelin, 2005). The three dependent variables that are included in this study are sustainable competitive advantage, market performance, and financial performance.

The four independent variables (explanatory variables) are market orientation, innovation orientation, inside-out capabilities, and outside-in capabilities. When designing the survey questionnaire, contextual and firm-specific factors were considered and included in the measurement items in order to reflect the key contingencies within organizations. Based on a review of literature all measurement items are measured on subjective five or seven- point

Likert-type scales. The present study used the same constructs that have been used by several authors (e.g. Holley & Greenly, 2005; Fahy, Moloney & Mc Aleer, 2005; Jakkolla et al., 2010).

Generally, the four strategic marketing concepts (i.e. the independent variables) are examined on the performance of BAI firms. Grounded by the reviewed literatures, a firm-level analysis is used to assess the marketing strategy-performance of the industry and results are interpreted from the perspective of firm-specific factors.

Table 1: Dependent variables measurement items

| Dependent Variables | Measurement Items |
|----------------------------|---|
| Competitive Advantage | <ol style="list-style-type: none"> 1. Our products and services are highly valued by our customers creating a barriers against competitor products and services 2. There would be significant costs for customers if they switched from our products and services to those of competitors 3. Our competitive advantage is difficult for competitors to copy because it uses resources only we have access to 4. It took time to build our competitive advantage and competitors would find it difficult time-consuming to follow a similar route 5. Competitors find it difficult to see how we created our competitive advantage in the first place 6. Competitors could copy our competitive advantage but it would be uneconomic for them to do so 7. We protect our advantage legally through copyrights and patents 8. Our employees are the source of our competitive advantage and we ensure we won't lose them to competitors 9. Competitors would find it difficult to acquire the managerial capabilities needed to create a similar competitive advantage |
| Market Performance | <ol style="list-style-type: none"> 1. Sales volume achieved 2. Market share achieved 3. Levels of customer satisfaction achieved 4. Levels of customer loyalty achieved |
| Financial Performance | <ol style="list-style-type: none"> 1. Overall profit levels achieved 2. Profit margins achieved 3. Return on investment |

Table 2: Independent variables measurement items

| Independent Variables | Measurement Items |
|-------------------------|--|
| Market Orientation | <ol style="list-style-type: none"> 1. Our commitment to serving customer needs is closely monitored 2. Sales people share information about competitors 3. Our objectives and strategies are driven by the creation of customer satisfaction 4. We achieve rapid response to competitive actions 5. Top management regularly visits important customers 6. Information about customers is freely communicated through the company 7. Competitive strategies are based on understanding customer needs 8. Business functions are integrated to serve market needs 9. Business strategies are driven by increasing value for customers 10. Customer satisfaction is systematically and frequently assessed 11. Close attention is given to after sales service 12. Top management regularly discuss competitors' strengths and weaknesses 13. Our managers understand how employees can contribute to value customers 14. Customers are targeted when they have an opportunity for competitive advantage |
| Innovation Orientation | <ol style="list-style-type: none"> 1. We are more innovative than our competitors in deciding what methods to use in achieving our targets and objectives 2. We are more innovative than our competitors in initiating new procedures or systems 3. We are more innovative than our competitors in developing new ways of achieving our targets and objectives 4. We are more innovative than our competitors in initiating changes in the job contents and work methods of our staff |
| Inside-out Capabilities | <ol style="list-style-type: none"> 1. Strong financial management 2. Effective human resource management 3. Good operations management expertise 4. Good marketing management ability |
| Outside-in Capabilities | <ol style="list-style-type: none"> 1. Good at using information about markets, customers, and competitors 2. Good at understanding what customer needs and requirements are 3. Good at creating relationships with key customers 4. Good at maintaining and enhancing relationships with key customers |

CHAPTER FOUR

4. Results and Discussion

This chapter presents the results of the study. It describes the analyzed information and research findings using statistical methods. The data are classified by division, into subgroups, and are then analyzed and synthesized in such a way that is clear to verify or reject the literature based hypotheses. Results from the analysis, performed with SPSS package (*version* 20.0), are presented next.

4.1. Reliability Analysis

Table 3: Reliability Coefficients of Research Measures (Cronbach's Alpha)

| No. | Major Research Measures | Cronbach's Alpha Coefficient |
|-----|-------------------------------------|------------------------------|
| 1 | Market Orientation | 0.881 |
| 2 | Innovation Orientation | 0.933 |
| 3 | Inside-out Capabilities | 0.518 |
| 4 | Outside-in Capabilities | 0.859 |
| 5 | Market Performance | 0.744 |
| 6 | Financial Performance | 0.645 |
| 7 | (Sustainable) Competitive Advantage | 0.708 |

Table 3 above shows Cronbach's alpha coefficients of the major research measures. A reliability test is used to assess consistency in measurement items and Cronbach's alpha is used to measure the internal consistency of the measurement items. Higher alpha coefficients indicate higher scale reliability.

Extensive literature review was performed to operationalize the variables. Specifically, Nunnally (1978) recommended 0.70 Cronbach's alpha value (internal consistency) for newly developed research instruments. Except "inside-out capabilities" and "financial performance", all the major research measures met Nunnally's (1978) internal consistency (reliability) standard. Therefore, subjects to the specific and unusual limitations associated with this type of research, the research instrument appears reliable and valid.

4.2. Findings of the Study

This study has provided empirical evidence pertaining to the marketing strategy-performance assessment employed on Bishoftu Automotive Industry firms. The findings have managerial and research implications. Frequency analysis was used as a first descriptive analysis method in the study.

The total targeted population of the study compromised of 23 respondents. All respondents were able to fill and return the questionnaires to the researcher. The collected data were checked, edited, coded, and variables (items) were re-specified (i.e. the data were transformed to create new variables by modifying existing variables on the questionnaire).

4.2.1. Profile of Respondents

This section provides insight into the nature of the respondents. It includes the demographic characteristics, such as gender, age, education level and some other descriptive variables about the respondents.

Table 4: Descriptive Statistics of the Respondents

| Basic Information | | Frequency | Percent |
|-------------------|--------------|-----------|---------|
| Sex | Male | 18 | 78.3 |
| | Female | 5 | 21.7 |
| | Total | 23 | 100.0 |
| <hr/> | | | |
| Age | 18-25 | 4 | 17.4 |
| | 26-30 | 5 | 21.7 |
| | 31-35 | 13 | 56.5 |
| | 36-40 | 1 | 4.3 |
| | Total | 23 | 100.0 |
| <hr/> | | | |
| Education Level | Diploma | 3 | 13.0 |
| | First Degree | 20 | 87.0 |
| | Total | 23 | 100.0 |

| | | | |
|--|-----------------------|----|-------|
| | | | |
| Monthly Salary | 1,001-3,000 | 16 | 69.6 |
| | 3,001-5,000 | 7 | 30.4 |
| | Total | 23 | 100.0 |
| | | | |
| Work Experience in BAI | Less than one year | 3 | 13.0 |
| | 1 to 2 years | 1 | 4.3 |
| | 2 to 3 years | 8 | 34.8 |
| | More than three years | 11 | 47.8 |
| | Total | 23 | 100.0 |
| | | | |
| Work Experience in other organization | less than one year | 12 | 52.2 |
| | 1 to 5 years | 7 | 30.4 |
| | 6 to 10 years | 2 | 8.7 |
| | Total | 21 | 91.3 |
| Missing | System | 2 | 8.7 |
| Total | | 23 | 100.0 |

As shown above, nearly 78% of the respondents were male and the remaining 21.7% were females. More than half of the respondents (56%) were between 31 to 35 years old. The remaining percentage of the respondents comprises the age group between 18 to 25, 26 to 30, and 36 to 40 which covers 17%, 21%, and 4.3% respectively.

87% of the respondents were first degree holders and the rest 13% were diploma holders. All the respondents were Ethiopian. Almost 70% of the respondents were paid a monthly salary between 1,000 and 3,000 ETB, and the remaining 30% were paid 3,001 to 5,000 ETB.

7% of the respondents were employees of BAI more than three years, which indicates that they were employed by the corporation starting from the establishment of the corporation in June, 2010 by the council of the Ministers, Regulation No. 183/2010. The remaining 34.8%, 13%, and 4.3% had 2 to 3 years, less than one year, and 1 to two years of experience respectively. 91% of the total respondents had work experience before they were employed by the corporation and the remaining 8.7% had no prior work experience.

The basic information of the respondents implies that the respondents are educated and the collected data is accurate to arrive at a conclusion regarding Bishoftu Automotive Industry's marketing strategy-performance.

4.2.2. Market Analysis of Bishoftu Automotive Industry firms

4.2.2.1. Market type

The following section presents findings of the study that are mainly related with the main market in which BAI firms operate. It presents statistical description of the main market where the companies operate and the position of the firms.

