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**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE DEPARTMENT OF
MARKETING MANAGEMENT
(GRADUATE PROGRAM)**

**ASSESSMENT OF IMPACT OF MARKETING STRATEGY ON
MARKET PERFORMANCE THE CASE OF ST. GEORGE BEER
FACTORY**

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**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE DEPARTMENT OF
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FACTORY**

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STATEMENT OF DECLARATION

I, **Andnet Abebe Belaineh**, declare that the study entitled “**An Assessment of impact of Marketing Strategies On Business Performance the case of St. George Beer Factory**” is the result of my own effort in research undertaking. The study has not been submitted to any Degree or Diploma in any college or university. It is submitted in the partial fulfillment of the requirement of the Degree of Master of Marketing Management.

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List of Abbreviations

AMA:	American Marketing Association
BGI:	Brewery Group International
4 P's:	Product, price, promotion and place
PLC:	Product life cycle
PR:	Public relations
R&D:	Research and Development
SWOT:	Strength, Weakness, Opportunity and Threat
TV:	Television

Abstract

This research was conducted on the impact of marketing strategy on market performance: The Case of St. George Beer Factory. The main objective of the research is to assess the impact of Marketing strategy namely product strategy, price strategy, promotional strategy and distribution strategy on Market Performance of the factory. In order to relate the findings of the study, adequate review of related literature and documents and the methodology employed was descriptive survey with quantitative data analysis method. A survey was conducted by taking judgmental samples of 50 employees of the factory. Data analysis was done by using frequency, percentage and descriptive statistics, summarize, conclude and recommend the findings based on the point of the questioner answer of the respondent. The finding of the study revealed that the product the factory offer to the market differentiate from the competitor's products and the beer is perceived by customers as a product that has average value in terms of the price paid for it and the company is promoting its products using different promotional activities such as personal selling, price discount, media advertising and billboard.

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

Strategy is the way, method, technique or plan which an individual or organization intends to exploit in achieving success in the marketplace or the society. (Gleuck, 1984) as cited in (Achumba, 2000:2) defines strategy as a unified, comprehensive and integrated plan relating the strategic advantage of the firm to the challenges of the environment. Organizations that desire not only to survive but also to improve their marketing effectiveness and efficiency must learn how to create and improve sound Sales strategy.

Market strategy has become an important tool globally for any organization to remain in competitive market environment and wax stronger. Market strategy is a vital prerequisite of Industry's ability to strengthen its market share and minimize the impact of the competition (Adewale, Adesola, &Oyewale, 2013). (Owomoyela, Oyeniyi, and Ola, 2013) also Marketing strategy as way of providing quality product that satisfies targeted customer needs, offering affordable price and engaging in wider distribution and back it up with effective promotion strategy.(Adewale et al, 2013).

Marketing strategy draws its strength from the overall corporate strategy. It may be defined as those market programs and tactics designed to achieve the objectives of an organization. Marketing strategy outlines the strategic direction and tactical plans that sales teams must implement to support the company's overall objectives (Ebitu, 2015: 278).Marketing strategy articulates the best uses of a business resources and tactics to achieve the company's marketing objectives. It states which opportunities are to be pursued by an organization, indicates the specific markets towards which activities are to be targeted, and identifies the types of competitive advantage that are to be developed and exploited (Weitz&Weasley, 1988 in Dibb, Simkin, Pride &Ferreel, 2006: 37)

Marketing strategy is the set of integrated decisions and actions, by which a company wants to recognize and meet customer needs in order to achieve marketing goals.

The Concept of strategic Market planning is that an organization should have a long-term outlook that is not only environmentally sensitive but also nationally and globally oriented. Therefore, when an organization develops its strategic policy it must go beyond its short or mid-term goals and must integrate feedback from stakeholders and customers to reach its goals and objectives bringing about benefit not only for the organization but also for consumers and society.

Accordingly, a Marketing strategy can be defined as a plan by a company to differentiate the company itself positively from its competitors, using its relative strength to better satisfy customer needs in a given environment (Jain, 2004).

Marketing strategies entails the set of actions designed to achieve competitive advantage and achieve better than average results by intelligent and fact-based selection among alternative leading to such advantage (Shane, 2000).

Effective Marketing strategies are the key to frontline market performance. Marketing strategy is the fundamental goal of increasing sales and achieving a sustainable competitive advantage (Silva, 2006). Marketing strategy includes all basic, short-term, and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contributing to the goals of the company and its marketing objectives. Market penetration strategy is also called the concentrated growth strategy because a firm thoroughly develops and exploits their knowledge and expertise in a specific market with known products (Ballowe, 2009). One of the goals is to increase present customers' rate of use. This can be achieved through increasing the size of the purchase, maximizing the rate of product obsolescence, finding new users for the product, advertising other uses and offering incentives for increased use. Performance can be defined as the extent of actual work performed by an individual or to what extent the actual work is shown by an individual (Richard, 2009).

1.2 Company Background

Beer is a universal product. Almost all societies in the world produce beer in one form or another, whether such is at the industrial or the home level. In Ethiopia, beer has been in various home brewed forms. Its industrial production was a phenomenon that came about early during the last century. It had a modest growth rate until recently when due to urbanization and population growth, demand for it took an upsurge and supply could not cope therewith; hence price escalation and critical shortage.

St. George Beer is the most popular and oldest beer in Ethiopia. Founded in 1922, it is brewed by BGI Ethiopia in Addis Ababa, St. George is named after the patron saint of Ethiopia, a patron saint it so happens to share with England and which underlies the country's deep Christian past.

The founder of St. George Brewery was a Belgian called Mussie Dawit, who later sold it to a German company. At the beginning, the factory used basic raw materials like barley and hops all imported from Europe, and the management staff of the factory and the leading technicians who controlled the brewery's activities were all foreigners. Eventually, however, an Ethiopian company took over the brewery in 1952. This company was said to have been organized as a share holding entity, the larger share of which was owned by Emperor Haile Selassie, the Ras Tafari messiah and big time leader of Ethiopia.

Over time the brewery grew and grew and became increasingly popular in the country, with the locals proud to drink an Ethiopian beer. The factory is now owned by BGI, an internationally acclaimed Brewing Company that exports to Europe and to North America.

Generally, St. George Brewery could be said as having scored good results in the 1940s and 1950s. Towards the end of the 1950s the annual production of the brewery has reached 50,000 hectoliters. St. George Brewery continued to grow. In the early years of the 1970's the brewery was in good shape in terms of its machineries, physical buildings, vehicles, marketing network, etc. It even had plan to open a new plant for the production of soft drinks. In 1974 the brewery as nationalized.

BGI Brewery has three brands – St. George, Amber and Castel– with an annual production capacity of 2.65 million hectoliters. It has paid a total of 1.5 billion Br in taxes during the last fiscal year, having a total investment of 2.8 billion Br.

Thus, the purpose of the study was to assess the impact of Marketing strategy on Market performance of St.George Brewery factory and to identify whether it was aligned with the target marketing and measure the Market performance of the company.

The business objectives of the Company

- ✓ To produce, sell and distribute bottled beer and draft beer;
- ✓ To produce, sell and distribute non alcoholic beer;
- ✓ To produce bottles and crate of beer;
- ✓ To import and distribute raw materials and spare parts needed for the production of beer;

Risk Factors under consideration:

- Shortage of Foreign currency for importation of the machinery;
- Delays in availability of imported raw materials that could not be available locally may somehow affect the production process of the factory;
- Upcoming competition from existing and regional breweries;
- Shortage of power supply may be a cause not attain a production level at full capacity

1.3 Statement of the Problem

Whether the organization is domestic or international, new or existing, small or large, and private or governments all are operate in a turbulent and uncertain environment. In the context of changing customer expectations, technological discontinuities, and increasing environmental uncertainties business managers have a big challenge of making the right strategic choice and setting their strategic priorities in order to allocate their resources to different functions in an efficient manner for business success. Due to this, managers must develop new tools, new concepts, new strategies and the new mindsets to cope with the turbulent and chaotic marketing environments that may lead to failure of the organization (Burnett, 2008).

As a business organization St. George Beer Factory’s primary objective is to generate optimal profit. When we are talking about profit, it is obvious that the company should maintain its cost low and raise its quality as per the expectation of its customers. If the company fails to minimize

its costs and keeps its customers satisfied, there will be a simple shift of customers to other similar products that leads to low profit. And for the company to fulfill its objective, the Company giving high attention to minimizing costs and producing quality product that exceeds customer's expectation. Complex supplier's relationship and dynamic market make the Factory activity complicated. It is also evident from different researches that, the Marketing Strategy of St. George Beer Factory is not well investigated. So it needs deep investigation as well as the Factory Marketing Strategies in order to compete the current market.

Due to the expansion of the breweries in Ethiopia and the entrance of global beer companies in Country the company will face great competition.

1.4 Research Questions

The study assessed the marketing mix strategy practiced in St. George Beer Factory and tried to answer the following research questions.

- What is quality of the products and the consumers' acceptance?
- How the consumers evaluate the price of the product with respect to quality?
- How the consumers respond to the promotions of the company?
- Which channels of distribution the factory use?

1.5 Objectives of the Study

1.5.1 General Objectives

The general objective of the study is to assess the Impact marketing strategies on Marketing performance of Saint George Beer Factory the product, price, promotion and distribution strategies that is best for the factory.

1.5.2 Specific Objectives

While assessing the impact of marketing Strategy on Market performance of Saint George Beer Factory, the researcher focused on the following specific objectives;

- ✓ To examine the product quality of the company and the consumers acceptance.
- ✓ To explore the price of the factor's products and the consumers evaluation with quality.
- ✓ To see the promotional strategy of the factory run..
- ✓ To assess the distribution channels that strategy the factory use.

1.6 Scope of the Study

The Factory produces and sells a wide range of industrial products in its name Beer. The factory faces many challenges that can be cited as the lack of secure sources of supply, lack of understanding customers demand and market change, Dollar exchange scarcity and high level of inventories and production cost. Because the external factors such as increase raw material prices, Shortage of Foreign currency, etc. are common threats for all individual businesses in the industry, and are beyond the control of any one business in the industry, the special focus of the study is on how to improve the market efficiency towards utilization of available resources, attainment of cost-leadership and increasing sales volume. The accomplishment of these factors will undoubtedly help the company to improve its market performance. The scope of this study is also limited to those units and activities of Saint George Beer only within the geographical location of Addis Ababa that are closely and directly related to the product, price, promotion and Distribution strategy of the factory.

1.7 Significant of the Study

The ultimate goal of any business establishment is to remain in business profitably through production and sale of products or services. Without optimal profit, a business firm cannot survive, let alone achieve a sustainable growth. One of the core activities in a business company is the marketing and sales activity. The ultimate success or failure of a company depends on its ability to sell what it produces and continues the production-sales cycle for relatively a longer period of time. The study is therefore intended to help the factory management to redirect their attention to the quality of the products and the consumers' acceptance; consumer's evaluation the price of the product with respect to quality, promotional strategy of the company and channels of distribution the factory use. The study will also contribute towards the advancement of theoretical knowledge and serve as a reference material for similar studies in future.

