



Addis Ababa University  
አዲስ አበባ ዩኒቨርሲቲ

SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY!



**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF COMMERCE**  
**DEPARTMENT OF MARKETING**  
**MANAGEMENT**  
**POSTGRADUATES PROGRAM**

**THE EFFECT OF MARKETING STRATEGIES ON  
BUSINESS PERFORMANCE; THE CASE OF BANK  
OF ABYSSINIA**

**By: EPHREM MEKONNEN**  
**ID.NO:-GSE/8743/12**

**ADVISOR: HAILEMARIAM KEBEDE (PHD)**

**JULY 2023**

**ADDIS ABABA, ETHIOPIA**

**Addis Ababa University**  
**College of Business and Economics**  
**School of Commerce**  
**Marketing Management Graduate Program Unit**

This is to certify that this thesis work is made by Ephrem Mekonnen Mengste, entitled; The Effect of Marketing Strategy on Business Performance; the case of Bank of Abyssinia, in partial fulfillment of the requirements for the award of the Degree of Master of Arts in Marketing Management with the regulation of the University and the accepted standards with respect to originality.

**Approved by: Board of Examiners**

_____	_____	_____
<b>Research Advisor</b>	<b>Signature</b>	<b>Date</b>
_____	_____	_____
<b>Internal Examiner</b>	<b>Signature</b>	<b>Date</b>
_____	_____	_____
<b>External Examiner</b>	<b>Signature</b>	<b>Date</b>

## **Statement of Declaration**

I, Ephrem Mekonnen Mengste, hereby declare that this research paper entitled “The Effect of Marketing Strategies on Business Performance; the case of Bank of Abyssinia” is my original work and has not been used by others for any other requirements in any other university and all sources of information in the study have been duly acknowledged.

**Ephrem Mekonnen Mengste**  
**Candidate’s Name**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

## **Statement of Endorsement**

This is to certify that Ephrem Mekonnen Mengste has carried out his research on the topic entitled “The Effect of Marketing Strategies on Business Performance; the case of Bank of Abyssinia”.

The research is his own original work and suitable to submission for the award of Master’s Degree in Marketing Management.

---

**Hailemariam Kebede (PHD)**  
**(Advisor)**

**July 2023**  
**Addis Ababa Ethiopia**

## **Acknowledgement**

First of all, I would like to thank the almighty God for all the blessings and endurances in fully accomplishing my thesis.

Second, my gratitude goes to my advisor Hailemariam Kebede (PHD) for his devotion, unreserved advice and valuable comments on my work that made the research possible. Without his support, my study wouldn't be realized.

My sincere regards also goes to staff of Bank of Abyssinia who helped me in filling the questionnaires carefully.

Besides, I am so grateful to my families, in particular my wife and my daughter, and also other family members for their encouragement & understanding.

# Table of Contents

CHAPTER ONE .....	1
1. Introduction .....	1
1.1 Background of the study .....	1
1.2 Background of the company under study .....	4
1.3 Statement of the Problem .....	4
1.4 Research Questions .....	6
1.5 Objectives of the Research .....	6
1.5.1 General Objective .....	6
1.5.2 Specific Objectives .....	6
1.6 Significance of the study .....	7
1.7 Scope and Limitations of the Research .....	7
1.7.1 Geographic Scope .....	8
1.7.2 Time Scope .....	8
1.7.3 Content /Subjective Scope .....	8
1.7.4 Methodological Scope .....	8
1.8 Definition of terms .....	8
1.9 Organization of the thesis .....	9
CHAPTER TWO .....	11
2. Relevant Literature Review .....	11
Introduction .....	11
2.1 Theoretical Literature Review .....	11
2.1.1 Marketing Mix Elements .....	12
2.1.2 Elements of Marketing Strategy; .....	13
2.1.3 Business Performance Management: .....	18

2.1.4 Bank Business Performance: .....	22
2.2 Empirical Review .....	22
2.3 Conceptual Framework/Foundation .....	23
2.4 Relationship between Independent and Dependent Variables .....	24
2.4.1 Relationship between Product Development Strategy and Business Performance .....	25
2.4.2 Relationship between Promotion Strategy and Business Performance .....	25
2.4.3 Relationship between Placing/Branch Networking Strategy and Business Performance .....	25
2.4.4 Relationship between People Strategy and Business Performance .....	26
2.4.5 Relationship between Pricing Strategy and Business Performance .....	27
2.4.6 Relationship between Process Strategy and Business Performance .....	27
2.4.7 Relationship between Physical Evidence Strategy and Business Performance .....	28
2.4.8 Relationship between Mass Marketing Strategy and Business Performance .....	28
2.4.9 Relationship between STP (Segmentation, target marketing, and positioning) strategy and Business Performance .....	28
2.5 Research Hypothesis: .....	29
CHAPTER THREE .....	31
3. Research Methodology .....	31
Introduction.....	31
3.1 Research Design.....	31
3.2 Data collection and data sources .....	31
3.3 Data Collection Techniques .....	32
3.4 Methods of Data processing and Data Analysis.....	32
3.5 Sampling Technique and Population of the Study .....	32
3.6 Validity and Reliability .....	34