Table 5: Descriptive statistics of the main market

| | Frequency | Percent |
|--|-----------|---------|
| Our market is newly emerging | 2 | 8.7 |
| Our market is established but growing | 16 | 69.6 |
| Our market is mature, showing little signs of change | 5 | 21.7 |
| Total | 23 | 100.0 |

The above table presents frequencies with regard to the main market where BAI firms operate. Almost 70% of the respondents indicate that BAI firms operate in established but growing market. On the other hand, 21.7% of the respondents indicate that they operate in a mature market that shows little signs of change and the remaining 8.7% said that the firms operate in a newly emerging market.

4.2.2.2. Business Approach of BAI firms

Additionally the respondents were asked to indicate the overall approach of the companies. The following table summarizes the study findings related with the overall approach.

Table 6: Overall approach of BAI firms

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|-----------|---------|---------------|--------------------|
| Use advertising and selling to help sell our products and services | 3 | 13.0 | 13.0 | 13.0 |
| Endeavour to offer the best technical product and service in our industry | 3 | 13.0 | 13.0 | 26.1 |
| Provide the goods and services society in general needs, rather than simply satisfying individual customers | 17 | 73.9 | 73.9 | 100.0 |
| Total | 23 | 100.0 | 100.0 | |

As shown in table 6, 73.9% of the respondents said that BAI firms provide the goods and services to society in general, rather than simply satisfying individual customers. The rest 26.1% of the respondents said that they use advertising and selling to sell their products and services, and that they thrive to offer the best technical product and service in the industry.

A firm-level analysis shows that BAI firms operate in an established but growing industry and the companies' overall approach is fulfilling the needs of the society in general.

4.2.2.3. Industry Analysis

Table 7 shows percentage of respondents describing their market. 65.2% of the respondents agreed that their customers increasingly demand better quality and reliability in the products and services they buy, and 30.4% disagree with the statement. Only 4.3% of the respondents were neutral.

Similar to the above results, 69.5% of the respondents said that new products and services are coming to the market more quickly than in the past. Out of the rest, 21.7% indicated that they disagree with this statement; and the remaining 8.6 percentage describes the respondent group that "don't know" and that were neutral.

Table 7: Descriptive statistics of BAI firms

| | Don't Know | | Strongly Disagree | | Disagree | | neither | | Agree | | Strongly Agree | |
|-------|------------|---------|-------------------|---------|----------|---------|---------|---------|-------|---------|----------------|---------|
| | Count | Row N % | Count | Row N % | Count | Row N % | Count | Row N % | Count | Row N % | Count | Row N % |
| RV011 | 0 | .0% | 0 | .0% | 7 | 30.4% | 1 | 4.3% | 15 | 65.2% | 0 | .0% |
| RV012 | 1 | 4.3% | 0 | .0% | 5 | 21.7% | 1 | 4.3% | 15 | 65.2% | 1 | 4.3% |
| RV013 | 1 | 4.3% | 3 | 13.0% | 7 | 30.4% | 0 | .0% | 11 | 47.8% | 1 | 4.3% |
| RV014 | 0 | .0% | 2 | 8.7% | 14 | 60.9% | 2 | 8.7% | 5 | 21.7% | 0 | .0% |
| RV015 | 0 | .0% | 0 | .0% | 3 | 13.0% | 9 | 39.1% | 11 | 47.8% | 0 | .0% |
| RV016 | 2 | 8.7% | 2 | 8.7% | 11 | 47.8% | 4 | 17.4% | 4 | 17.4% | 0 | .0% |
| RV017 | 2 | 8.7% | 1 | 4.3% | 0 | .0% | 16 | 69.6% | 4 | 17.4% | 0 | .0% |
| RV018 | 5 | 21.7% | 1 | 4.3% | 1 | 4.3% | 2 | 8.7% | 14 | 60.9% | 0 | .0% |
| RV019 | 0 | .0% | 0 | .0% | 5 | 21.7% | 0 | .0% | 16 | 69.6% | 2 | 8.7% |
| RV020 | 1 | 4.3% | 2 | 8.7% | 4 | 17.4% | 0 | .0% | 16 | 69.6% | 0 | .0% |
| RV021 | 0 | .0% | 0 | .0% | 11 | 47.8% | 1 | 4.3% | 10 | 43.5% | 1 | 4.3% |
| RV022 | 2 | 8.7% | 0 | .0% | 10 | 43.5% | 8 | 34.8% | 3 | 13.0% | 0 | .0% |

4.3% of the respondents strongly agree with RV013 (i.e. they strongly agree that the internet and e-commerce is having a significant impact on business practice). 47.8% out of the total agree with this statement. The remaining 30.4%, 13%, and 4.3% said that they disagree, neither, and strongly disagree with the statement respectively.

As indicated by the study, BAI firms' competition is not global, rather it is domestic. (RV014 represents the result of the respondents). 47.8% of the respondents said that the customers' wants, needs, and expectations are changing rapidly. 39.1% of the remaining respondents hold a neutral position and the rest 13% said that they disagree with the statement.

As RV016 shows, most of the respondents implied that they are not operating in a market where all customers want essentially the same thing.

69.6% of the respondents said that they neither disagree nor agree with the statement "competition for sales is intense", but 17.4% said that they agree with it. The remaining .3% and 8.7% implied that they disagree and strongly disagree respectively.

Additionally, 60.9% of the respondents agree with RV018, which implies that competition is well established and that it is difficult to change.

With respect to the coming trends of the industry, as can be proved by RV019, RV020, RV021, and RV022, most of the respondents replied that there is a significant threat that new firms will enter the market with substitute products or technologies. They also said that the bargaining power of suppliers to the industry is not that strong and that technological change is not that much rapid.

4.2.2.4. Market position of BAI

The respondents were asked to describe the current position of BAI. As can be seen from table 8, 34.8% of them positioned the organization as niche challenger which is the close second or third in the chosen market segment. 26.1% of the respondents place the industry’s position as niche leader (largest market share in chosen market segment). 30.4% of the respondents said that they are the overall market leader. The remaining respondents said that they are market challengers and market followers with a percentage of 4.3 each.

Table 8: Descriptive statistics of BAI firms market position

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|-----------|---------|---------------|--------------------|
| Overall Market Leader (largest market share) | 7 | 30.4 | 30.4 | 30.4 |
| Market Challenger (close second or third largest market share) | 1 | 4.3 | 4.3 | 34.8 |
| Market Follower (smaller market share) | 1 | 4.3 | 4.3 | 39.1 |
| Niche Leader (largest market share in chosen market segment) | 6 | 26.1 | 26.1 | 65.2 |
| Niche Challenger (close second or third in chosen market segment) | 8 | 34.8 | 34.8 | 100.0 |
| Total | 23 | 100.0 | 100.0 | |

4.3. Correlation Analysis

A correlation is a measurement of the linear relationship between variables. The variables could be positively related, they could not be related at all, or they could be negatively related. Correlation analysis was performed to see the association between variables. Extend literature review show that correlations of 0.01 to 0.30 are considered small, correlations of 0.30 to 0.70 are considered as moderate, and correlation results that lie within 0.90 and 1.00 are considered very large.

The results of the study showed that there is significant positive relationship between the variables.

According to Kumar (2003), to study the relationships of two or more variables, Spearman's Rho correlation is used in a small sample. He also noted that this correlation technique is used for ordinal or interval scale. The present study used the Spearman's Rho correlation statistical technique to test the relationship between the variables.

Table 9: Spearman's Rho Correlation Matrix

| | MO | INNO | I/O | O/I | CA | FP | MP |
|-------------|-----------|-------------|------------|------------|-----------|-----------|-----------|
| MO | 1.000 | | | | | | |
| INNO | .902** | 1.000 | | | | | |
| I/O | .247 | .291 | 1.000 | | | | |
| O/I | .389 | .370 | .810** | 1.000 | | | |
| CA | .617** | .428* | .121 | .224 | 1.000 | | |
| FP | .425* | .321 | .443* | .271 | .568** | 1.000 | |
| MP | .766** | .668** | .435* | .510* | .692** | .603** | 1.000 |

** $p < 0.01$ level (2-tailed).

Source: Survey data

* $p < 0.05$ level (2-tailed).

As shown in table 9, each variable correlates perfectly with itself with coefficients value +1.00. This correlation matrix shows that there is a larger positive correlation between market orientation and innovation orientation with a value of $r=0.902$ at 0.01 significant level.