To the academicians the study contributes to the existing literature in the field of Marketing Strategies and its impact on market performance. It acts as a stimulus for further research to refine and extend the present study especially in Beer Industry.

Findings of the study are useful to researchers and scholars as it contributes to the body of knowledge in the area of Marketing Strategy and its performance. It also assists other researchers to further their studies on areas of interest not yet exploited. It assists the management of the

Factory to evaluate how effective they have been in adopting appropriate Marketing Strategy in order to improve their market performance. This may enable them identify gaps in their Market strategies which may enhance their strategic response as a result move to effectively manage the existing Marketing strategies which will improve their Sales and Distribution performance.

1.8. Ethical Consideration of the Research

Any research is important to the extent that it is ethical in practice. This can be seen in connection with data collection and results presented in the research. In this study, respondents were approached carefully and the researcher has presented the instruments of data collection in ethical manner including the issue of confidentiality and the content of the instrument. Results and discussions in the study were also presented taking into consideration the ethical issues of the context in which the investigation was conducted.

1.9 Operational Definition of Terms

Marketing: - is a set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large.(American Marketing Association, 2007).

Marketing strategy: - is an endeavor by an organization to differentiate itself from its competitors, using its relative corporate strengths to better satisfy customer needs in a given environmental setting.(Collins N. Amanze, 2008).

Advertising is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future. (Khan, 2006)

Four Ps of marketing: - is a marketing mix comprising of product, price, promotion, and place.(Mcarthy, 1964).

Marketing mix: - is a tool that can be used by firms to set appropriate strategies so as to get the desired responses from their target markets. It is a framework businesses use to pursue their marketing goals in the target markets. (Chai Lee Goi, 2009).

Product: - is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. (Ayad et al and Majed, 2012)

Price: - is the amount of money charged for a product or service or the total values that consumers exchange for the benefits of having or using the product or service.(Ayadet.el, 2012)

Place: - is an activity of a business that involves decisions concerning the distribution channels to be used and their management, the locations of outlets, methods of transportation and inventory levels to be held. (David Jobber, 2001).

Promotion: - is an institution ability to communicate its customers. It includes sales promotion, advertising, personal selling, public relations and direct marketing.(Anas Al Fatal, 2010).

Distribution strategies are concerned with the channels a firm may employ to make its goods and services available to customers (Perreault, 2011).

Public relations defined Public relations as the marketing function which assesses public attitudes, recognizes the policies and procedures of an individual consumer or organization with the public interest, and implements program of action to earn public acceptance and understanding (Brassington & Pettitt ,2000).

Direct Marketing focuses on carefully targeted consumers in order to create an immediate response and to nourish already created customer relationships. Direct marketing is done mainly through telephone, email, mail or the Internet. (Kotler ,2005).

Personal selling is an important element in today"s cutthroat competition for satisfying the customers, making them brand loyal and generating profitable sales volume which eventually leads to organizational success. (Paparoidamis & Guenzi,2009).

1.10 Organization of the Paper

The research paper is organized in five chapters. The first chapter constitutes the General information of the study. It includes, background of the company, background of the study, statement of the problem, research questions, objectives of the study, Delimitation/Scope of the Study and significance of the study, Research Methodology/Approach and definition of terms.

The second chapter reviews the related literatures. It contains other studies and writings on Marketing, Marketing Strategies, impact of Marketing Strategy on Market Performance. The third chapter shows the method of study used in the preparation of the research paper. Chapter four emphasizes on the results and discussion. Chapter five is the compilation of summary, conclusions and recommendations of the whole paper.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter presents a review of the related literature on the concepts of Product and its Development and Marketing strategies as presented by various researchers, scholars, analysts and authors. The chapter also provides the theories underpinning the study.

In this Chapter, relevant literature and earlier research is presented. First, the researcher will discuss the Product Strategies, The product life cycle strategies, Product development Stages, challenges to New Product Success, Pricing Strategies, Promotion Strategies and Distribution Strategies. Second, the Researcher also discusses Development of concepts Marketing and Marketing Strategies. Third, the Researcher will discuss more deeply Marketing Strategies and business performance. Fourth, I will present the impact of Market Strategies on business performance. Fifth, a conceptual framework is drawn based on the literature presented in the preceding subchapters.

2.2. Product Strategy

2.2.1. What is a Product?

In essence, the term "product" refers to anything offered to provide customer satisfaction, be it tangible or intangible. It can be a single product, a combination of products, a product-service combination, or several related products and services. Although a product is normally defined from the perspective of the manufacturer, it is also important to note two other points-of-view those of the consumer and other relevant publics (Burnett, 2008).

Marketers define a product as being a bundle of benefits. This means that the product is more than just the sum of its physical characteristics; it includes fringe elements such as the brand image, the way the product is packed and delivered, even the color of the box it comes in.

According to Quain (2012) primary characteristics are those core benefits of the product that it has in common with its competitors; auxiliary characteristics are the features and benefits that are unique to the product. For instance, consider the contrast between a pizza from a delivery

service and a pizza from the supermarket freezer. The primary characteristics of each are the same: a dough base with tomato sauce and cheese on top, with other ingredients included. The primary benefit is that each provides a tasty and filling meal; the auxiliary characteristics are where the two products diverge

2.2.2. Product Life-Cycle Strategies

After launching the new product, management wants the product to enjoy along and healthy life. Although it does not expect the product to sell forever, the company wants to earn a decent profit to cover all the effort and risk that went into launching it. Management is aware that each product will have a life cycle, although the exact shape and length is not known in advance. According to Kotler (2007) the product life cycle (PLC) has five distinct stages. These include the following stages:

I. Product Development Stage

Product development stage begins when the company finds and develops a new-product idea. During product development, sales are zero and the company's investment costs mount. Many companies organize their new-product development process into an orderly sequence of steps, starting with idea generation and ending with commercialization. Under this sequential product development approach, one company department works individually to complete its stage of the process before passing the new product along to the next department and stage. This orderly, step-by-step process can help bring control to complex and risky projects. But it also can be dangerously slow. In today's fast-changing, highly competitive markets, such slow-but-sure product development can result in product failures, lost sales and crumbling market positions. 'Speed to market' and reducing new product development time have become pressing concerns to companies in all industries.(Kotler, 2007).

II. Introduction Stage

According to Kotler (2007) in this stage, as compared to other stages, profits are negative or low because of the low sales and high distribution and promotion expenses. Much money is needed to attract distributors and build their inventories. Promotion spending is relatively high to inform consumers of the new product and get them to try it. The firms focus their selling on those

buyers who are the ready to buy - usually the higher-income groups. A company might adopt one of several marketing strategies for introducing a new product. It can set a high or low level for each marketing variable, such as price, promotion, distribution and product quality.

III. Growth Stage

If the new product meets market needs or stimulates previously untapped needs, it will enter a growth stage, in which sales will start climbing quickly. The early adopters will continue to buy, and later buyers will start following their lead, especially if they hear favorable word of mouth. Attracted by the opportunities for profit, new competitors will enter the market. They will introduce new product features, improve on the pioneer's product and expand the market for the product (mahajan, 2013).

The increase in competitors leads to an increase in the number of distribution outlets, and sales jump just to build reseller inventories. Prices remain where they are or fall only slightly. Companies keep their promotion spending at the same or a slightly higher level. The firm use several strategies to sustain rapid market growth as long as possible. It improves product quality and adds new product features and models. It enters new market segments and tries to grow sales further by selling through new distribution channels.

IV. Maturity Stage

This maturity stage normally lasts longer than the previous stages, and it poses strong challenges to Sales management. Most products are in the maturity stage of the life cycle, and, therefore, most of marketing management deals with the mature product. The slowdown in sales growth results in many producers with many products to sell. In turn, this overcapacity leads to greater competition. Competitors begin to cut prices, increase their advertising and sale promotions, and increase their R & D budgets to find better versions of the product. Three strategies for the maturity stage are market modification, product modification, and marketing mix modification.(Kotler, 2007).

V. Decline Stage

Sales may plunge to zero, or they may drop to a low level where they continue for many years. Sales decline for many reasons, including technological advances, shifts in consumer tastes and

increased competition. As sales and profits decline, some firms withdraw from die market. Those remaining may reduce the number of their product offerings. They may drop smaller market segments and marginal trade channels, or they may cut the promotion budget and reduce their prices further (Anderson, 2000).

2.2.3. Challenges to New Product Success

A number of research studies have examined new product or service successes versus failures. Most of the failures can be attributed to the inability to meet one of the criteria for success. Thus, most products that fail do so because the firm does not have a market orientation throughout, or there is poor coordination, or the firm does not have or does not use a technological advantage. These factors contribute to a product that does not provide value. Another key factor in product failure is poor marketing, either through failing to launch the product with adequate or appropriate support, or by pricing the product inappropriately. Again, the marketing department plays a key role in determining the success of a new product or service and, ultimately, the success of the firm (David & Charles, 2007).

Services face additional challenges. Pure services must overcome all of the same barriers as products; in addition to those factors related to such characteristics as perish ability, tangibility, and reliability. Services cannot be produced and stored until needed in the way that products can. For example, if Hilton builds a hotel and rooms go empty, those unpaid nights are lost forever. If Hilton miss anticipates demand or if demand varies widely for a particular location, the hotel may fail.

2.3. Pricing Strategies

Pricing has traditionally been considered as too variable in Sales strategy. Effective pricing is not an easy task, even under the most favorable conditions. A large number of internal and external variables must be studied systematically before price can be set. For example: the reactions of a competitor often standout as an important consideration in developing pricing strategy (Tellis, 1986).

Although making the pricing decision is usually a marketing decision, making it correctly requires an understanding of both the customer and society's view of price as well. In some respects, price setting is the most important decision made by a business. A price set too low

may result in a deficiency in revenues and the demise of the business. A price set too high may result in poor response from customers and, unsurprisingly, the demise of the business. The consequences of a poor pricing decision, therefore, can be dire. We begin our discussion of pricing by considering the perspective of the customer.

The Customer's View of Price

According to Blyth (2005) a customer can be either the ultimate user of the finished product or a business that purchases components of the finished product. It is the customer that seeks to satisfy a need or set of needs through the purchase of a particular product or set of products.

Consequently, the customer uses several criteria to determine how much they are willing to expend in order to satisfy these needs. Ideally, the customer would like to pay as little as possible to satisfy these needs. Therefore, for the business to increase value (i.e., create the competitive advantage), it can either increase the perceived benefits or reduce the perceived costs. Both of these elements should be considered elements of price.

The Seller's view of price

According to David, et al (2007) Price is important to Sellers, because it represents Sellers' assessment of the value customers see in the product or service and are willing to pay for a product or service. A number of factors have changed the way marketers undertake the pricing of their products and services.