3.6.1 Validity .....	34
3.7 Ethical Consideration .....	35
CHAPTER FOUR.....	36
4. Data Presentation, Analysis, and Interpretation.....	36
Introduction.....	36
4.1 Response Rate .....	36
4.2 Demographic Profile of Sample Respondents .....	37
4.3 Descriptive Statistical Analysis of Variables .....	38
4.3.1 Descriptive Analysis of Product Development Strategy .....	38
4.3.2 Descriptive Analysis of Promotion Strategy .....	39
4.3.3 Descriptive Analysis of Placement/Branch Networking Strategy.....	40
4.3.4 Descriptive Analysis of Price Strategy.....	41
4.3.5 Descriptive Analysis of People Strategy .....	41
4.3.6 Descriptive Analysis of Process Strategy.....	42
4.3.7 Descriptive Analysis of Physical Evidence Strategy.....	43
4.3.8 Descriptive Analysis of Mass Marketing Strategy .....	43
4.3.9 Descriptive Analysis of STP (Segmentation, Target Marketing and Positioning) Strategy .....	44
4.3.10 Descriptive Analysis of Business Performance.....	46
4.4 Inferential Analysis .....	47
4.4.1 Correlation Analysis.....	47
4.4.2 Multiple Regression Models.....	49
4.4.3 Assumptions of Multiple Regression Models .....	50
4.4.4 Model Summary .....	53
4.4.5 Multiple Regression Analysis.....	53

4.4.6 Hypothesis Testing .....	54
4.4.7 Anova Analysis.....	57
4.4.8 Discussion on the Findings.....	58
CHAPTER FIVE .....	60
5.1 Summary of Findings .....	60
5.1.1 Descriptive Analysis Summary: .....	61
5.1.2 The Inferential Analysis Summary:.....	61
5.2 Conclusion.....	62
5.3 Recommendations .....	64
5.4 Recommendations for further studies .....	65

## **Abbreviations and Acronyms**

**BOA-** Bank of Abyssinia

**ROE-**Return on Equity

**ROA-** Return on Asset

**ROI-**Return on Investment

**STP-**Segmentation, Target Marketing and Positioning

**AMA-**American Marketing Association

**RBV-**Resource Based View

**DC-**Dynamic Capabilities

**ATM-**Automatic Teller Machine

**POS-**Point of Sale

**SPSS-** Statistical Package for Social Sciences

**ANOVA-** Analysis of Variance

## **Abstract**

*Business Performance of the banking industry in the modern business environment depends on the strategic alertness that such organizations applies in the value delivery. This study examined the effect of marketing strategy on the Business performance of Bank of Abyssinia. The specific objectives of the study are to evaluate and asses the effect of Marketing strategy such as Product Development Strategy, Promotion Strategy, Pricing Strategy, Place Strategy, People Strategy, Process Strategy, Physical Evidence Strategy, Mass Marketing Strategy and STP Strategy used by Bank of Abyssinia on the performance of the overall business performance. The study used a survey style approach. A census sample of One Hundred Seventy One (171) was drawn from the total target population of three Hundred Department (300) staff of Bank of Abyssinia. Cluster sampling technique was used to select the respondents in the selected company. Data was collected through the use of structured questionnaires designed on Five Point Likert Scale. Based on the result of the analysis, from the nine Marketing Strategies under study, five of them namely Promotion Strategy, Placing Strategy, People Strategy, Pricing Strategy, and STP Strategy have significant and positive effect on the Business Performance of Bank of Abyssinia. Whereas the other four marketing strategies namely Product Development Strategy, Physical Evidence Strategy, Process Strategy, and Mass Marketing Strategy have less significance on business performance.*

*Therefore, Bank of Abyssinia is recommended to focus on these marketing strategies with low effect on Business Performance so as to improve their effect on the overall business performance of the Bank. The bank is expected to review the effectiveness of its products as well as it needs to improve its service quality as both product and service quality are important factors for profitability, customer base, market share. Same is true for the physical evidence and mass marketing strategies.*

**Keywords:** Marketing Strategy, Business Performance, Product, Promotion, Pricing, Place, People, Process, Physical evidence, Mass Marketing, STP (Segmentation, Target Marketing, Positioning).

# CHAPTER ONE

## 1. Introduction

This chapter of the research focuses on background of the research, background of the company under study, statement of the problem, objectives of the study, scope and significance of the study, limitations of the study, definition of some basic terminologies that are used in the research, and finally the chronological order of the chapters in the paper.