The results of Spearman’s Rho correlation matrix also shows that there is a strong positive relationship between inside-out and outside-in capabilities; between market orientation and market performance; between competitive advantage and market performance; between innovation orientation and market performance; between market orientation and competitive advantage; and between financial performance and market performance with a value of $r=0.810$, $r=0.766$, $r=0.692$, $r=0.668$, $r=0.617$, and $r=0.603$ respectively. In similar manner, there is also a significant positive association between competitive advantage and financial performance with $r=0.568$, and between outside-in capabilities and market performance with $r= 0.510$ at significant level of $p=0.01$.

4.4. Regression Analysis

This section of the analysis presents the results relating to the hypotheses that were formulated for the purpose of the study.

4.4.1. Marketing Strategy constructs and Market Performance

The following section presents the empirical results relating to the hypotheses that were formulated on the overall market performance. Hypotheses H1a, H2a, H3a, and H4a were formulated to test the effects of marketing strategy constructs on market performance of BAI companies.

Table 10: **Model Summary** relating to H1a, H2a, H3a, and H4a

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .728 ^a | .530 | .426 | .31600 |

a. Predictors: (Constant), Outside-In Capabilities, Market Orientation, Innovation Orientation, Inside-out Capabilities

The above table shows the model summary of the dependent variable: market performance. It shows how much of the variance in the dependent variable (market performance) is explained by the model (which includes the variables of market orientation, innovation orientation, inside-out capabilities, and outside-in capabilities). As shown in the table, the first statistic “*R*” is the multiple correlation coefficients between all of the predictor variables and the dependent variable. In this model, the value *R*-square is 0.530, simply the square of *R* value (0.728).

The *R*-square is frequently used to describe the goodness of fit or the amount of variance explained by a given set of predictor variables. As can be seen in the table, the value of *R*-square is 0.530, which indicates that 53% of the variance in the dependent variable is explained by the independent variables in the model. The model also indicates that 47% of the variance can be explained by other factors, but not these predictors.

Table 11: ANOVA^b

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|-------|-------------------|
| 1 | Regression | 2.029 | 4 | .507 | 5.079 | .006 ^a |
| | Residual | 1.797 | 18 | .100 | | |
| | Total | 3.826 | 22 | | | |

a. Predictors: (Constant), Outside-In Capabilities, Market Orientation, Innovation Orientation, Inside-out Capabilities

b. Dependent Variable: Market Performance

Table 12: Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|-------------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 2.477 | .610 | | 4.062 | .001 | | |
| | Market Orientation | .248 | .093 | .605 | 2.670 | .010 | .509 | 1.965 |
| | Innovation Orientation | -.146 | .092 | -.374 | -1.585 | .130 | .468 | 2.135 |
| | Inside-out Capabilities | .275 | .234 | .414 | 1.176 | .255 | .211 | 4.746 |
| | Outside-In Capabilities | .072 | .161 | .161 | .446 | .661 | .200 | 4.993 |

a. Dependent Variable: Market Performance

The next activity to do is to see which of the variables included in the model contributed to the prediction of the dependent variable.

Table 11 presents the statistical significance of the result. Since F -ratio has a value of 5.079 and is significant at 0.006, it can be said that the independent variables have power to predict market performance.

The results indicate that the highest beta coefficient is 0.650, which is for market orientation. This indicates that this variable makes the greatest unique contribution in explaining the dependent variable. Market orientation has positive significant relationship with market performance with a significance of 0.010. Generally, it means that market orientation was the best predictor of market performance in this study context.

The findings show that innovation orientation has insignificant effect on market performance with a value of $\beta = -0.037$ and $p = 0.130$. Similarly, outside-in capabilities have insignificant effect on market performance with beta coefficient 0.161 and p value 0.661. Also inside-out capabilities with $\beta = 0.414$ and $p = 0.255$ have insignificant impact on the dependent variable.

Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model and it is calculated using the formula $1 - R^2$ for each variable. Tolerance value below .10 indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity. The other value given is the VIF (Variance Inflation Factor), which is just the inverse of the tolerance value (1 divided by Tolerance). If the largest VIF value is greater than 10, then there is a cause for concern. Since the lowest tolerance is .200 (i.e. $>.1$) and the highest VIF is 4.993 (i.e. <10), therefore it can be concluded that there is no problem of multicollinearity.

The results of the regression analysis indicate that there is negative and statistically insignificant relationship of market performance with three of the explanatory variables, except market orientation which has p value less than 0.05.

4.4.2. Marketing Strategy Constructs and Financial Performance

The independent variables were also tested on financial performance. Four hypotheses were formulated to test the effects of marketing strategy constructs on financial performance of BAI.

Table 13: **Model Summary** relating to H1b, H2b, H3b, and H4b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .801 ^a | .641 | .561 | .21682 |

a. Predictors: (Constant), Outside-In Capabilities, Market Orientation, Innovation Orientation, Inside-out Capabilities

The above model summary shows that *R*-square is 0.641. It indicates that 64.1% (0.641) of the variance in dependent variable is explained by the independent variables in the model. In this case, the model also indicates that 35.9% of the variance can be explained by other factors.

Table 14: **ANOVA**^b

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|-------|-------------------|
| 1 | Regression | 1.511 | 4 | .378 | 8.037 | .001 ^a |
| | Residual | .846 | 18 | .047 | | |
| | Total | 2.357 | 22 | | | |

a. Predictors: (Constant), Outside-In Capabilities, Market Orientation, Innovation Orientation, Inside-out Capabilities

b. Dependent Variable: Financial Performance

To assess the statistical significance of the result, it is necessary to look at the **ANOVA** table. The *F*-ratio has a value of 8.037 and a statistical significance of 0.001. Thus, it can be concluded that the independent variables significantly predicts the overall financial performance.

Table 15: **Coefficients^a**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
| | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 (Constant) | 2.383 | .418 | | 5.695 | .000 | | |
| Market Orientation | .300 | .064 | .933 | 4.711 | .000 | .509 | 1.965 |
| Innovation Orientation | -.156 | .063 | -.510 | -2.470 | .024 | .468 | 2.135 |
| Inside-out Capabilities | .592 | .160 | 1.135 | 3.690 | .002 | .211 | 4.746 |
| Outside-In Capabilities | -.297 | .110 | -.850 | -2.694 | .015 | .200 | 4.993 |

a. Dependent Variable: Financial Performance

The above table shows the results of regression analysis of the dependent variable and the predictors. In this case, the largest beta coefficient is inside-out capabilities ($\beta=1.135$) with a significant level of 0.002. This result indicates that the variable “inside-out capabilities” is the best predictor that has a significant relationship with the dependent variable (financial performance).

The second highest standard coefficient is market orientation with the value of $\beta=0.933$ and $p=0.000$. This predictor also has a significant relationship with financial performance.

Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model and it is calculated using the formula $1-R^2$ for each variable. Tolerance value below .10 indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity. The other value given is the VIF (Variance Inflation Factor), which is just the inverse of the tolerance value (1 divided by Tolerance). If the largest VIF value is greater than 10, then there is a cause for concern. Since the lowest tolerance is .200 (i.e. $>.1$) and the highest VIF is 4.993 (i.e. <10), therefore it can be concluded that there is no problem of multicollinearity.

In the context of the present study, innovation orientation and outside-in capabilities have insignificant relationship with financial performance, with ($\beta = -0.0510$) and ($\beta = -0.850$) with a significant level of $p=0.002$ and $p=0.15$ respectively.

4.4.3. Marketing Strategy Constructs and Competitive Advantage

This section presents the results relating to the hypotheses that were formulated on competitive advantage. There are four independent variables: market orientation, innovation orientation, inside-out capabilities, and outside-in capabilities in the regression model. These marketing strategy concepts (the independent variables) were regressed against competitive advantage.

The independent variables were used to test their effect on competitive advantage. The results relating to hypotheses H1c, H2c, H3c, and H4c are summarized in table 16 below.

Table 16: **Model Summary** relating to H1c, H2c, H3c, and H4c

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .821 ^a | .675 | .602 | .47455 |

a. Predictors: (Constant), Market Orientation, Innovation Orientation, Inside-out Capabilities, Outside-In Capabilities

The above table is the model summary of competitive advantage. It shows how much of the variance in the dependent variable (competitive advantage) is explained by the model which includes the four independent variables. In this case, the *R*-square is 0.675. When expressed in percentage, it means that 67.5% of the dependent variable is explained by the independent variables and the remaining 32.5% of the variance is not explained.

Table 17: ANOVA^b

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|-------|-------------------|
| 1 | Regression | 8.407 | 4 | 2.102 | 9.333 | .000 ^a |
| | Residual | 4.054 | 18 | .225 | | |
| | Total | 12.461 | 22 | | | |

a. Predictors: (Constant), Market Orientation, Innovation Orientation, Inside-out Capabilities, Outside-In Capabilities

b. Dependent Variable: Competitive Advantage

As shown in the above ANOVA table, the independent variables significantly predicts the overall competitive advantage, $F=9.333$, $/p<0.01$.