1. Foreign competition has put considerable pressure on firms' pricing strategies. Many foreign-made products are high in quality and compete in the markets on the basis of lower price for good value.
2. Competitors often try to gain market share by reducing their prices. The price reduction is intended to increase demand from customers who are judged to be sensitive to changes in price.
3. New products are far more prevalent today than in the past. Pricing a new product can represent a challenge, as there is often no historical basis for pricing new products.
4. Technology has led to existing products having shorter marketplace lives. New products are introduced to the market more frequently, reducing the "shelf life" of existing products. As a result, marketers face pressures to price products to recover costs more quickly (Burnett, 2008).

2.4. Promotion Strategies

Promotion strategies are concerned with the planning, implementing and control of persuasive communication with customers. Modern marketing calls for more than developing a good product, pricing it attractively and making it accessible. Companies must also communicate with present and potential stakeholders as well as the general public. For most companies, the question is not whether to communicate but rather what to say, to whom, and how often (Peter et al, 2006).

Each promotional tool has its own unique characteristics and costs. These strategies may be designed around advertising, personal selling, sales promotion and publicity.

2.4.1 Advertising Strategy

Advertising is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future. As explained by Khan (2006) the word paid in this definition distinguishes advertising from a related marketing communication tool, public relations, that secure unpaid space or time in media due to the news value of the public relations content. Advertising of products and services is often described as being costly and slow in showing positive effects in the initial stages.

Advertising of products and services in some organizations is considered a long-term investment and hence, the allocation of time and resources is shifted to the advertising strategies of the organization. Advertising is costly and its effects often uncertain. It is for these reasons that many companies think it appropriate occasionally to reduce advertising expenditures or to eliminate advertising entirely.

Sales managers and perhaps especially chief financial officers and chief executive officers some times consider it unnecessary to advertise when their brands already are enjoying great success. Companies find it particularly seductive to pull funds out of advertising during economic downturns every dollar not spent on advertising is one more dollar added to the bottom line. (Olufunso, 2006) also argues in favor that advertising performs informing, persuading, reminding, adding value and assisting other company efforts.

Advertising evolves from a company's overall marketing strategy. Marketing strategy involves the plans, budgets and controls needed to direct a firm's production, promotion, distribution and pricing activities (Bamforth, 2009). Figure 2.2 shows how advertising evolves from Sales strategy.

2.4.2 Sales Promotion Strategy

Sales promotion, a key ingredient in many marketing campaigns, consists of a diverse collection of incentive tools, mostly short term, designed to stimulate trial, or quicker or greater purchase of particular products or services by consumers or the trade. Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy. Sales promotion includes tools for consumer promotion (samples, coupons, cash refund offers, prices off, premiums, prizes, patronage rewards, free trials, warranties, cross promotions, point of purchase displays, and demonstrations); trade promotion, and business and sales force (Perreault, 2011).

Sales promotion offer three distinctive benefits: (1) communication (they gain attention and usually provide information that may lead the consumer to the product); (2) incentive (they incorporate some concession or inducement that gives value to the consumer); and (3) invitation (they include a distinct invitation to engage in the transaction now). Sales promotion can be used for short run effects such as dramatizing product offers and boosting sales (Ranchhodet al.2007).

2.4.3 Personal selling strategy

According to Khan (2006) Personal selling is a key element in promotion, one of the four Ps in the marketing mixes. Personal selling has three distinctive qualities: (1) Personal confrontation (it involves an immediate and interactive relationship between two or more persons); (2) cultivation (it permits all kinds of relationships to spring up, ranging from a matter of fact selling relationship to a deep personal friendship); and (3) response (it makes the buyer feel under some obligation for having listened to the sales talk). Salespeople perform one or more of the following tasks: Prospecting, targeting, communicating, and selling approaching, Servicing, Information gathering, Allocating.

2.5. Distribution Strategies

Managers must think about place-making goods and services available in the right quantity and locations, when the customers want them. And when different target markets have different needs, a numbers of place variations may required. Distribution strategies are concerned with the channels a firm may employ to make its goods and services available to customers (Perreault,2011).

According to Peter et al (2006) direct producer-to-consumer channels are typical of personal services such as hairdressing, where use of intermediaries would be impossible, and of major capital purchases such as houses or home improvements. This is because these products cannot be broken down into smaller units, or assorted, or accumulated. There is therefore no function for the middlemen to fulfill. If the distribution network is efficiently managed, goods come down the channel and information goes up. Retailers can feed back information about what consumers need, either formally (by carrying out a monitoring exercise and passing the information to the manufacturer or wholesaler) or informally (since retailers order only what is selling, producers can infer what is required by the consumers). A good salesperson will also act as an information channel, and will find out from the retailers what they think consumers want, as well as convey information from the manufacturers to the retailer.

Major manufacturers often have several distribution channels, catering for different market segments. Food processing firms will usually have separate channels for caterers and for retailers, car manufacturers may deal directly with large fleet operators rather than operating through their retail dealer network, and electronics manufacturers may have one channel for consumer products and another for defense products (Blythe, 2005).

2.6 Overview of Marketing and Marketing Strategies

This subchapter is divided into two parts. The first one describes the development of the most relevant concepts, namely marketing. The second part discusses the Marketing Strategy and presents an extensive conceptualization of that relationship so that the view of this relationship would be as wide as possible.

2.6.1 Development of Concepts Marketing and Marketing Strategies.

In this part, I will present the development of concepts Marketing, in order to build up background for understanding of the Marketing Strategies. The ways in which the concepts of Marketing have evolved has a remarkable influence on the Strategies is viewed and how it is organized in today's business environment. In the end, I will also discuss the concept of Marketing Strategies. It should be noted that this concepts are not separate from each other, but interrelated instead.

Marketing. Marketing research is a core discipline in the academic marketing field (Geiger & Guenzi 2009, 874). Respectively, it is seen that research in Marketing and marketing management should results in vital contributions to marketing thought and practice (Jones et al. 2005, 106). Kotler (1969, 15) sees that people see marketing as including selling, influencing and persuading. Also, Marketing researchers seem to most often publish their findings in market journals as they have only few journals that are focused principally on market and also that way, sales is seen as a subfield in marketing (Plouffee et al. 2008, 79-84).

Traditionally, marketing research has been seen as focusing on the individual salesperson-buyer interaction. Marketing research has its academic roots in the 1960s. It started to gain more importance and spread faster in academic society when Marketing researchers got their first own specialist publication, the Journal of Marketing Management in 1980. Marketing research has also seen Marketing as a separate organizational function. (Plouffe et al. 2008, 89; Geiger & Guenzi 2009, 875-876) At the moment, it is claimed that Marketing as a research area has fallen behind other areas critical to marketing success. Difficulties in data access and the perception that some do not see Marketing as integral to presented as potential reasons for this development. Still, Marketing research seems to rely quite a lot in models and assumptions that have been made in past decades and which might need to be revised as the demands in the marketplace are evolving. (Jones et al. 2005, 105)

In the 21st century, Marketing research is evolving in the both academic and professional side. During the twenty-first century, there has been rapid changes in the way Marketing is both executed and managed. Reasons for this change include at least the changes in international competition in Europe, as there virtually are no borders anymore and the increasingly globalised

world economy as well as the economic down turn faced since the second half of 2008. Today greater research is also needed as contemporary Marketing is seen to be involved in highly complex social networks and the research is slowly evolving into that direction. (Plouffe et al. 2008, 89; Geiger & Guenzi 2009, 874-876) During the last few decades Marketing has changed in nature, from a tactically focused marketing specialty into a strategic function creating value in both industrial markets and elsewhere (Honeycutt 2002, 555; Geiger & Guenzi 2009, 875).

Intra-organizational issues are also seen as an emerging and important topic for Marketing research that requires more attention (Williams & Plouffe 2007, 413; Plouffe et al. 2008, 87). This may be because Marketing practices are usually seen as integrative in nature in a way that they connect different internal departments (Geiger & Guenzi 2009, 876). Academics' view is that managers fail to recognize the importance of intra-organizational issues and this way it is likely that Marketing continues operating in a silo as the culture and performance goals do not encourage to internal collaboration (Geiger & Guenzi 2009, 885). This points out the importance of the topic of this study as well.

Even though the amount of publications in Marketing has increased, it seems that there is not a clear conceptualization of Marketing concept as most of these publications focus on some narrow aspect of Marketing (Williams & Plouffe 2007, 411-412). This is also reflected when considering Marketing definitions. On the marketing field, there is a strong debate about what marketing in essence is. In the Marketing side, this kind of discussions is absent.

It seems that the debate about what marketing is does not extend into Marketing. Marketing departments duty is simply about selling, about a physical activity that focuses on persuading people to buy (Skaggs 2006, 30). According to Kotler (2003), "salespeople can research the customer before the visit, answer questions during the visit, and record important facts after the visit. Salespeople can retrieve product information such as tech bulletins, pricing information, customer buying history, preferred payment terms, and other data to facilitate their work. And finally, they make the sale." (Kotler 2003).

Levitt has claimed (1960, 50) that Marketing unit and activities have been emphasized more than marketing in companies as marketing is a more complex phenomena. He stresses that there is a clear difference between sales and marketing. Levitt's (1960) definition of Marketing has even

been seen as classical (Cespedes 1995, xix). He says that “Marketing is preoccupied with seller’s need to convert his product into cash.” On the other hand, he sees marketing as “satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering and finally consuming it.” (Levitt 1960, 50) However, Cespedes (1995, xix) sees that because Marketing importance of generating cash flows is undeniable, it still defines the substance and outlines most of companies’ marketing programs.

AMA, which, defines Marketing as follows: “Any of a number of activities designed to promote customer purchase of a product or service” (Dictionary2010). For the purposes of this study, I find it useful to combine this definition to Levitt’s (1960,50) classical definition of converting product to cash in the following way: “Marketing activities include activities designed to promote customer purchase of a product or service in order to generate positive cash flow for the organization”. (Levitt 1960; Dictionary 2010) This definition issued in this study as it is comparable with the marketing definition, focusing on both, the operational level and business performance outcomes.

As conclusion, four important issues should be noted, from the presentation of Marketing concepts above. First, marketing was at first, in the 1950s and 1960s, seen to develop as a mere extension of firms’ Marketing departments. Later, these two have been seen as separate management functions. Today, marketing is often seen as responsibility of other functions as well but marketing, where as sales is still seen as its own management function. (Webster 1992, 3-13; Plouffe et al. 2008, 89) Second, both marketing and sales were initially seen as tactical issues, but have developed into having more strategic importance (Honeycutt 2002, 555; Plouffe et al. 2008, 89). Third, at least in the academic world, marketing research is seen as part of the marketing discipline, still seeking its place (Geiger & Guenzi2009, 874; Jones et al. 2005, 105). Fourth, both marketing and sales should contribute to the business performance of an organization (Levitt 1960, 50; Ambler 2003, 21).