### 1.1 Background of the study

According to O.C. Ferrell and Michael D. Hartline 2010, the marketing plan of a company outlines how it will satisfy the requirements and desires of its clients. Some measures may also be required to maintain connections with other stakeholders, such as partners in the supply chain or employees. In other words, a marketing strategy is a plan for how a business will use its strengths and expertise to satisfy market demands.

One or more marketing programs can make up a marketing strategy. Each program has two components: a target market or markets and a marketing mix, also referred to as the four Ps of product, price, location, and promotion. In order to achieve distinct competitive advantages over its competitors, a business must choose the appropriate target market(s) and marketing mix (es) while developing its marketing strategy.

One of the most challenging issues in our understanding of competitive marketplaces is how to identify and secure a sustainable competitive advantage. Occasionally, marketing strategy makes this claim. In order to accomplish this, marketing strategy like the field of strategy as a whole has had to deal with the ongoing dialectic between analysis and action, or, to use more popular managerial terms, between the formulation of strategies and their implementation. It has also had to deal with a possibly more fundamental issue: to what extent, at least from the demand or market standpoint, can we ever formulate universal guidelines for gaining sustainable competitive advantage (Michael J. Baker and Robin Wensley, 2003).

Marketing strategy is the process of organizing and putting into practice corporate policies with the aim of achieving corporate objectives in line with the corporate vision (Dibb S., 2005). There are many broad marketing strategies, such as lowering prices to increase market share,

differentiating products, and segmenting markets, as well as various specific strategies for particular marketing disciplines. As a result, marketing strategy works best when it is a crucial part of the organization's corporate goal.

Kotler & Keller, 2016 on the other hand clearly defined marketing strategy as the rationale used by companies to build successful customer connections and add value for its customers. They further elaborated that the marketing mix is the combination of tactical marketing tactics used by the company to elicit the desired response in the target market, including product, price, place, and promotion. Products are the combination of goods and services that a business provides. The price is what the consumer must pay to purchase the good. The availability of the commodity is referred to as place. Activities that communicate the advantages of the product are referred to as promotion.

The ability of the company to put the chosen plan into practice is the important step to the accomplishment of any marketing strategy. The marketing strategy's focal point is the target market. The company determines the whole market, breaks it down into more manageable groups, chooses the most promising areas, and concentrates on supplying them. Utilizing factors it can control, such as product, pricing, place, and promotion, it creates a marketing mix. To determine the optimum marketing mix and take action, the organization involve in market assessment, strategy, execution, and monitoring. By engaging in these activities, the business is able to monitor and adjust to the marketing environment (Philip Kotler, Gary Armstrong, John Saunders, and Veronica Wong, 1999).

As a component of the financial system, banks provide maturity intermediation, risk reduction through diversification, cost-effective information processing, and payment services (Fabozze, Modigliani & Jones, 2005).

Profitability is the main gauge of a bank's effectiveness. Internal marketing, which develops motivated employees who, in turn, produce loyal clients through outstanding services, can help businesses become profitable.

The collective of activities known as "bank marketing" aim to more effectively and efficiently meet the financial demands and desires of consumers. This collection of tasks represents the whole of all discrete actions taken as part of a coordinated effort to identify, generate, awaken, and satiate consumer requirements. This means that every employee of the bank is a marketer who contributes to the complete happiness of clients, and the bank should eventually foster a

customer-oriented culture among all of its employees (International Journal of Recent Research in Commerce Economics and Management, 2016 P. 67-71).

Customers who are satisfied become loyal, that is expected to reinforce increased bank profitability. As a result, performance assessment systems must motivate employees to achieve corporate goals and support managers in making informed decisions.

Although profitability is the critical business performance indicator of commercial banks, there are also other measurement parameters such as customer base expansion (market share), resource mobilization (both local and foreign resources), loan disbursement which are the major inputs for profitability. Therefore, business performance which is the dependent variable of this research shall incorporate profitability, customer base (market share), and resource mobilization.

Numerous studies on how marketing strategy affects business performance in different countries have been conducted. For example Oke, Micheal Ojo (Ekiti State University, Ado Ekiti, Nigeria) in 2012 has conducted a research on the effect of marketing strategy on business performance. The research concluded that for increased business performance, the marketing strategies and approaches need to be properly coordinated. But, this research was made by considering only the 4ps independent variables of place, price, product and promotion. Besides, in Ethiopia, various studies have been conducted on the effect of marketing strategy on business performance. However, to the knowledge of this researcher, there is no study that takes into account the 9 independent variables to determine the impact of marketing strategy on business performance namely, product strategy, promotion strategy, price strategy, place strategy, people strategy, processes strategy, physical evidence strategy, mass marketing strategy and STP (segmentation, target marketing and positioning). This is the reason behind that motivates the researcher to work on this area.