Table 18: Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
| | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 (Constant) | .944 | .916 | | 1.031 | .316 | | |
| Market Orientation | .677 | .139 | .916 | 4.861 | .000 | .509 | 1.965 |
| Innovation Orientation | -.577 | .139 | .818 | -4.164 | .001 | .468 | 2.135 |
| Inside-out Capabilities | .069 | .351 | .058 | .198 | .845 | .211 | 4.746 |
| Outside-In Capabilities | .320 | .242 | .398 | 1.326 | .202 | .200 | 4.993 |

a. Dependent Variable: Competitive Advantage

As can be seen from in the coefficient table, the largest beta coefficient is 0.916, which is market orientation. This indicates that this variable makes the strongest unique contribution to explaining the dependent variable, when the variance explained by all other variables in the models controlled for with a significant of 0.000 ($p<0.05$).

The second most significant ($p=0.001$) and ($\beta=0.818$) variable is innovation orientation. Innovation orientation is important component for competitive advantage for BAI firms, and it is positively related with competitive advantage. Outside-in capabilities with p value 0.202 and β value of 0.398 indicate that no significant influence on competitive advantage of the industry.

Also outside-in capabilities with β value of 0.058 and p value of 0.458 have insignificant effect on competitive advantage.

Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model and it is calculated using the formula $1-R^2$ for each variable. Tolerance value below .10 indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity. The other value given is the VIF (Variance Inflation Factor), which is just the inverse of the tolerance value (1 divided by Tolerance). If the largest VIF value is greater than 10, then there is a cause for concern. Since the lowest tolerance is .200 (i.e. $>.1$) and the highest VIF is 4.993 (i.e. <10), therefore it can be concluded that there is no problem of multicollinearity.

It seems that Bishoftu Automotive Industry firms have adopted significantly higher market orientation and innovation orientation on (sustainable) competitive advantage. However, results suggest that outside-in capabilities and inside-out capabilities are at lower level in BAI firms. The empirical study results indicate that competitive advantages are not being realized as effective on the two marketing strategy constructs in the context of BAI.

4.4.4. Explaining the Endogenous Variables

The present study also analyzed the interrelationship between the dependent variables.

Table 19: **Model Summary** relating to H5a

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .629 ^a | .396 | .367 | .33177 |

a. Predictors: (Constant), Competitive Advantage

In the table above R -square which is the coefficient of determination, is 0.396 or expressed as 39.6%. In this study, 39.6% of the variability in market performance can be explained by the

explanatory variable competitive advantage. The remaining 60.4% of the variability is due to other unexpected factors.

Table 20: ANOVA^b

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 1.515 | 1 | 1.515 | 13.759 | .001 ^a |
| | Residual | 2.312 | 21 | .110 | | |
| | Total | 3.826 | 22 | | | |

a. Predictors: (Constant), Competitive Advantage

b. Dependent Variable: Market Performance

The R-square for the regression is 0.396 and the R-square adjusted for degree of freedom for the regression is 0.367. The root mean square error is 0.33177. It should be noted that the root mean square error is the square root of the mean square error reported for the residual in the ANOVA table 20.

As shown above, the *F*-ratio has a value of 13.759 and it's significant at 0.001. Therefore, it is possible to say that the regression model adopted in this study could have not occurred by chance and is considered significant.

Table 21: Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|-----------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 3.322 | .302 | | 10.990 | .000 | | |
| | Competitive Advantage | .349 | .094 | .629 | 3.709 | .001 | 1.000 | 1.000 |

a. Dependent Variable: Market Performance

The results indicate that competitive advantage has statistical significance of ($p=0.001$) with beta coefficient ($\beta=0.629$). This indicates that there is positive and significant relationship between the variables.

Additionally, the study examined the relationship between the marketing strategy-variables by using market performance and competitive advantage as explanatory variables for financial performance.

Table 22: **Model Summary** relating to H5b and H6

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .588 ^a | .346 | .281 | .27763 |

a. Predictors: (Constant), Competitive Advantage, Market Performance

As shown above, *R*-square has the value of 0.36. In this model 34.6% of the variability in the dependent variable “financial performance” is explained by the explanatory variables market performance and competitive advantage in the model. The model summary also indicates that above 65% of the variance is explained by other factors.

Table 23: **ANOVA**^b

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|-------|-------------------|
| 1 | Regression | .816 | 2 | .408 | 5.292 | .014 ^a |
| | Residual | 1.542 | 20 | .077 | | |
| | Total | 2.357 | 22 | | | |

a. Predictors: (Constant), Competitive Advantage, Market Performance

b. Dependent Variable: Financial Performance

As can be seen from the table, *F*-ratio has a value of 5.292 with significance level of 0.014. It can be said that the independent variables have some power to predict financial performance.

Table 24: **Coefficients^a**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-----------------------|-----------------------------|------------|---------------------------|-------|------|-------------------------|-------|
| | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 (Constant) | 2.770 | .657 | | 4.216 | .000 | | |
| Market Performance | .296 | .183 | .378 | 1.623 | .120 | .604 | 1.655 |
| Competitive Advantage | .118 | .101 | .272 | 1.170 | .256 | .604 | 1.655 |

a. Dependent Variable: Financial Performance

The results show positive p value of 0.120 and 0.256 of market performance and competitive advantage. Nevertheless the positive result, the values indicate that there is no significant relationship between the constructs. Thus, as the result shows there is no significant relationship, it can be summarized that there is no link between the constructs.

4.5. Summary on the Non-Parametric tests of the Hypotheses

The researcher used non-parametric statistical tests to analyze the data for the literature based hypotheses. Non-parametric or distribution free tests are used when the nature of the population distribution is not known or when the data were collected using non-probability technique. Due to substantive interest in Bishoftu Automotive Industry, the data is next individually analyzed. Firm-specific results are presented on appendix B. at this point, as previous; it must be acknowledged that the results are subjective, and not objective, by nature. Answers were given by marketing staffs of BAI. This was done based on literatures and as suggested, the researcher included all the marketing experts as a total study population.

Some descriptive analysis was first conducted and presented earlier on 4.2, at the “findings of the study” section, in order to shed light on relative marketing resources and performance outcomes of BAI companies. The following section presents a firm-level analysis and it is based on those constructs and indicators included in the model.

Table 25: Results summary

| Hypotheses | Path | BAI Results | Support |
|------------|-----------|-------------|---------------|
| H1a (+) | MO → MP | 0.010** | Supported |
| H1b (+) | MO → FP | 0.000* | Supported |
| H1c (+) | MO → c | 0.000** | Supported |
| H2a (+) | INNO → MP | 0.130** | Not Supported |
| H2b (+) | INNO → FP | -0.024 | Not Supported |
| H2c (+) | INNO → CA | 0.001* | Supported |
| H3a (+) | I/O → MP | -0.255* | Not Supported |
| H3b (+) | I/O → FP | 0.002* | Supported |
| H3c (+) | I/O → CA | 0.845 | Not Supported |
| H4a (+) | O/I → MP | 0.661* | Not Supported |
| H4b (+) | O/I → FP | -0.015 | Not Supported |
| H4c (+) | O/I → CA | 0.303 | Not Supported |
| H5a (+) | CA → MP | 0.001** | Supported |
| H5b (+) | CA → FP | 0.256** | Not Supported |
| H6 (+) | MO → FP | 0.120** | Not Supported |

** $p < 0.01$ level (2-tailed).

Source: Survey data

* $p < 0.05$ level (2-tailed).

MO= market Orientation, INNO= innovation orientation, I/O= inside-out capabilities,

O/I= outside-in capabilities, MP= market performance, FP= financial performance,

CA= competitive advantage.

Jaakkola *et al.* (2010) implied that performance studies in general contribute to both managerial decision-making and academic discussion by offering important empirical evidence about key company success factors. The present study results were based on previous studies and such studies guide what to measure. Thus, studies that focus on strategic marketing performance assessment have value to the society in general. Morgan *et al.* (2002) also noted that performance studies improve the use of truly significant metrics in marketing performance assessment. Examination of firm-level or country-level results provide further contribution as to which issues are more important to domestic and international companies.

Extensive literatures indicate that, respondents in the study less than 30 considered as small. Even though the sample size of the present study is considered as small, objectives were achieved using the appropriate research methodology. Nevertheless differences in answering habits can be clearly seen in the results, the study presented total and in direct effects for the constructs of the study.

For the sake of ease analysis, the constructs were coded and transformed that are included in the questionnaire. For this particular research purpose, “RV” stands for “research variable”. For example, “RV011” stands for “our market is newly emerging” and “RV065” stands for “superior marketing information system”, in the questionnaire.