2.7 Marketing Strategies and Marketing Performance

This subchapter will discuss the impact of Marketing Strategies to company’s or business unit’s Marketing performance. I will first discuss the concept of marketing performance as such so that it is visible from which angle performance is converged. Then present literature and research on

how Marketing Strategies affects the Marketing performance of the company. This is central for this study as the most important target is to show that there is a clear relationship between Marketing Strategy and Marketing performance. Lastly few moderating factors between the Marketing and marketing performance outcomes. These have to be presented and acknowledge as there are moderating factors in between sales and business performance and thus, these can affect sales has on business performance.

Business performance Literature reviews on performance point out that there has not been a joint understanding among academics on what constitutes performance. Still, it is said that literature can be interpreted so that there are three significant perspectives that most often appear in performance literature. These are the goal approach, the systems resource approach and the process approach. The goal approach claims that organizations try to achieve clear, identifiable goals so attaining goals is the focus. The systems resource approach focuses on the relationship between the organization and its environment and it sees performance as organization's ability to attain resources that are scarce, but valuable. The process approach focuses on the organizations members and their activities and behavior. This way all three, goals, resources and processes or behavior can be seen as essential components of organizational performance. (Ford & Schellenberg 1982, 50) Assessing organizational performance has been in the focus of extensive and increasing research both empirically and in conceptual manner (Ford & Schellenberg 1982, 49). It has been stressed in academic literature that regardless of the perspective chosen to conceptualize organizational performance, it remains as a compound and multidimensional phenomenon (Dess & Robinson 1984, 265). In effect, the performance of a company or a business unit is seen differently from a perspective of different stakeholder groups, for example investors, employees and customers.

Also, it matters whether the one assessing the company has a short-term or long-term perspective (Walker & Ruekert 1987) For the purposes of this study, the goal approach is most appropriate as the goal approach is seen as the widest concept of the performance approaches. It has been claimed that in assessing organizations more than one of these approaches should be employed in order to achieving better understanding of dynamics of organizations (Ford & Schellenberg 1982, 56). On the other hand, the goal approach can include goals in relation to resources and processes as well and it is for that reason chosen for this study.

Business performance is at the center of strategic management (Venkatraman et al. 1986, 801-802) and there is a growing tendency to consider it in relation to Sales as well (e.g. Clark 1999,711; Ambler 2003, 6-11; Lamberti & Noci 2010, 139-141). The challenge with Sales and business performance is that it is not simple to measure the relation between the two. Measuring Marketing effectiveness is not straightforward, as it might be difficult to assess effects of some Marketing activities, like brand image development in the short-term. This has led to a situation where Marketing efforts are often assessed based on the process of making decisions and some intermediate outcomes such as brand attitudes and brand awareness instead of the long-term effects on business performance.(Rouziés et al. 2005, 115) This could be a possible reason why the research on the relationship between Sales and business performance is still limited, though increasing.

The shareholder value approach is dominating business environment and executives' minds today as the ultimate goal of companies. The basic idea of this approach is that companies' purpose is to maximize the returns to shareholders. It is also claimed that Selling should better understand what shareholder value is and how Marketing can contribute to it. This way the strategic importance of Marketing, which currently is quite minimal, would grow. (Lukas et al. 2005,414-415). Srivastava et al. (1999) has already showed that there is a relationship between Marketing and shareholder value (Srivastava et al. 1999, 177-178). Thus, financial performance is stressed nowadays.

Business performance is different from financial performance. Financial performance refers to pure financial goals such as sales growth or earnings per share and assumes that financial goals are dominant in relation to other goals organizations have.(Venkatraman & Ramanujam 1986, 801-804) Early work of marketing measurement focused especially on this financial side (Clark 1999, 713). Business performance on the other hand is seen as including both financial performance and operational performance. Operational performance is seen to include also other than purely financial goals such as market-share and product quality. By including also operational performance indicators, the focus moves from pure financial factors to both financial factors and key operational factors leading to financial performance. (Venkatraman & Ramanujam 1986, 801-804) In relation to Selling, in the field of Marketing performance measurement the focus has moved from including only financial measures to including both

financial and non-financial measures (Clark 1999, 713-714) so the focus has moved towards business performance. The concept of business performance does not have a single, accepted definition, but many definitions, which approach business performance from different perspectives (Venktraman et al.1986, 801-802). Ambler and Kokkinaki (1997, 666) have defined success based on the goal approach in the following way: “the proximity of achievement of goals”. These goals, that companies pursue, can be pursued either consciously or unconsciously and the goals can be set either by themselves or others. (Ambler & Kokkinaki 1997, 666)

By combining this idea of goal achievement (Ambler & Kokkinaki 1997, 666) and the idea of business performance as including financial and operational performance (Venkatraman et al.1986, 803), business performance can be defined in the following way: “Business performance is the achievement of financial and operational business goals” (Venkatraman et al. 1986, 803;Ambler & Kokkinaki 1997, 666). This definition is used in this study as it is wide enough to include both financial and operational of business goals with different time perspectives.

In the empirical part of this study, business performance measure bases on the estimation of the managers of business unit or company on their business performance. This approach is suitable as it is common to use management estimation of something, self-reported measures in other words, for example sales growth or cash-flow growth compared to competitors, as a valid measure instead of real financial figures (e.g. Wiklund& Shepherd 2005, 81; Frank et al. 2010, 184). In short, business performance measure in the empirical part is not actual numbers or facts but managements estimation on their business performance. This is reasonable also, because business performance is seen to include more than mere financial figures as presented above.

2.8 The impact of Marketing Strategies on Business Performance

Organization is often assessed based on its output. This is often stressed in relevant literature. There are two possible sides on evaluating output: behavioral and non-behavioral. Behavioral consequences are for example turnover and satisfaction and non-behavioral one is for example profit. These consequences can be either intended or unintended. Still, both can be seen as organizations outcomes. (Ford & Schellenberg 1982, 55)

In regard to Marketing, it has been argued that there are four different ways in which Marketing activities can enhance companies' value creation and that way increase business performance.

First, Marketing can speed up cash flows through reducing customer risk and building business alliances. Second, Marketing can increase cash flows through innovation and differentiation. Third, Marketing can build assets like brand equity. Fourth, Marketing can reduce risks in for example helping to increase customer retention. (Montgomery & Webster 1997, 19) It is assumed that at least some of these issues are such that marketing can affect them. After all, Marketing is responsible for generating revenue and profit for an organization (Smith et al. 2006, 564; Patterson 2007, 185).

Even though not extensive, there is also some empirical research that shows that Marketing inter-functional integration to other functions relates positively to some performance indicators including company performance, business unit performance, profitability and both product development and product management performance (Krohmer et al. 2002, 461; Kahn 1996, 141; Kahn & Mentzer 1998, 57-58; Le Meunier- FitzHugh & Piercy 2007a, 214). Cross-functional cooperation in arranging Marketing activities so that various departments contribute to those activities usually increases the performance of the company or a strategic business unit. Still, there are always both sides, for example inter-functional integration can make the decision making slower. (Krohmer et al. 2002, 461-462) This does not yet point out that the Sales would have a more important effect than collaboration towards other functions.

Considering the Marketing, it seems that most of the academic literature on this issue has focused purely on the Marketing Strategies, and has not extended their research beyond that, to the effects on performance for example (e.g. Dawes & Massey 2005; Beverland et al. 2006; Matthyssens & Johnston 2006). There are some exceptions though, which bring up also the importance of Marketing to the achievement of different performance objectives including market objectives, organizational objectives and financial objectives (e.g. Homburg & Jensen 2007; Smith et al. 2006, 564; LeMeunier- FitzHugh & Piercy 2007a, 207).

It seems that when Marketing Strategies is successful, organizations or strategic business units can have superior profits. In various conceptual frameworks, it has been clearly indicated that the better functioning the Marketing department, the higher the business performance will be. In detailed level, when Marketing and Distribution Department is working smoothly, companies can really achieve remarkable improvements in performance metrics such as cost of sales, sales cycles and market-entry costs. (Krohmer et al. 2002, 461-462; Rouziès et al. 2005, 113; Kotler et

al. 2006, 3) Moreover, empirical evidence exists considering particularly the Marketing Strategies and its proper implementation are the effect on business performance. With means of both qualitative and quantitative research it has been indicated that market performance is positively affected by effective Marketing Strategy (Guenzi&Troilo 2007, 98).

In an empirical study, the best performing companies have achieved higher integration between departments than other companies, but at the same time these departments were highly differentiated. This differentiation was in line with environmental demands. It is suggested that in order for achieving high performance, a company needs to balance both differentiation and integration with environmental requirements. In short, this means that companies have to differentiate the departments clearly, but at the same time make these departments collaborate well. (Lawrence &Lorsch 1973, 49-53)

It is also claimed in both academic literature and managerial reports that a lack of effective Marketing Strategies does not result in a neutral outcome from the company perspective, but actually result damaging the business performance (Lorge 1999, 28; Kotler et al. 2006, 3; LeMeunier-FitzHugh& Piercy 2007a, 209). Company can do extensive amounts of work for nothing and in this way waste resources and damage the company if the Sales Department is not working. Marketing can for instance produce high amounts of leads through marketing activities which can damage the sales if part of the leads are poorly qualified or markets does not follow them up. (Smith et al. 2006, 564) Longer sales cycles, missed quotas, bad productivity as sales uses its time to developing Marketing materials and bad Market efficiency are named as consequences of lack of alignment between marketing and sales (Patterson 2007, 185).

2.9 Moderating Factors between Marketing Strategy and Market Performance

There are moderating factors between Marketing Strategy and Marketing performance, which are important to acknowledging and fully understanding the context of the topic of this study. Based on previous research, it seems that there are various factors between Marketing Strategy and Market performance, which also moderate the outcome whether the Marketing interface has a positive effect on business performance. (Rouziès et al. 2005,120)In the above reading presented the three context variables Homburg, Jensen and Krohmer (2008,139-140) have included in their conceptualization. These were internal change, environmental dynamism and industry. Also

other moderating factors have been discussed in the literature including at least customers, competitors and company (Rouziès et al. 2005, 120). Also more specific moderating factors are suggested. These include environmental complexity, customer sophistication, competitive structure, and company acquisition propensity (Rouziès et al. 2005,120), but these are not discussed in detail here. Now the researcher will discuss each one of the main moderators, namely internal change, environmental dynamism, industry, customers, competitors and company, in turn to show which factors can affect the effect marketing-sales relationship has on business performance.

First, internal change is seen as the degree to which organizational issues such as structures, processes, leadership, and strategy are changing regularly (Homburg et al. 2008, 139-140). For example redundancy and downsizing have become increasingly widespread (Worrall et al. 2004,140). Internal change has been shown to affect the attitudes of managers in different departments

(Reilly et al. 1993, 176-178; Worrall et al. 2004, 140-141) and this way internal change has an effect on the departments as well. As there exist different kinds of situations of internal change, for example strategy changes in growth phase and situations of cutbacks (Reilly et al. 1993, 176-178),the context of internal change can be assumed to affect whether the change helps or hinders the inter departmental cooperation. Especially the situations of redundancies can hinder the interdepartmental cooperation and attitudes relating to that (Worrall et al. 2004, 156-159).

Second, environmental dynamism, including both market turbulence and technological turbulence, is seen as the degree to which competitive activities, needs of the customers and technology in the market are transforming regularly (Homburg et al. 2008, 139-140). In relation to internal change, this has clearly been more interesting research topic, as there are many more commentaries on this. For example, it has been proposed that the greater the environmental uncertainty is, the greater the positive effect of departmental integration to business performance will be. So far this claim has not been tested empirically. Still based on this, it is assumed that this dispersion should be corrected by integrative activities. (Rouziès et al. 2005, 120) Relating to this, it has been suggested that Marketing activities are dispersed around the organization when there is environmental uncertainty. Due to higher uncertainty, the allocations of tasks to organizational units is less clear and established and companies are likely to try on different

kinds of organizational arrangements for responding to environmental uncertainty. The dispersion of activities decreases as the size of the company increases. (Workman et al. 1998, 32)

Contrarily to Rouziès' et al. (2005) views, it is identified in an empirical study that the dynamism of markets seems to lessen the positive effect that marketing-sales integration is claimed to have on business performance (Krohmer et al. 2002, 461). Market-related dynamism is defined here as "the frequency of major market-related changes" (Krohmer et al. 2002, 454). The researcher presented above that Rouziès et al. (2005) suggested that Sales department integration with others would have a greater positive impact on business performance when there is environmental uncertainty. Unfortunately they have not defined what they mean with "environmental uncertainty". It could be assumed that even though market dynamism would not be totally the same as environmental uncertainty, it is an element that is part of environmental uncertainty.

Third, the industry is included as the level of profitability, namely the return on sales, varies depending on the industry (Homburg et al. 2008, 139-140).

Fourth, customers are also discussed as an additional factor when thinking about what impact of Marketing Strategies has on market performance. It is suggested that when a company has a high customer concentration, so that few of them account for most of company's market, there is a stronger positive effect of Marketing Strategies on business performance. This is reasoned in a way that when a company is more dependent on only few customers, it has to serve them even better and for being able to do that, it has to have its Marketing functions working well together. (Rouziès et al. 2005, 120).

Fifth, also competitors and specifically the competitive intensity are supposed to have a moderating influence between the Marketing Strategy and Marketing performance. Assumption is that when the competitive intensity is high, the impact of the Marketing Strategy on Marketing performance is more significant. (Rouziès et al. 2005, 120) This is assumed so, because when there is high competition, a company has to serve its customers even better and deliver superior value to them (Kohli&Jaworski 1990, 14).

Sixth, another element discussed is the company itself. It has been suggested that when a company relies extensively on a new product or services strategy, the positive effect of

the Marketing Strategies is greater. In regard to both company and superior value creation, it is proposed and empirically investigated that besides effective Marketing Strategies; also firm's long term strategic orientation and customer-oriented salespeople affect positively both customer value creation and market performance (Guenzi & Troilo 2007, 98). From these views, it can be drawn that within the company, at least the mentioned three aspects, new product or service strategy, company's long term orientation and customer-oriented salespeople, all in the end affect performance positively.

To sum up, there seems to be several moderating factors between Marketing Strategies and Marketing performance outcomes. It is important to understand this even though in the empirical part, the focus is not on these moderating factors, but in investigating whether there is a relationship between Marketing performance and Marketing Strategies. By presenting these moderating factors the researcher has built up understanding on that even though it is shown in the empirical part that there is a clear connection between Marketing performance and Marketing Strategies, there are several factors in between which affect this relationship. Thus, the impact of Marketing Strategies might have on Marketing performance is a complex issue, as already the Marketing Strategies as such is constructed of multiple dimensions. In the following subchapter the researcher will present a conceptual framework, which bases on the literature presented in the literature review.

2.10 Empirical Studies

2.10.1 Impact of Innovative Differentiation Strategy on market Performance

Abdul (2009), did a research on marketing strategy of manufacturing firms, he used the structured questionnaire method. The researcher found out that innovative differentiation strategy which includes technological superiority of items and new items improvement and use of advanced communication strategies is most adopted by the exporters. It has been discovered to finally enhance their export performance. Similarly, (Berheand Jooh, 2008) studied the impact of major Marketing factors on firm's Marketing performance in the pharmaceutical industry. They used a research design called survey method. They discovered that there is an impact of marketing strategy on the firm's market performance.

On the other hand, (Heiner and Mühlbacher, 2010), studied Marketing Strategies and market performance in three European ‘engineering countries, they used the survey research design. They found out that the key contradiction of the study is the low impact of marketing strategy on business performance, which is not assumed, as several previous studies propose the link to be strongly positive. Also, this result is surprising in light of a recent, general development of increased customer focus. Nevertheless, it is characteristic to market orientation that it also contributes to the accumulation of other organizational resources and increases their value.

Farshid (2011) looked at the influence of export selling strategy determinants on firm export performance between 1993-2010. They used the questionnaire research design. They discovered that it is possible to design export marketing strategy determinants of export performance model, which may help firm to focus on export Selling strategy elements as one of important elements to enhance export performance in global markets.

2.10.2 Impact of market Positioning Strategy on market Performance.

Kamau (2013) did a research on effects of differentiation strategy on market performance in supermarkets. The research design employed was non experimental research survey design. The outcome was product differentiation strategy has a positive correlation with market performance. In most supermarkets product selection, assortment and positioning is demand driven.

Mokaya (2012) looked at the effect of market positioning on organizational performance in the airlines industry in Kenya; case of Kenya airways. They used the research design called explanatory design and they found the following. Within the general segmentation-targeting-positioning Framework in a company and positioning plays a pivotal role in Marketing strategy, since it links market analysis, segment analysis and competitive analysis to internal corporate analysis. The measures of performance that affect market positioning strategies at the company include employee turnover, increase in assets, increase in products, increase in revenue/profitability.

On the hand, Karanja (2014) studied the effect of Marketing capabilities and distribution strategy on performance of a given organizations. The researcher used the descript to-explanatory cross-sectional survey research design. In this case, the research found out that superior Marketing capabilities and the choice of distribution strategy contributed significantly to the performance of

organizations. Based on the results obtained, it was established that the composite effect of Marketing capabilities and distribution strategy further enhanced the performance of organizations. From the above studies little has been done on the Factors that determining the Marketing strategies and market performance of the Saint George Beer Factory, hence the research gap.

2.11 Conceptual Framework

Next, the researcher will shortly present the theoretical framework of this study. This framework is based on relevant literature, which the researcher presented in the preceding subchapters. This framework is divided into two parts, one of which describes the Marketing Strategies as a multiple phenomenon and another one, which focuses on the market performance and its effect.

Marketing Strategies is a complex phenomenon, which can be considered from varying perspectives, for example from company perspective, from perspective of the departments in question, from customer perspective and from competitive perspective. The main dimensions of marketing strategies the product strategy, price strategy, promotional strategy and distribution strategy. Additional factors relating to the industry are customers, competitors in that area and also the company itself. The following figure explains the theoretical framework of this research paper.

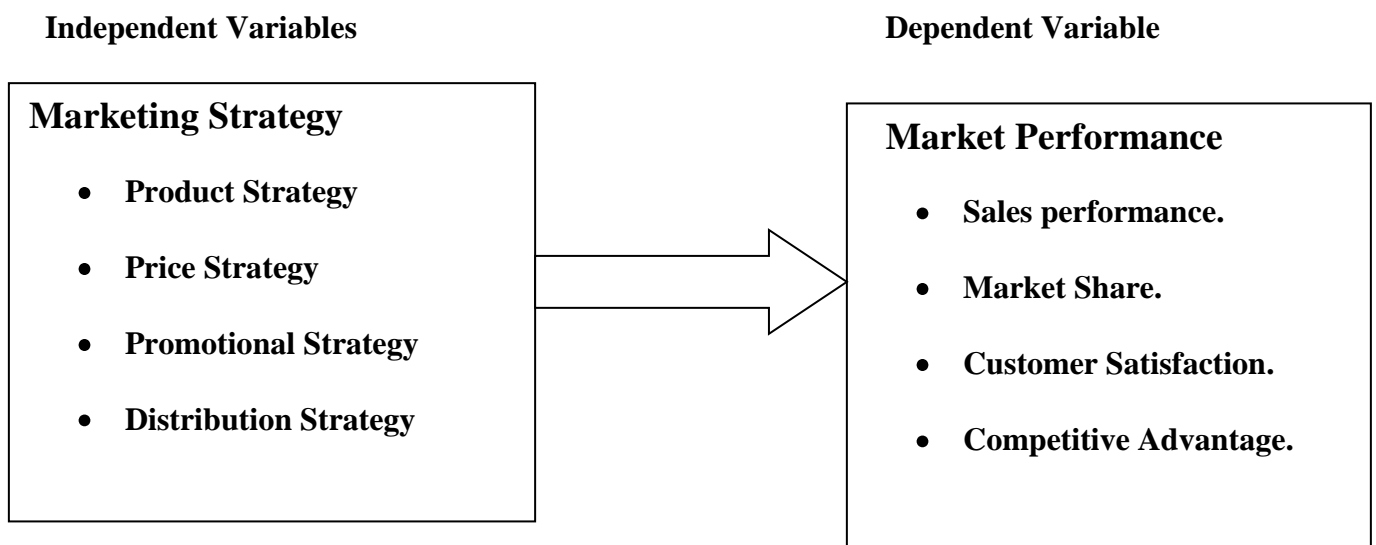


Figure 1. Theoretical framework of the impact of Marketing Strategy on market Performance.

2.12 Hypothesis of the Study

Every organization or industry measures their own performance because it helps to find out whether things are going on the right way or if not, to find what the causes that generated poor performance. For this reason, the researcher investigate best-fit variable for Sales performance in the case of St. George Beer Factory. So that for this study, the best fit variables are Sales performance, market share, competitive advantage and customer satisfaction.

Based on review of related literatures and objectives of the study, the following hypotheses were tested:

H1: Marketing strategy is positively and significantly associated with sales performance.

H2: Marketing strategy is positively and significantly associated with market share.

H3: Marketing strategy is positively and significantly associated with competitive advantage.

H4: Marketing strategy is positively and significantly associated with customer satisfaction.

CHAPTER THREE

3. RESEARCH METHODOLOGY

This chapter mainly deals with the methodological framework of the study that the researcher employed to gather relevant data, analyze the collected data and present the findings and to forward recommendations as per the research objectives.

3.1 Research Approach and Methods

3.1.1 Research Approach

The purpose of this study is to assess the impact of marketing strategy on market performance in Saint George Brewery (BGI). The study followed quantitative research method.