The result of this quantitative analysis contributes to this field of study. As a results only support of six literature-based hypotheses (6 out of 15), a number of interesting contributions and new important details about the influence of marketing strategy elements on BAI performance can be identified.

According to the results presented in table 25, it seems that BAI companies adopted significantly higher market orientation on average. The seven companies that are incorporated under Bishoftu Automotive Industry seem to also possess somewhat sustainable competitive advantage over competitors. However, it seems to be also that those competitive advantages are not being realized as effectively. Results also suggest that the innovation orientation, inside-out capabilities, and outside-in capabilities are at lower level on average.

CHAPTER FIVE

5. Conclusions and Recommendations

5.1. Conclusions

The literature-based hypotheses related with market orientation were strongly supported in the study. As several previous studies propose the link to be strongly positive, the current study results show that market orientation has a strong link between market performance, financial performance, and competitive advantage.

The key contradiction of the study is the low impact of innovation orientation on financial performance and on market performance, which is not assumed, as the link to be strongly positive. Moreover, the results show that competitive advantages have a positive link with innovation orientation. However, innovation orientations are likely to affect firm performance over the longer term. Therefore, for a sustainable competitive advantage, it is essentially to increase the efficiency of the firms' processes, and thus improve short-term performance.

The other weak relationship is shown between inside-out capabilities and market performance. Also inside-out capabilities have low relationship with competitive advantage. This result contradicts with previous studies. Thus, in the context of the present study inside-out capabilities only relate with the financial performance of BAI firms. Inside-out capabilities in particular are essential in marketing strategy performance and thus, BAI firms should improve their short-term performance related with inside-out capabilities.

Another interesting result is the weak relationship found between outside-in capabilities and the performance measures compared to market orientation. Even though the results show that BAI firms achieve strong market performance and financial performance with respect to market orientation, the current results indicate that customer-relating skills should be improved. One interpretation is that, in a developing market, concern of satisfying customers is important and a necessity for long-term performance.

In total, the outcomes of this study find some quite similar, relationships with previous studies; for example Fahy *et al.*, (2000) and Jaakkola *et al.*, (2010).

Nevertheless the relationship or contradiction of the outcomes, these propositions require further research in order to find out and understand the activities that drive effective performance.

While it seems clear that BAI is successful on its financial performance, results indicate that this is because of the market orientation-practice and some inside-out capabilities. Thus, one cannot say for certain that the success of the financial performance of BAI firms is due to superior strategic marketing practices.

The results show that the superior performance of the overall business performance and competitive advantage is greatly caused by the market orientation.

The findings of the present study showed that the success of BAI firms is favored by the market orientation factor and not generally because of the strategic marketing practice. Based on the statistical data and the findings of the study, it can be said that the success of BAI firms is favored by the business environment. Industry-specific results show that superior strategic marketing practices are not effectively practiced.

On theoretical level, the firm-specificity of the results show that there are some deviations exist. The findings provide additional criticism on the widely assumed generality of the strategic marketing-performance relationship.

5.2. Recommendations

The study provides new insights as to which issues BAI firms should concentrate on in order to improve their effectiveness in terms of marketing strategy-performance. Good strategy requires effective implementation in order to result in superior business performance and sustainable competitive advantage. Actually, this may be the key to the strongly positive relationships between market orientation and business performance of BAI. Market orientation is the most closely related to strongly implementation of all the constructs used in this study.

The present findings show that the overall business approach of the industry is effectively practiced. However, in order to achieve the best possible outcomes, the firms should develop effective inside-out capabilities and try to improve the outside-in capabilities. The BAI firms also

can benchmark the opportunities as to the innovation orientation. This may somewhat provide to improve the marketing strategy performance of the firms.

In general, it seems that the market oriented-culture cause the overall business performance of BAI firms. Therefore, there seems to be considerable areas of improvement in terms of outside-in capabilities, inside-out capabilities, and innovation orientation in BAI firms. This indicates that customers and market characteristics remain in adequately addressed. Thus, it is reasonable to suggest that, in general, more marketing strategy improvements should be given to BAI firms.

Having improved inside-out capabilities that effectively drive performance, the next task become to build equally beneficial outside-in capabilities. Further, the present study results suggest that marketing capabilities related to performance of BAI firms should be improved.

It is clear that the current focus is changing from features offerings to customer needs fulfillment. As suggested by Slater and Narver (1995), a market-oriented culture likely should be complemented by a spirit of entrepreneurship and an appropriate organizational climate. Therefore, management should note the importance of collaborating marketing and R&D services. Moreover, it is suggested to know whether their business logic is proactive or reactive, and ensure that a match exist between the type of market orientation emphasized (Tuominen et al., 2004). It is also advisable that the companies should develop a clear understanding of their capabilities and competencies, essentially in terms of customer value-addition. Nath et al. (2010) implied that mere possession of superior resources does not guarantee competitive advantage for a firm. In general, combining this understanding of competencies with customer insight is suggested to be the basis for growth and profitability.

Finally, it is suggested that BAI firms should place strong emphasis on trying to enhance their levels and effectiveness of innovation orientation, inside-out capabilities, and outside-in capabilities.

5.3. Limitations of the Study and Avenues for Further Research

Further researched should be done to find out whether characteristics of BAI firms favor them on gaining sustainable competitive advantages and superior business performance over other competitors. Since the researcher employed a firm-level analysis and since the study utilized a single-sample to test the hypotheses and interpret the results, further researches are suggest to compare and contrast organization using multi- sample technique. The non-probability method was essentially used for the present study to test literature-based hypotheses. This was essentially used to avoid the use of inadequate data. The technique was mainly used because, marketing staffs believed to hold the required data and essentially to avoid the use of inadequate data.

The research did not compare the seven firms of BAI mainly because of the organization structure. All the seven firms share one marketing department which compromises twenty three staffs. Further, interested person in this field of this study can compare and contrast the industries which are incorporated Metals and Engineering Corporation using similar analysis. These propositions required further research. Nevertheless the results are consistent with the BAI firms as a whole, the researcher was unable to find out if there is any firm-specific differences exist.

What is also notable is that several statistically significant deviations are identified in the present study. The total effect of strategic marketing on firm financial performance is also found to be sensitive to BAI firms under study; weak relationship showed in relation with competitive advantage and market performance. Thus, the critical test suggests that the results of the present study cannot be directly generalized to the corporation as sensitivity to BAI firms is identified. Even the industries are homogenous; it seems clear that different characteristics of firm-specific factors and business environments influence the outcomes to simply generalize based on BAI data. Therefore, further researches should be done on the effectiveness of strategic marketing factors on the homogenous industries, and on the corporation as a whole.

In general, to outline some potential avenues for further research, it is of great interest to conduct a study where in the data used for the present study is used as a references data to acquire new information on BAI firms. The present data can also be used for the longitudinal research setting. A new data set is greatly appreciated as to find out the differences in the relationship of the marketing strategy concepts in different research setting.

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APPENDIX

Appendix-A: Survey Questionnaire

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE GRADUATE PROGRAM

MASTERS IN MARKETING MANAGEMENT

Survey Questionnaire on Marketing Strategy Performance

Dear respondent,

This questionnaire is designed to obtain information about the marketing strategy performance of Metals and Engineering Corporation, specifically the Bishoftu Automotive Industry. A marketing strategy questionnaire is a tool used to collect data from people regarding Marketing. The information shall be used as a primary data in conducting survey, which will help the researcher to fulfill partial requirement for MA in Marketing Management. The study is entirely for academic purpose; and the information you provide will be kept confidential not to be transferred for a third party. Forthcoming result of the study is expected to benefit both science and business communities.

Your invaluable support in responding to the questions raised is paramount importance to the success of the study. Your cooperation and prompt response will be highly appreciated.

If you have any inquiry, please do not hesitate to contact me and I am available as per your convenience (tel. +251 911 366037 or e-mail; d_tibebu@yahoo.com).

Thank You, for your cooperation and timely response in advance.

Please note:

- Writing your name is not required
- The study has no intension except for academic purpose
- Put a tick (√) in the box provided.

Part One: - General Information

a. Gender

Male Female

b. Age

18-25 26-30 31-35 36-40
 41-45 Above 45 Years

c. Educational Level

High School Certificate Diploma First Degree
 Master's Degree PhD

d. Income per month (ETB)

Below 1,000 1,001-3,000 3,001-5,000 5,001-10,000
 Above 10,001

e. How long have you been employee of Bishoftu Automotive Industry (METEC)?

Less than one year 1 to 2 years 2 to 3 years
 More than three years

f. Years of service in other company(s) other than METEC (if any)?

Less than one year 1 to 5 years 6 to 10 years
 11 to 15 years More than 15 years

g. Nationality

Ethiopian Foreigner

h. Job position

Senior Manager Junior Manager Marketing Staff

Part Two: - Survey Questions (Research related)

A. Market Analysis

Q1: Which of the following best describes the main market or industry in which you operate?