3.1.2 Data Sources, Collection Methods and Gathering Procedures

3.1.2.1 Source of Data

The data collection was from both primary and secondary source. The primary data was gathered through questionnaire from employees of Sales, promotion and Distribution department of Saint George Brewery. To obtain secondary data, all relevant documents such as books, journal articles, published and unpublished research papers, reports and other related documents were reviewed and analyzed.

3.1.2.2 Methods of Data Collection and Gathering Procedures

The questionnaire distributed to the employees, was useful to evaluate and analyze the impact of Marketing Strategies on market performance of the factory. The questionnaire was helpful for understanding the challenges the company is facing in relation with market Share and the effort undertaken by the company to improve competitiveness by applying effective Sales Strategies. All necessary care and diligence was applied to ensure the validity, reliability and accuracy of the data collection. The questionnaire comprises three sections. Section I contains general information about the respondents (including sex, age, years of work experience, length of service within the factory and educational level). In section II, a five point Likert scale that range from 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree were used to gather employees' opinion in relation with the elements of Marketing mix. Finally, section III items consist of open ended questions which require respondents to give additional comments.

3.1.3 Data Presentation and Analysis Methods

3.1.3.1 Data Presentation

The data collected from different sources was analyzed by correlational research method because in this research the researcher investigated the relationship between the independent variable i.e. Marketing Strategies with its determinant factors. The study also used tables, frequencies, and percentages to analyze the collected data and the findings were discussed using qualitative narrations.

3.1.3.2 Method of Data Analysis

The data collected on the basis of the purpose of the study through questionnaire were tailed, organized and categorized properly. The organization of the data was followed by tables which give detailed background information about the participants. And also the collected data was presented by employing frequencies, tables and descriptive phrases. Frequencies, percentages and quantitative descriptions were used to analysis and discuss the collected data. Finally, the conclusions part of the study was discussed based on the findings. The recommendation was also forwarded based on the conclusion of the study.

3.2 Population and Sampling

3.2.1 Target Population

BGI has three brewery factories around the country including Addis Ababa, Kombolcha and Hawassa and is currently undertaking the construction of winery around Zeway. For the purpose of this study the total population of the factory taken from only Addis Ababa Branch near Mexico Square. there is about 523 Permanent and 228 Temporary staff members in the factory.

3.2.1 Sampling Techniques

Since it is not necessary to consider all employees of the factory, because all employees of the factory is not necessary for this topic, the sample was select the sales, promotion and distribution department only. In order to choose a representative sample from the target population, judgmental (Purposive) sampling technique used. The total number of respondent who respond to the questionnaire prepared for the study is 50. The researcher tried to distribute the questionnaires by being free from any bias and the samples taken were representatives of the

whole population. So, the technique helped me to draw a conclusion from the results of the research.

	Number of Employees in Organization	Sample to be Taken in Percent	Sample Respondents	Method of data Collection
Sales, Promotion and distribution dept. of St. George Brewery Manager and Deputy Manager	2	100%	2	Questionnaire
Selling persons	43	100%	43	Questionnaire
Other employees	5	100%	5	Questionnaire
Total	50	100%	50	

3.3 Validity and Reliability

3.3.1 Validity

Validity of an instrument is how accurate the instrument is in obtaining the data it intends to collect (Mugenda, 2003). Validity indicates the degree to which the instrument measures what it is supposed to measure (Kothari, 2004). To ensure precision, relevance and content validity of the instrument, the questionnaire was subjected to critical evaluation by the researcher and the supervisor.

3.3.2. Pre-test and Pilot test of the Questionnaire

Once came up with the first draft of questionnaire, it was handed out to two instructors of marketing department and they were asked to give comment the questions" content validity, whether the questionnaire can answer the research question or not and they gave valuable comments. After refining questions, an improved draft questionnaire was developed. In addition, a modified questionnaire was developed and presented to my advisor and the researcher got some problems and identified with the wordings and implications of some items, minor revisions were made to avoid confusion. Finally, a well improved questionnaire was developed and distributed.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND DISCUSSION

The objective of this research paper is to assess the impact of Marketing Strategy on market Performance at St. George Beer Factory. This chapter presents and analyzes the data collected from the participants. The findings about the impact of Marketing Strategy on market Performance relevant statistical analysis to answer the research questions will also be presented and analyzed.

The total number of questionnaires that was distributed 60 out of it 50 was properly filled and returned finally used for analysis purpose. The 50 is almost 83.3%.

Out of the total 60 questionnaires that were distributed to the selected sample of employees 50 (83.3%) properly filled questionnaires were collected and used for the analysis. The data collected from the target population was presented and analyzed. As a result of this, the responses of the participants regarding the independent and dependent variables were summarized using the frequencies and percentage. In addition, regression analysis was used to identify the impact of independent variable on the dependent variable.

4.1 General information of the respondents

In this section, the personal and job related profile of the participants is presented. As it is presented in the following tables the gender, age, educational background, Position of Respondents, their income and their Experience presented using a descriptive statistics of frequency and percentage.

Background of the Respondents.

Table 1. Gender information of the Respondents.

Sex	Frequency	Percent(%)
Male	43	86
Female	7	14
Total	50	100

Source- Questionnaire, 2018

The above table shows that the major participant on this questionnaire was male 86%, and the remaining 14% were female.

Table 2.Age distribution of the Respondents.

Age	Frequency	Percent (%)
Under 20	-	-
21-35	48	96
36-50	2	4
51-65	-	-
Over 65	-	-

Source- Questionnaire, 2018

On the above table shows that 48(96%) of the respondents are between the age of 21-35, the rest respondent 2 (4%) of the respondents are between the age of 36-50. This shows that majority of the respondents are Young and on the age of productivity. It enables the organization to increase their performance as well as the productivity of the organization.

Table 3.Educational Level of the respondents.

Educational Level	Frequency	Percent(%)
1-12	-	-
Certificate	-	-
Diploma	21	42
BA/BSC	29	58
MA/MSC/MBA	-	-
PhD	-	-
Others	-	-
Total	50	100

Source- Questionnaire, 2018

As per the above table the majority of the participants have first degree 58 percent, and the rest participants are diploma holders 42 percent. This indicates that the factory has well educated employees and it helps them to Know how to promote and sell their products. On the top of this the company can easily organized employees based on their education level.

Table 4.Position of the Participants.

Position	Frequency	Percent(%)
Senior Manager	2	4
Managers	-	-
Staff	48	96
Total	50	100

Source- Questionnaire, 2018

As shown in the above table the majority of the participants are Staff that employed for operational activities 96 percent, and the rest participants are Senior Manager 4percent.This indicates that the company mainly focused on the day to day activities of Sales and Promotional activities.

Table 5.Monthly Income of the Participants.

Income	Frequency	Percent(%)
Below 500	-	-
501-1000	2	4
1001-1500	-	-
1501-2000	3	6
2001-2500	10	20
2501-5000	30	60
Above 5000	5	10
Total	50	100

Source- Questionnaire, 2018

Based on the data collected through the questionnaire, around 60% of the respondents income 2501-5000 and the rest 20%,10%,6% and 4% are2001-2500,Above 5000, 1501-2000 and 501-1000 respectively.

Table 6.Employment Period of the Participants.

Period of Employment	Frequency	Percent(%)
Less than One year	2	4
Two to Five years	30	60
Five to Ten years	8	16
Ten to Fifteen years	8	16
More than fifteen years	2	4
Total	50	100

Source- Questionnaire, 2018

Based on the data collected through the questionnaire, around 60% of the respondents have between two to five years of experience in the Factory and around 16% of them have experience ranging from 5-15 years. The rest respondent 8% have less than One year and more than fifteen years working experience.

4.2 Descriptive Analysis on Questionnaires

4.2.1. Questions Related with Product Strategy.

4.2.1.1. Customer Satisfaction.

Customer satisfaction is a post-purchase evaluation of a service offering. A traditional definition of customer satisfaction followed the dissatisfaction paradigm of consumer satisfaction/dissatisfaction, suggesting that customer satisfaction/ dissatisfaction is the result of interaction between the consumer's pre-purchase expectations and post purchase evaluation.

According to Rigopoulou et al. (2008) customer satisfaction is the state of mind that customers have about a company when their expectations have been met or exceeded over the lifetime of the product or service. Service companies have since recently focused on customers in order to improve competitiveness. Customer satisfaction is one of the important outcomes of marketing activity.

Higher customer satisfaction leads to greater customer loyalty which in turn leads to higher future revenue. As a result, many market leaders are found to be highly superior-customer-service orientated. They have been rewarded with high revenue and customer retention as well. For that reason, organizations in the same market sector are forced to assess the quality of the services that they provide in order to attract and retain their customers. Because satisfied customers are a key to long-term business success (Zeithaml et al., 1996). Customer satisfaction is consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over fulfillment (Oliver, 1997).

Table 7. Participant's response about customer satisfaction.

The Company's Customers Satisfied by the Product.	Frequency	Percent
Strongly Disagree	2	4
Disagree	-	-
Neutral	5	10
Agree	15	30
Strongly Agree	28	56
Total	50	100

Source- Questionnaire, 2018

As the table above indicated about 56 percent of the respondents strongly agree on the idea that the Company's Customers Satisfied by the Product. And also 30 percent of the respondents agree on the idea that the Company's Customers Satisfied by the Product. On the other hand 10 percent of the respondents remained neutral regarding the above idea and the remaining 4 percent strongly disagree.

4.2.1.2. Customer Expectation.

(Kotler and Armstrong, 2012) advocate that satisfaction is the post-purchase evaluation of products or services taking into consideration the expectations. Researchers are divided over the antecedents of service quality and satisfaction. Whilst some believe service quality leads to satisfaction, others think otherwise. The studies of many researchers suggest service quality leads to customer satisfaction. To achieve a high level of customer satisfaction, they suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction (Mesay, 2012).

As service quality improves, the probability of customer satisfaction increases. Quality was only one of many dimensions on which satisfaction was based; satisfaction was also one potential influence on future quality perceptions (Clemes, 2008). Parasuraman et al (1988) defined service quality and customer satisfaction as follows: Service quality is a global judgment, or attitude, relating to the superiority of the service, whereas satisfaction is related to a specific transaction.

Satisfaction is a post consumption experience which compares perceived quality with expected quality, whereas, service quality refers to a global evaluation of a firm's service delivery system” (Parasuraman et al., 1985).

Table 8. Participant’s response about Product Quality.

Product Quality meet Customer expectation.	Frequency	Percent
Strongly Disagree	2	4
Disagree	-	-
Neutral	-	-
Agree	15	30
Strongly Agree	33	66
Total	50	100

Source- Questionnaire, 2018

According to the table above Quality of their product meet the expectation of the Customers, 66 and 30 percent of the respondents strongly agree and agree respectively. On the other hand only 4 percent of the respondents strongly disagree. This shows that Quality of Factory’s product meet the expectation of the Customers.

4.2.1.3. Product Differentiation.

Table 9. Participant’s response about Product Differentiation.

Company’s Product differentiates rival’s products.	Frequency	Percent
Strongly Disagree	0	0
Disagree	2	4
Neutral	-	-
Agree	27	54
Strongly Agree	21	42
Total	50	100

Source- Questionnaire, 2018

As can be seen from the above table 54 and 42 percent of the respondents agree and strongly agree respectively on the idea that the Company's Product differentiates rival's products. On the other hand only 4 percent of the respondents disagree on this idea. This implies that the product the company offer to the market differentiate from the competitor's products.

4.2.1.4. Introduce Additional Product.

According to Barker (2007), branding is the uses of a distinctive name or mark on product to differentiate it from similar competitive products.

Armstrong and kotler(1994) explained line extensions, brand extensions, multi brand and new brands. Line extension occur when a company introduces additional items in the same product category under the same brand name such as new flavor, forms, colors, added ingredients package size and so on. Brand extensions a company may be decided to use an existing brand name to launch a product in a new category. Multi brands a company will often introduce additional brands in the same category. New brand when a company launches products in the new category, it may find that none of its current brand names are appropriate.

Table 10.Participant's response about introducing of additional product.

A company introduces additional product in the same category under the same brand name like new flavor.	Frequency	Percent
Strongly Disagree	5	10
Disagree	5	10
Neutral	5	10
Agree	20	40
Strongly Agree	15	30
Total	50	100

Source- Questionnaire, 2018

As can be seen from the table 30 percent strongly agree, 40 percent agree and 10 percent responded neutral on the idea that the company introduces additional product in the same category under the same brand name like new flavor. On the other hand the remaining 20 percent

strongly disagree and disagree. This indicates that St. George Beer Factory introduces additional product in the same category under the same brand.

4.2.1.5. Brand Differentiation

Product offering is perceived by the consumer to differ from its competition on any physical or nonphysical product characteristic including price. Perceptual differences created by using experience, word of mouth and promotion actual difference are created by product characteristics.

Table 11. Response of respondents about brand differentiation

The Product brand differentiates the company's product from other competitor's product.	Frequency	Percent
Strongly Disagree	0	0
Disagree	1	4
Neutral	3	4
Agree	13	26
Strongly Agree	33	66
Total	50	100

Source- Questionnaire, 2018

Since competition is high among organizations, it is obvious that Product's brand must differentiate the company's product from other competitor's product in order to easily identify and gaining the attention of the Consumers and also securing competitiveness and improving the performance of a company. I have assessed the differentiation of the Company's product brand from the Competitors by using 5 items. These items were answered on a five –point likert-type response scale ((1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree).

According to the above table 66% and 26% of the respondents strongly agree and agree on the Product brand differentiate the company's product from other competitor's product and the rest 4 percent preferred a neutral position. And only 4percent disagree on the idea.

4.2.2. Questions Related with Price Strategy.

4.2.2.1. Price Reasonable

Table 12. Participant's response about product's price fairness.

The price charged for the company's product reasonable.	Frequency	Percent
Strongly Disagree	2	4
Disagree	-	-
Neutral	6	12
Agree	20	40
Strongly Agree	22	44
Total	50	100

Source- Questionnaire,2018

Pricing has traditionally been considered as too variable in Sales strategy. Effective pricing is not an easy task, even under the most favorable conditions. A large number of internal and external variables must be studied systematically before price can be set. For example: the reactions of a competitor often stand out as an important consideration in developing pricing strategy (Tellis, 1986).

Although making the pricing decision is usually a marketing decision, making it correctly requires an understanding of both the customer and society's view of price as well. In some respects, price setting is the most important decision made by a business. A price set too low may result in a deficiency in revenues and the demise of the business. A price set too high may result in poor response from customers and, unsurprisingly, the demise of the business. The consequences of a poor pricing decision, therefore, can be dire. We begin our discussion of pricing by considering the perspective of the customer.

The researcher assessed whether the price charged for the factory's product reasonable or not by using 5 items. These items were answered on a five –point likert-type response scale ((1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree). As can be seen from the table 44 and 40 percent of the respondents strongly agree and agree respectively that the price of the company's product reasonable and 12 percent preferred a neutral position and the rest 4

percent strongly disagree. Simply the researcher concludes that the price charged for the company's product reasonable.

4.2.2.2. Publication of Price discount.

Table 13. Participant's response about price discount.

The Company publishes price discount in different times.	Frequency	Percent
Strongly Disagree	8	16
Disagree	-	-
Neutral	12	24
Agree	12	24
Strongly Agree	18	36
Total	50	100

Source- Questionnaire, 2018

The researcher assessed that St. George Beer Factory publishes price discount in different times by using 5 items. These items were answered on a five –point likert-type response scale ((1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree). As can be seen from the above table 36percent of the respondents Strongly agree, 24 percent agree, 24 percent of the respondents remain neutral and 16 percent of the total respondents are strongly Disagree on the idea that the Factory publishes price discount in different times.

Price is the amount the consumer must exchange to receive the offering. As the price of a product depends on different elements and hence it is changes constantly thus the pricing should be dynamic so that it can bear the changes over duration. The important factor in pricing is the deciding the cost of the product, strategy for marketing & its expenses related to distribution, advertisement expenses or any kind of price variation in the market. Nonetheless if there is change in all the variables then generally the pricing of the product may vary accordingly.

Table 14. Participant's response about the relationship between price set and factory goal.

Price set in line with the company's long term Business goal.	Frequency	Percent
Strongly Disagree	10	20
Disagree	2	4
Neutral	-	-
Agree	8	16
Strongly Agree	30	60
Total	50	100

Source- Questionnaire, 2018

From the above table 60% strongly agree, 16% agree and 5 percent disagree on the idea that Price set in line with the company's long term Business goal. The rest 20 percent Strongly Disagree. It shows that 76 percent of the respondents agree that the Factory product price set in line with the company's long term Business goal.

Pricing involves important decisions for a firm as there can be an option to fix the price of the product on competitive basis, in this a marketer selects a competitive pricing strategy as he actually seeks to compete on the basis of superior distribution, appealing advertisements and several other factors.

Table 15. Participant's response about the impact of price decision on market share.

Price decision affects Your company's market share.	Frequency	Percent
Strongly Disagree	7	14
Disagree	3	6
Neutral	5	10
Agree	25	50
Strongly Agree	10	20
Total	50	100

Source- Questionnaire, 2018

The researcher assessed the Price decision affect the company's market share by using 5 items. These items were answered on a five –point likert-type response scale ((1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree). From the above table 20 percent strongly agree, 50 percent agree and 14 and 6 percent are strongly disagree and disagree respectively on the idea that the Price decision affect the company's market share. The rest 10 percent remained

neutral. This indicates that the market share of the company affected by the price set by the factory.

Table 16. Participant's response about price adjustment with competitor's price.

Adjust the price of the Product with the competitor's price.	Frequency	Percent
Strongly Disagree	7	14
Disagree	10	20
Neutral	-	-
Agree	23	46
Strongly Agree	10	20
Total	50	100

Source- Questionnaire, 2018

According to the above table 20% and 46% of the respondents strongly agree and agree on the idea that adjust the price of the Product with the competitors price. On the other hand 14 percent and 20 percent of the total respondents strongly disagree and disagree respectively.

Table 17. Price Setting.

Setting a price based on what the Competitors charges.	Frequency	Percent
Strongly Disagree	10	20
Disagree	7	14
Neutral	13	26
Agree	20	40
Strongly Agree	-	-
Total	50	100

Source- Questionnaire, 2018

According to the above table 40% of the respondents agree on the setting a price based on what the Competitors charges. 20 percent and 14 percent of the respondents are Strongly disagree and disagree respectively. The rest 26 percent preferred a neutral position.

4.2.3. Questions Related with Distribution Strategy.

4.2.3.1. Outlets.

Place is the part of the marketing mix that involves decision concerning the distribution channels to be used for a product, their management, their location, logistics and inventories to be held. The objective is to provide the product in the required quantities, at the right time and place.

Table 18. Participant's response about place to sell the products.

The Company has enough outlets to sell its Product.	Frequency	Percent
Strongly Disagree	2	4
Disagree	-	-
Neutral	-	-
Agree	20	40
Strongly Agree	28	56
Total	50	100

Source- Questionnaire, 2018

The researcher assessed enough outlets to sell factory's product by using 5 items. These items were answered on a five –point likert-type response scale ((1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree).As can be seen from the above table 56 and 40 percent of the respondents strongly agree and agree respectively on the idea that the Company has enough outlets to sell the factory's Product. On the other hand 4 percent of the respondents strongly disagree.

4.2.3.2. Actual amount on Request

Table 19. Participant's response about Quantity delivery.

The customers get the actual amount of product on request.	Frequency	Percent
Strongly Disagree	2	4
Disagree	3	6
Neutral	5	10
Agree	15	30
Strongly Agree	25	50
Total	50	100

Source- Questionnaire, 2018

The researcher assessed enough outlets to sell factory’s product by using 5 items. These items were answered on a five –point likert-type response scale ((1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree).According to the table 50% and 30% of the respondents strongly agree and agree on the idea that the customers get the actual amount of product on request. 10 percent of the respondents respond neutral. And the rest 10 percent strongly disagree and disagree on the idea.

4.2.4. Questions Related with Promotion Strategy

4.2.4.1. Promote through Public Relation

Brassington & Pettitt (2000) defined Public relations as the marketing function which assesses public attitudes, recognizes the policies and procedures of an individual consumer or organization with the public interest, and implements program of action to earn public acceptance and understanding. If the virtues of the organization and value offered by Public relations efforts meet the expectations of the consumer, it can leads to establishing long term relationship and strengthening of the consumer loyalty (Hsieh & Kai Li 2008; Hanzaae et al, 2011). Those corporations which commence cause-oriented marketing promotions distinguish themselves in cut through competition and get better their image which results in improved profits (Serban et al, 2012).

Table 20. Participant’s response about promotion through public relation.

The Company promote its product through Public Relation.	Frequency	Percent
Strongly Disagree	5	10
Disagree	2	4
Neutral	3	6
Agree	10	20
Strongly Agree	30	60
Total	50	100

Source- Questionnaire, 2018

As can be seen from the above table 60 and 20percent of the respondents strongly agree and agree respectively on the idea that the Company promote its product through Public Relation. On the other hand when 10 percent and 4 percent of the respondents strongly disagree and disagree respectively. And the other 6percent prefer a neutral. I can conclude that almost 80 percent of the

respondents agree on the idea. This simply shows that the factory promotes its product for middlemen and final consumers through public relation.

4.2.4.2. Phone Communication with Middlemen

Table 21. Participant’s response about phone communication with middlemen.

The company uses phone communication with middlemen.	Frequency	Percent
Strongly Disagree	5	10
Disagree	5	10
Neutral	2	4
Agree	30	60
Strongly Agree	8	16
Total	50	100

Source- Questionnaire, 2018

According to the above table 15 percent and 60 percent of the respondents strongly agree and agree on the company uses phone communication with middlemen and 20 percent of the respondents strongly disagree and disagree. The rest 5 percent preferred a neutral position.