Please tick ONE box only.

- Our market is newly emerging
- Our market is established but growing
- Our market is mature, showing little signs of change
- Our market is now declining

Q2: Which of the following best describes your company’s (Bishoftu Automotive Industry’s) approach to doing business in your main market? *Although, you may identify with several of the statements below, please tick only the ONE you think BEST summarizes your overall approach.*

| | |
|---|--|
| Use advertising and selling to help sell our products and services | |
| Endeavour to offer the best technical product and service in our industry | |
| Identify the requirements of customers and ensure our products and services meet them | |
| Concentrate on internal efficiency to achieve low cost to sell our products at the lowest possible prices | |
| Use our assets and resources to maximize short term profit or other financial measures | |
| Provide the goods and services society in general needs, rather than simply satisfying individual customers | |

Q3: Thinking about the main market or industry in which you operate, how far do the following describe that market? *Please write in the number from the scale below closest to your views. If you have no opinion or don't know please write 'X'.*

- | | | | | | |
|----------------------------|----------------------------|-----------------------------------|----------------------------|----------------------------|--------------------------------|
| <i>Strongly Disagree</i> | <i>Disagree</i> | <i>Neither Agree nor Disagree</i> | <i>Agree</i> | <i>Strongly Agree</i> | <i>No Option or Don't Know</i> |
| <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 | <input type="checkbox"/> X |

In Our Main Markets:

| | |
|---|--|
| Customers are increasingly demanding better quality and reliability in the products and services they buy | |
| New products and services are coming to market more quickly than in the past | |
| The internet and e-commerce is having a significant impact on business practices | |
| Competition is now global rather than just domestic | |
| Customer wants, needs and expectations are changing rapidly | |
| We operate in a market where all customers want essentially the same thing | |
| Competition for sales is intense | |
| Competition is well established and entrenched (difficult to change) | |
| There is a significant threat that new firms will enter the market | |
| There is a significant threat that substitute products or technologies will enter the market | |
| Technological change in this industry is rapid | |
| The bargaining power of suppliers to the industry is strong | |

B. Marketing and Sales Issues

Q4: How well do you think each statement relates to the seven companies that operate under Bishoftu Automotive Industry? *Please tick in the number from the scale below that best represents your opinion.*

| | <i>Not at all</i> | <i>To a very slight extent</i> | <i>To a small extent</i> | <i>To a moderate extent</i> | <i>To a considerable extent</i> | <i>To a great extent</i> | <i>To an extreme extent</i> |
|---|-------------------|--------------------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|-----------------------------|
| Our commitment to serving customer needs is closely monitored | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Sales people share information about competitors | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our objectives and strategies are driven by the creation of customer satisfaction | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| | | | | | | | |
|--|---|---|---|---|---|---|---|
| We achieve rapid response to competitive actions | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Top management regularly visits important customers | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Information about customers is freely communicated through the company | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Competitive strategies are based on understanding customer needs | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Business functions are integrated to serve market needs | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Business strategies are driven by increasing value for customers | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Customer satisfaction is systematically and frequently assessed | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Close attention is given to after sales service | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Top management regularly discuss competitors' strengths and weaknesses | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our managers understand how employees can contribute to value customers | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Customers are targeted when they have an opportunity for competitive advantage | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

C. Marketing Tactics and Business Approach

Q5: How far do the following statements describe your company's (Bishoftu Automotive Industry's) approach in your main market? *Please write in the number from the scale below closest to your views.*

Strongly Disagree

Disagree

Neither Agree nor Disagree

Agree

Strongly Agree

No Option or Don't Know

1

2

3

4

5

X

| | |
|--|--|
| Our main focus has been on winning market share from competitors | |
| We are prepared to sacrifice short term profitability to gain market share | |

| | |
|---|--|
| Over the last few years we have been aiming to build our long term position in the market | |
| Resource allocation generally reflects long term rather than short term considerations | |
| Our main focus has been on expanding the total market for our products and services | |
| Our main strategic priority over the last few years has been to survive | |
| Our main focus has been on cost reduction and efficiency gains | |
| Our objectives are driven by creating shareholder wealth | |
| Senior managers have regular meetings with shareholders | |
| We regularly compare our share value to that of competitors | |
| We regularly carry out public relations aimed at shareholders | |
| Designated managers have responsibility for aiming to satisfy shareholder's interests | |
| We have regular staff appraisals in which we discuss employees needs | |
| We have regular staff meetings with employees | |
| We survey staff at least once each year to assess their attitudes to their work | |
| Managers agree that our company's ability to learn is the key to competitive advantage | |
| Employee training and learning is seen as an investment rather than an expense | |
| The underlying values of our company include learning as a key to improvement | |
| Our staff realize that our perceptions of the market place must be continually questioned | |
| We are more innovative than our competitors in deciding what methods to use in achieving our targets and objectives | |
| We are more innovative than our competitors in initiating new procedures or systems | |
| We are more innovative than our competitors in developing new ways of achieving our targets and objectives | |
| We are more innovative than our competitors in initiating changes in the job contents and work methods of our staff | |

D. Marketing Assets and Capabilities

Q6: Please indicate on which of these you believe your company has an advantage over competitors and on which competitors have an advantage over you.

| | | | | | |
|--|-----------------------------------|----------------------|--------------------------|-------------------------------------|-----------------------|
| <i>Strongly Competitors' Advantage</i> | <i>Competitors' Advantage</i> | <i>No Difference</i> | <i>Our Advantage</i> | <i>Our Strong Advantage</i> | <i>Don't Know</i> |
| 1 | 2 | 3 | 4 | 5 | X |

| Dimensions | Advantage Score |
|--|----------------------------|
| Company or brand name and reputation | |
| Credibility with customers due to being well established in the market | |
| Superior levels of customer service and support | |
| Relationships with key target customers | |
| Cost advantage in production | |
| Superior marketing information systems | |
| Superior cost control systems | |
| Copyrights and patents | |
| Good relationships with suppliers | |
| Extent or nature of the distribution network | |
| The uniqueness of our distribution approach | |
| Relationships with distribution channel intermediaries | |
| Market access through strategic alliances or partnerships | |
| Shared technology through strategic alliances or partnerships | |
| Access to strategic partners' managerial know-how and expertise | |
| Access to strategic partners' financial resources | |

| | |
|--|--|
| Strong financial management | |
| Effective human resource management | |
| Good operations management expertise | |
| Good marketing management ability | |
| Good at using information about markets, customers, and competitors | |
| Good at understanding what customer needs and requirements are | |
| Good at creating relationships with key customers | |
| Good at maintaining and enhancing relationships with key customers | |
| Ability to launch successful new products | |
| Good at setting prices which attract customers and achieve financial goals | |
| Good at communicating internally across the organization | |
| Effective new product / service development processes | |
| Ability to manage relationships with suppliers | |
| Good at pooling expertise with strategic partners | |
| Good at sharing mutual trust with strategic partners | |
| Good at sharing mutual commitment and goals with strategic partners | |

E. Marketing Strategy

Q7: Think now about your marketing strategy in your main market. Please indicate how far you agree with each of the following statements using the scale:

Strongly Disagree

Disagree

Neither Agree nor Disagree

Agree

Strongly Agree

No Option or Don't Know

1

2

3

4

5

X

| | |
|---|--|
| Our objectives are to defend our current market position | |
| Our objectives are to gain steady sales growth | |
| Our objectives are to achieve aggressive sales growth to dominate our market | |
| We seek to attack the whole market | |
| We target selected market segments within the total market | |
| We seek to serve selected individual customers within the total market | |
| We seek to differentiate our products and services from competitors in the market | |
| We aim to be the lowest cost producer in our industry | |

F. Market Position

Q8: Which of the following best describes your position in your main market? *Please tick ONE box only.*

- The only company in the market
- Overall Market Leader (largest market share)
- Market Challenger (close second or third largest market share)
- Market Follower (smaller market share)
- Niche Leader (largest market share in chosen market segment)
- Niche Challenger (close second or third in chosen market segment)
- Niche Follower (lower market share in chosen market segment)

G. Competitor Analysis

Q9: How do your products and services compare to those of your competitors, on the following factors. *Please use the following scale. The terms “lower” or “higher” are not intended to imply inferior or superior, merely a different competitive positioning in the market:*