4.2.4.3. Phone Communication with Final Consumers.

According to Kotler (2005) direct marketing focuses on carefully targeted consumers in order to create an immediate response and to nourish already created customer relationships. Direct marketing is done mainly through telephone, email, mail or the Internet.

Table 22. Participant’s response about phone communication with the final consumers.

The company uses phone communication with the final consumers.	Frequency	Percent
Strongly Disagree	5	10
Disagree	2	5
Neutral	8	15
Agree	10	20
Strongly Agree	25	50
Total	50	100

Source- Questionnaire

According to the above table 50 percent and 20 percent of the respondents strongly agree and agree on the company uses phone communication with the final consumers and 10 percent and 5 percent of the respondents strongly disagree and disagree respectively. The rest 15 percent preferred a neutral position. Out of 60 respondents only 15 percent disagree on the above idea. From this the researcher can concluded that the factory direct communicate and accept any complaints and recommendation by phone from the final consumers.

4.2.4.4. Promotional Strategy

A research conduct on the issue of sales promotion shows that sales promotions have remarkable effect on the sales and profit of the organization. Furthermore sales promotion have greater effect on organizational performance as it stimulate and inspire the customer to purchase a product in large quantity, offers an opportunity to organization to generate trials of the product by non-users, motivate the retailers to stock greater number of items or products, motivate the consumers to make buying in off seasons and starting the brand loyalty. They further enhance that if the sales promotions are effectively executed, it can give new life to failing product and improve its sales as well as profits of the organization. Sales promotion benefits the organization at all stages of life cycle of a product and in particular at initial and growth stage. Their study additionally concludes that there is positive relationship between the effective execution of sales promotion and organizational sales which leads to increase in profitability (Odunlami &Ogunsiji, 2011).

Table 23.Participant’s response about influence of Promotional Strategy.

Your Promotional Strategy influence the acceptance of the Company’s Offerings.	Frequency	Percent
Strongly Disagree	5	10
Disagree	-	-
Neutral	-	-
Agree	25	50
Strongly Agree	20	40
Total	50	100

Source- Questionnaire, 2018

According to the table above 40 percent and 50 percent of the respondents strongly agree and agree on the factory Promotional Strategy influence the acceptance of the Company's Offerings and the rest 10 percent preferred strongly disagree. From this the researcher concluded that the factory promotional strategy are well established and influence to the consumers for the acceptance of factory's product.

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. SUMMARY

The researcher has come up with the following findings. The largest proportion of the employees was composed of males with an age group that belongs to a young age group who are considered to be responsible and committed for the duty they are assigned to work in. Most of them were found having first degree that is at least able to understand and explain clearly the marketing strategy and its impact on market performance. The years of experience on the job is also found important in unveiling employees' exposure for different kinds of work related practices in the factory. The job status of the study showed that Non-managerial position holds the lion's share of the factory and the large majority of the employees are paid more than an average monthly salary which will in turn is found having a positive impact on their job satisfaction. And also the study was aimed to assess the impact of marketing strategy on market performance of Saint George Beer Factory. The specific objectives of the study include examining the product quality of the company and the consumer's acceptance, to explore the price of the factor's products and the consumers evaluation with quality, to see the promotional strategy of the factory run and to assess the distribution channels that strategy the factory use.

The study was conducted by using both primary and secondary data. The primary data for this study were collected through questionnaire from the employees of the Sales, promotion and Distribution Department.

Product dimension

- ❖ Based on the result from the employee of the factory, most of the respondents considered, the Company's Customers Satisfied by their Product.
- ❖ Concerning the quality of the product, Quality of Factory's product meet the expectation of the Customers.
- ❖ The taste of the product found to be the most influential factor to buy the Beer.
- ❖ Significant number of respondents proved that the product the factory offer to the market differentiate from the competitor's products..

- ❖ Goodwill of the company and familiarity of the brand considered important product aspects and it differentiate their product from other competitors product.
- ❖ Most of the respondents concluded that St. George Beer Factory introduces additional product in the same category under the same brand name like new flavor.
- ❖ Based on the result from the employee of the factory, the factory always Strive to create value for their product in order satisfy their customers.

Price dimension

- ❖ The price of the factory's Beer prevailing in the market viewed by the customers as fair.
- ❖ The beer is perceived by customers as a product that has average value in terms of the price paid for it.
- ❖ Respondents assured that they are paying the reasonable price for the product.
- ❖ 60 percent of the respondents replied that Saint George Beer Factory publishes price discount in different times.
- ❖ The market price is highly influenced by the market demand and the interest of customers.

Promotion dimension

- ❖ Media is found to be the source of information about St. George Beer for many of the customers followed by Billboard.
- ❖ The Company promote its product through Public Relation.
- ❖ Personal selling as measured in terms of the service to handle customers complaints rated as good.
- ❖ St. George Beer is perceived as popular brand by customers.
- ❖ The company uses phone communication with the final consumers.
- ❖ Promotional mix of the company comprises Sales promotion, price discount, media advertising, assistance for social and community based projects, and sponsorship of special events as well as festivals.

Place (distribution dimension)

- ❖ Based on the result from the employee of the factory, the company has enough outlets to sell its Product.
- ❖ Most the respondents assured that Intensive Distribution as the Distribution Strategy the company uses.
- ❖ Customers have agreed that they have obtained quick response for their telephone calls.
- ❖ Customers have acknowledged that St.George Beer is always available in their stock.
- ❖ The delivery of product found to be good.

5.2 CONCLUSION

The brewery industry in Ethiopia is becoming a very competitive environment where maximum efficiency and sustainable competitive advantage are critical for the success of a company. And, in the current business environment establishing an effective marketing strategy is becoming an increasingly important practice to enhance competitiveness. From the findings above, we can conclude that the establishment of an effective market strategy in St. George Beer Factory has a positive implication on competitiveness through competitive advantage. In addition, From the questionnaire analysis we can conclude that even though St. George beer factory applying their market strategy, it's hard to say that the factory is effective in implementing successful strategy.

Consequently, the following conclusions have been reached from the analysis made earlier to address the research questions and specific objectives set in the study based on the dimensions considered in the framework.

- ✓ With regard to the price of St. George beer, the prevailing price in the market viewed by customer as fair. The value from consuming St. George beer in terms of the price paid for it proved to be average. According to the study, price found to be an important variable to decide on buying this beer and price discount can influence more customers to buy it. This study has also shown that the company is following cost based as well as competitor based pricing strategies in setting price. But, it often follows the action from its rival in altering the market price.

- ✓ Based on the findings of the study, the factory distributes its products using different channels. The result from the customer survey proved that the distribution of St. George beer is satisfactory in terms of customer service, product availability and delivery.
- ✓ The company is promoting its products using different promotional activities such as personal selling, price discount, media advertising and billboard.
- ✓ The survey result confirms that, television advertisement is the source of information about St,George beer. In addition, the study proves that St,George beer is a popular brand.

5.3. RECOMMENDATIONS

The following suggestions and recommendations are brought forward based on the conclusion made earlier so as to allow the management of the factory to take appropriate actions to set the problems identified in the study right.

- The company should review its pricing strategy and take measures that could enable the management set a price which is value creating for both the business and customers.
- As confirmed in the study, pricing is an important variable in making decision to buy the beer. Price reasonable also found to be the most influential factor for customers to buy more St. George beer. Thus, the company should seriously consider these situations in order that it could gain the advantage of setting fair market price. Because, doing so would enable the company to create additional demand for its product and thereby boost the market share.
- The company should sometimes take the lead by establishing effective promotional strategy rather than often following the competitor. If the company takes such action and register success the benefit would be high both in sales volume and image building as well. However, such a decision has to be supported by the evidence based information obtained from a carefully designed and conducted market research.
- Continuous sales and promotional skills and development training should be given to employees engaged in selling the product. This would definitely help in improving the market share and increase sales volume of their product and create customer satisfaction.
- Proper planning is required for selling, promoting and distributing to address problems in the market concerning the availability and delivery of the factory's product.

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Addis Ababa University
College of Business and Economics
School of Commerce
Marketing Management

Questionnaires to be filled by employees of the Sales, Promotion and Distribution department of St. George Brewery.

Dear respondents;

The purpose of this questionnaire is to enable me to carry out a research for the partial fulfillment of master's degree in Marketing Management. The research focuses on St. George Brewery (BGI) with the topic of "An Assessment of the Impact of Marketing Strategy on market Performance". A Marketing strategy questionnaires are tools used to collect data from people regarding Marketing activities of the Company. Hence, to gather information, I kindly seek your assistance in responding to the questions listed below. Any information you present will be kept utterly confidential and will be used only for academic purpose. Your cooperation and prompt response will be highly appreciated.

N.B:

- Writing your name is not necessary.
- You can give more than one answer.
- Please put "√" for your choice in the box provided.

Thank You in advance!

Part One- General Information of the respondents.

1. Gender

Male

Female

2. Age (in years)

Under 20 21-35 36-50 51-65 Over 65

3. Educational level

1-12 Complete Certificate Diplomas

BA/BSC MA/MSc/MBA PhD

Other (if any) _____

4. Position

Senior Manager Managers Staff

5. Income Per Month

Below 500 501-1000 1001-1500 1501-2000
 2001-2500 2501-5000

6. How long have you been employee of St. George Brewery (BGI)?

Less than one year Two to five years Five to ten years
 Ten to fifteen years More than fifteen years

Part Two; Questions related with Marketing Mix elements.

Please mark in column in which the company follows;-

1=Strongly Disagree 2=Disagree 3=Undecided
 4=Agree 5=Strongly Agree

No.	Questions Related With Product Strategy	1	2	3	4	5
1	The Company's Customers Satisfied by the Product.					
2	Product Quality meets Customer expectation.					
3	Company's Product differentiates rival's products.					
4	A company introduces additional product in the same category under the same brand name like new flavor.					
5	The Product brand differentiates the company's product from other competitor's product.					

No.	Questions Related With Price Strategy	1	2	3	4	5
1	The price charged for the company's product reasonable.					
2	The Company publishes price discount in different times.					
3	Price set in line with the company's long term Business goal.					
4	Price decision affects Your company's market share.					
5	Adjust the price of the Product with the competitor's price.					
6	Setting a price based on what the Competitors charges.					

No.	Questions Related With Distribution Strategy	1	2	3	4	5
1	The Company has enough outlets to sell its Product.					
2	The customers get the actual amount of product on request.					

No.	Questions Related With Promotion Strategy	1	2	3	4	5
1	The Company promotes its product through Public Relation.					
2	The company uses phone communication with middlemen.					
3	The company uses phone communication with the final consumers.					
4	Your Promotional Strategy influences the acceptance of the Company's Offerings.					

Open Ended Questions.

1. What are the major problems encountered in implementing Your Organizational Marketing strategies?

2. What is the impact of Marketing Strategies on market performance of St. George Brewery(BGI)?

3. If you have further comments please indicate in the space provided below.