- | | | | | | |
|---|-----------------------------------|------------------------------------|------------------------------------|---|-----------------------|
| <i>Much Lower than Competitors'</i> | <i>Lower than Competitors</i> | <i>The same as Competitors</i> | <i>Higher than Competitors</i> | <i>Much Higher than Competitors</i> | <i>Don't Know</i> |
| 1 | 2 | 3 | 4 | 5 | X |

| Dimensions | Comparison |
|---|-------------------|
| The technical quality of our products and services | |
| The level of customer service and support provided | |
| The strength of the relationship we have with our customers | |
| The price levels charged for our products and services | |
| The degree of innovation in our products and services | |
| The uniqueness of our products and services | |
| The degree of customization to individual customer requirements | |
| The speed of delivery to our customers | |
| The degree of responsiveness to customer enquiries and requests | |

Q10: Do you believe your company has a competitive advantage over its market place rivals? If so, how do you go about protecting and enhancing this advantage? *Please use the scale below:*

Strongly Disagree *Disagree* *Neither Agree nor Disagree* *Agree* *Strongly Agree* *No Option or Don't Know*
1 2 3 4 5 X

| | |
|--|--|
| Our products and services are highly valued by our customers creating a barriers against competitor products and services | |
| There would be significant costs for customers if they switched from our products and services to those of competitors | |
| Our competitive advantage is difficult for competitors to copy because it uses resources only we have access to | |
| It took time to build our competitive advantage and competitors would find it difficult time-consuming to follow a similar route | |
| Competitors find it difficult to see how we created our competitive advantage in the first place | |
| Competitors could copy our competitive advantage but it would be uneconomic for them to do so | |

| | |
|---|--|
| We protect our advantage legally through copyrights and patents | |
| Our employees are the source of our competitive advantage and we ensure we won't lose them to competitors | |
| Competitors would find it difficult to acquire the managerial capabilities needed to create a similar competitive advantage | |

H. Marketing Performance Analysis

Q11: Thinking about how you go about your marketing, how far would you agree with the following statements? *Please use the scale below:*

| | | | | | |
|--------------------------|-----------------|-----------------------------------|--------------|-----------------------|--------------------------------|
| <i>Strongly Disagree</i> | <i>Disagree</i> | <i>Neither Agree nor Disagree</i> | <i>Agree</i> | <i>Strongly Agree</i> | <i>No Option or Don't Know</i> |
| 1 | 2 | 3 | 4 | 5 | X |

| | |
|---|--|
| We make extensive use of market research | |
| Our market research is focused on understanding customer need and requirements | |
| We generally try to standardize our offerings so they can sell across several markets | |
| We customize our products and services so that they meet the requirements of individual customers | |
| We are interesting in creating strong well-known brands in the minds of customers | |
| Company and brand reputation are more important to our customers than keeping prices down | |
| We do no new product development | |
| We actively develop new products and services to lead the market | |
| We place grate emphasis on building long term relationships with key customers | |
| We regularly monitor and analyze the level of customer satisfaction achieved | |
| We regularly communicate internally about our objectives and strategies | |
| We adopt an internal marketing approach whereby one part of our organization is seen as the internal customer to other internal suppliers | |
| We set prices on the basis of costs of producing plus a fixed margin for profit | |

| | |
|--|--|
| We set prices based on what the market is prepared to pay | |
| We distribute our products direct to our customers | |
| We use wholesalers and/or retailers to distribute our products | |
| We make extensive use of media advertising | |
| We make extensive use of the Internet for promoting our products and services | |
| The main source of promotion we use is our sales force | |
| We place great emphasis on building long term relationships with key suppliers | |
| We place great emphasis on building long term relationships with other organizations and institutions influencing buyers' purchasing decisions | |

I. Financial Performance Analysis

Q12: In your last financial year, how well did your company perform compared with your main competitors on the following criteria? How well did your company perform relative to the previous financial year? *For both of these questions please use the scale below.*

Much Worse *Worse* *The same* *Better* *Much Better* *Don't Know*
1 2 3 4 5 X

| | Relative to main competitors | Relative to last financial year |
|--|-------------------------------------|--|
| Overall profit levels achieved | | |
| Profit margins achieved | | |
| Return on investment | | |
| Sales volume achieved | | |
| Market share achieved | | |
| Levels of customer satisfaction achieved | | |

| | | |
|---|--|--|
| Levels of customer loyalty achieved | | |
| Levels of employees satisfaction with their jobs | | |
| Levels of employee retention | | |
| Providing employment and income locally | | |
| Shareholder satisfaction with financial performance | | |

Thank You!!!

Appendix-B: Statistical Result of all the Measurement Items

| | N | Mean | Std. Deviation | Variance | Skewness | |
|-------|-----------|-----------|----------------|-----------|-----------|------------|
| | Statistic | Statistic | Statistic | Statistic | Statistic | Std. Error |
| RV011 | 23 | 3.35 | .935 | .874 | -.794 | .481 |
| RV012 | 23 | 3.39 | 1.158 | 1.340 | -1.444 | .481 |
| RV013 | 23 | 2.87 | 1.392 | 1.937 | -.411 | .481 |
| RV014 | 23 | 2.43 | .945 | .893 | .736 | .481 |
| RV015 | 23 | 3.35 | .714 | .510 | -.639 | .481 |
| RV016 | 23 | 2.26 | 1.137 | 1.292 | -.158 | .481 |
| RV017 | 23 | 2.83 | 1.072 | 1.150 | -1.803 | .481 |
| RV018 | 23 | 2.83 | 1.696 | 2.877 | -.988 | .481 |
| RV019 | 23 | 3.65 | .935 | .874 | -1.035 | .481 |
| RV020 | 23 | 3.22 | 1.278 | 1.632 | -1.305 | .481 |
| RV021 | 23 | 3.04 | 1.065 | 1.134 | .154 | .481 |
| RV022 | 23 | 2.43 | 1.037 | 1.075 | -.748 | .481 |
| RV023 | 23 | 3.35 | 1.584 | 2.510 | .569 | .481 |
| RV024 | 23 | 2.57 | .896 | .802 | .618 | .481 |
| RV025 | 23 | 4.57 | 2.212 | 4.893 | -.385 | .481 |
| RV026 | 23 | 3.78 | 1.783 | 3.178 | -.432 | .481 |
| RV027 | 23 | 4.22 | 1.565 | 2.451 | -.472 | .481 |
| RV028 | 23 | 4.96 | 1.186 | 1.407 | -1.341 | .481 |
| RV029 | 23 | 4.04 | 1.988 | 3.953 | -.446 | .481 |
| RV030 | 23 | 5.26 | 1.453 | 2.111 | -.207 | .481 |
| RV031 | 23 | 4.48 | 1.039 | 1.079 | -1.669 | .481 |
| RV032 | 23 | 3.61 | 1.500 | 2.249 | .036 | .481 |
| RV033 | 23 | 4.09 | 1.593 | 2.538 | .215 | .481 |
| RV034 | 23 | 4.17 | 1.072 | 1.150 | .350 | .481 |
| RV035 | 23 | 4.30 | 1.917 | 3.676 | -.477 | .481 |
| RV036 | 23 | 4.78 | 2.235 | 4.996 | -.504 | .481 |
| RV037 | 23 | 3.65 | .647 | .419 | -1.728 | .481 |
| RV038 | 23 | 1.87 | .920 | .846 | -.107 | .481 |
| RV039 | 23 | 4.48 | 1.163 | 1.352 | -2.983 | .481 |
| RV040 | 23 | 3.96 | 1.581 | 2.498 | -1.738 | .481 |

| | | | | | | |
|-------|----|------|-------|-------|--------|------|
| RV041 | 23 | 4.09 | 1.041 | 1.083 | -2.837 | .481 |
| RV042 | 23 | 1.61 | .988 | .976 | .598 | .481 |
| RV043 | 23 | 2.52 | 1.039 | 1.079 | .070 | .481 |
| RV044 | 23 | 3.65 | .775 | .601 | -2.484 | .481 |
| RV045 | 23 | 2.78 | 1.313 | 1.723 | -1.145 | .481 |
| RV046 | 23 | 2.83 | 1.154 | 1.332 | -.602 | .481 |
| RV047 | 23 | 2.70 | 1.579 | 2.494 | -.888 | .481 |
| RV048 | 23 | 3.35 | 1.584 | 2.510 | -1.760 | .481 |
| RV049 | 23 | 2.70 | .822 | .676 | 1.185 | .481 |
| RV050 | 23 | 3.09 | .996 | .992 | -.187 | .481 |
| RV051 | 23 | 2.65 | 1.774 | 3.146 | -.489 | .481 |
| RV052 | 23 | 3.70 | .703 | .494 | -.348 | .481 |
| RV053 | 23 | 3.91 | .949 | .901 | -.862 | .481 |
| RV054 | 23 | 4.17 | .576 | .332 | .018 | .481 |
| RV055 | 23 | 2.09 | 1.379 | 1.901 | -.739 | .481 |
| RV056 | 23 | 3.74 | 1.356 | 1.838 | -1.398 | .481 |
| RV057 | 23 | 3.74 | 1.010 | 1.020 | -2.612 | .481 |
| RV058 | 23 | 3.78 | 1.278 | 1.632 | -1.130 | .481 |
| RV059 | 23 | 3.61 | .988 | .976 | -2.498 | .481 |
| RV060 | 23 | 3.61 | 1.500 | 2.249 | -1.912 | .481 |
| RV061 | 23 | 3.65 | .832 | .692 | -1.311 | .481 |
| RV062 | 23 | 3.83 | .937 | .877 | -1.079 | .481 |
| RV063 | 23 | 4.70 | .470 | .221 | -.911 | .481 |
| RV064 | 23 | 3.61 | 1.530 | 2.340 | -1.769 | .481 |
| RV065 | 23 | 2.17 | 1.230 | 1.514 | .281 | .481 |
| RV066 | 23 | 2.65 | 1.071 | 1.146 | 1.269 | .481 |
| RV067 | 23 | 2.70 | .876 | .767 | -2.888 | .481 |
| RV068 | 23 | 4.70 | .559 | .312 | -1.735 | .481 |
| RV069 | 23 | 3.74 | .619 | .383 | -2.305 | .481 |
| RV070 | 23 | 3.52 | 1.082 | 1.170 | -1.949 | .481 |
| RV071 | 23 | 1.87 | 1.058 | 1.119 | -.224 | .481 |
| RV072 | 23 | 4.57 | 1.121 | 1.257 | -3.464 | .481 |
| RV073 | 23 | 4.13 | 1.714 | 2.937 | -2.001 | .481 |
| RV074 | 23 | 3.61 | 1.340 | 1.794 | -2.180 | .481 |

| | | | | | | |
|-------|----|------|-------|-------|--------|------|
| RV075 | 23 | 3.74 | .752 | .565 | -2.327 | .481 |
| RV076 | 23 | 4.52 | 1.163 | 1.352 | -3.098 | .481 |
| RV077 | 23 | 4.74 | .619 | .383 | -2.305 | .481 |
| RV078 | 23 | 4.00 | 1.087 | 1.182 | -2.557 | .481 |
| RV079 | 23 | 3.87 | .968 | .937 | -1.037 | .481 |
| RV080 | 23 | 3.48 | 1.039 | 1.079 | -2.202 | .481 |
| RV081 | 23 | 3.83 | .491 | .241 | -2.990 | .481 |
| RV082 | 23 | 3.61 | 1.305 | 1.704 | -1.738 | .481 |
| RV083 | 23 | 4.35 | 1.402 | 1.964 | -2.099 | .481 |
| RV084 | 23 | 3.87 | .458 | .209 | -.595 | .481 |
| RV085 | 23 | 3.83 | .650 | .423 | -.909 | .481 |
| RV086 | 23 | 4.00 | .426 | .182 | .000 | .481 |
| RV087 | 23 | 3.61 | .988 | .976 | -2.498 | .481 |
| RV088 | 23 | 3.87 | .548 | .300 | -.110 | .481 |
| RV089 | 23 | 3.65 | 1.027 | 1.055 | -2.241 | .481 |
| RV090 | 23 | 4.09 | 1.621 | 2.628 | -1.695 | .481 |
| RV091 | 23 | 4.22 | 1.380 | 1.905 | -1.790 | .481 |
| RV092 | 23 | 3.91 | .668 | .447 | -1.905 | .481 |
| RV093 | 23 | 3.35 | 1.191 | 1.419 | -1.106 | .481 |
| RV094 | 23 | 3.70 | 1.329 | 1.767 | -1.290 | .481 |
| RV095 | 23 | 2.65 | 1.465 | 2.146 | -.851 | .481 |
| RV096 | 23 | 4.35 | 1.112 | 1.237 | -1.858 | .481 |
| RV097 | 23 | 3.48 | 1.310 | 1.715 | -.613 | .481 |
| RV098 | 23 | 3.78 | 1.126 | 1.269 | -1.831 | .481 |
| RV099 | 23 | 3.22 | 1.808 | 3.269 | -.961 | .481 |
| RV107 | 23 | 3.39 | 1.373 | 1.885 | -1.021 | .481 |
| RV108 | 23 | 3.70 | 1.020 | 1.040 | -.727 | .481 |
| RV109 | 23 | 4.43 | .662 | .439 | -.767 | .481 |
| RV110 | 23 | 2.26 | .619 | .383 | 2.305 | .481 |
| RV111 | 23 | 3.00 | 1.044 | 1.091 | -2.097 | .481 |
| RV112 | 23 | 3.22 | .422 | .178 | 1.468 | .481 |
| RV113 | 23 | 3.70 | 1.295 | 1.676 | -2.127 | .481 |
| RV114 | 23 | 1.87 | .869 | .755 | .269 | .481 |
| RV115 | 23 | 3.00 | 1.348 | 1.818 | -1.097 | .481 |

| | | | | | | |
|-------|----|------|-------|-------|--------|------|
| RV116 | 23 | 4.13 | 1.014 | 1.028 | -1.142 | .481 |
| RV117 | 23 | 2.39 | 1.076 | 1.158 | .548 | .481 |
| RV118 | 23 | 3.26 | 1.453 | 2.111 | -1.571 | .481 |
| RV119 | 23 | 3.17 | 1.723 | 2.968 | -1.404 | .481 |
| RV120 | 23 | 3.43 | .945 | .893 | -.326 | .481 |
| RV121 | 23 | 2.65 | 1.748 | 3.055 | -.307 | .481 |
| RV122 | 23 | 3.22 | 1.204 | 1.451 | -.799 | .481 |
| RV123 | 23 | 3.09 | 1.443 | 2.083 | -.761 | .481 |
| RV124 | 23 | 2.83 | 1.497 | 2.241 | -.655 | .481 |
| RV125 | 23 | 2.87 | 1.254 | 1.573 | .570 | .481 |
| RV126 | 23 | 3.74 | .619 | .383 | -1.047 | .481 |
| RV127 | 23 | 3.96 | 1.186 | 1.407 | -1.878 | .481 |
| RV128 | 23 | 3.43 | 1.308 | 1.711 | -1.712 | .481 |
| RV129 | 23 | 3.87 | .694 | .482 | -.713 | .481 |
| RV130 | 23 | 3.43 | 1.273 | 1.621 | -1.795 | .481 |
| RV131 | 23 | 1.57 | 1.273 | 1.621 | 1.361 | .481 |
| RV132 | 23 | 4.22 | 1.278 | 1.632 | -2.021 | .481 |
| RV133 | 23 | 4.48 | .665 | .443 | -.928 | .481 |
| RV134 | 23 | 3.65 | .982 | .964 | -2.675 | .481 |
| RV135 | 23 | 3.78 | 1.043 | 1.087 | -2.424 | .481 |
| RV136 | 23 | 3.00 | 1.537 | 2.364 | -1.315 | .481 |
| RV137 | 23 | 2.83 | 1.029 | 1.059 | -1.814 | .481 |
| RV138 | 23 | 3.22 | 1.278 | 1.632 | -1.018 | .481 |
| RV139 | 23 | 4.13 | .458 | .209 | .595 | .481 |
| RV140 | 23 | 2.65 | 1.229 | 1.510 | -.869 | .481 |
| RV141 | 23 | 3.74 | .915 | .838 | -1.763 | .481 |
| RV142 | 23 | 1.78 | 1.380 | 1.905 | .995 | .481 |
| RV143 | 23 | 2.57 | 1.037 | 1.075 | 1.284 | .481 |
| RV144 | 23 | 4.39 | .499 | .249 | .477 | .481 |
| RV145 | 23 | 4.04 | .928 | .862 | -.839 | .481 |
| RV146 | 23 | 4.70 | .470 | .221 | -.911 | .481 |
| RV147 | 23 | 4.00 | .302 | .091 | .000 | .481 |
| RV148 | 23 | 4.65 | .487 | .237 | -.684 | .481 |
| RV149 | 23 | 4.70 | .470 | .221 | -.911 | .481 |

| | | | | | | |
|--------------------|----|------|-------|-------|--------|------|
| RV150 | 23 | 4.04 | .209 | .043 | 4.796 | .481 |
| RV151 | 23 | 4.52 | .730 | .534 | -1.231 | .481 |
| RV152 | 23 | 4.39 | .656 | .431 | -.617 | .481 |
| RV153 | 23 | 3.96 | .706 | .498 | .061 | .481 |
| RV154 | 23 | 3.13 | .815 | .664 | -2.463 | .481 |
| RV155 | 23 | 3.48 | .846 | .715 | -1.160 | .481 |
| RV156 | 23 | 3.35 | 1.112 | 1.237 | -1.641 | .481 |
| Valid N (listwise) | 23 | | | | | |