## **1.2 Background of the company under study**

The modern era of Ethiopian banking history began near the end of the reign of Emperor Menilek. The Bank of Abyssinia, also known as the then Ye-Ethiopia Bank in Amharic, was established during this time period. It was founded in 1906 and was a division of the National Bank of Egypt.

In accordance with the 1960 Ethiopian Commercial Code and the Licensing and Supervision of Banking Business Proclamation No. 84/1994, the current Bank of Abyssinia was founded on February 15, 1996 after which the first private bank, which is no longer in operation, was founded in 1906, under the rule of Emperor Menelik the Second, 90 years ago.

As a result, the modern Bank of Abyssinia was founded on February 15, 1996, with only 131 owners and 32 staff. The authorized & paid up capital was 50 million birr and the startup money was only Birr 17.8 million. Currently, the official annual report of the Bank revealed on June 30, 2022 the total capital of Bank of Abyssinia has reached Birr 14,216,185,000 including reserves. Besides, the total account holders surpassed 8 million. In addition, the total number of employees has reached 11,000.00. The official annual report of the company further revealed that, the total Operating Income of the Bank has reached Birr 12,483,670,00 with profit before tax of Birr 4,654,545,000.00 for the fiscal year ended June 30,2022.

## **1.3 Statement of the Problem**

According to Ferrell, Hartline and Hochstein (2017) 8<sup>th</sup> Ed., an organizations, marketing strategy describes how the firm will fulfill the needs and wants of its customers. It also includes activities associated with keeping relationships with other stakeholders such as employees, shareholders, or supply chain partners. Stated on another way, marketing strategy is a plan for how the organization will use its strengths and capabilities to match the needs and requirements of the market. A marketing strategy may incorporate one or more marketing programs each program consists of two elements that are a target market/markets and a marketing mix sometimes known as the four Ps, product, price, promotion and place. To develop a marketing strategy, an organization must select the right combination of target market(s) and marketing mix (es) to create distinct competitive advantages over rivals.

Ferrell, Hartline, and Hochstein further elaborated in their book "Marketing Strategy" It is a crucial component of overall business strategy and involves developing strategies for determining what customers want and then successfully satisfying those wants. Everyone is aware that a company's capacity to make money or remain in operation is influenced by its marketing approach.

Demand fluctuations and intense rivalry provide problems for Ethiopia's banking sector. The banking industry's competitive landscape is widely acknowledged to be complicated, dynamic, and highly segmented, giving clients a variety of options. As a result, banks should put more effort into customer retention and acquisition today than they will tomorrow. In the same areas, domestic banks are in direct competition with one another (Walsh & Lipinski, 2009).

Studies have been done that demonstrate how marketing tactics and performance are related. For instance, Moula C. (2017) studied how marketing tactics affected the sales performance of Small and Medium Enterprises in Kenya, and she found a strong correlation between all of the marketing mix's components and sales success. In contrast, Alita et al. (2012) looked at how promotional techniques affected banks' performance. These researchers discovered a beneficial connection between advertising tactics and bank performance. In addition, Ayedunet al. (2014) looked at how marketing techniques affected the corporate performance of estate surveying and valuation enterprises in Nigeria's Kaduna metropolitan. The study found a positive correlation between the organizations' corporate performance and the marketing methods they utilized.

Despite stiff competition and entry barrier by the supervisory organ, commercial banks are flourishing from year to year in Ethiopia. The secret behind for such increase in number is the huge dividend they provide to their shareholders so far. These banks employ different marketing strategies that is suitable to their organizational makeup.

Few studies on the impact of marketing tactics on specific industry financial performance have been conducted in Ethiopia. However, to the awareness of this researcher, no study is conducted on the effect of Marketing Strategy on Business Performance in the case of Bank of Abyssinia using the 9 independent variables of product strategy, promotion strategy, people

strategy, place strategy, price strategy, process strategy, physical evidence strategy, mass marketing strategy, and STP strategy.

Therefore, this research attempts to assess the effect of marketing strategies on business performance that are employed at Bank of Abyssinia using the above mentioned 9 independent variables. Abyssinia.

## **1.4 Research Questions**

In connection with the research title, what impact does marketing strategy have on Bank of Abyssinia's overall business performance? Is the primary research question. Besides, the following sub questions are raised:

1. What is the effect of product strategy on business performance?
2. What is the effect of promotion strategy on business performance?
3. What is the effect of pricing strategy on business performance?
4. What is the effect of place strategy on business performance?
5. What is the effect of people strategy on business performance?
6. What is the effect of physical evidence strategy on business performance?
7. What is the effect of process strategy on business performance?
8. What impact does a mass marketing approach have on how well a bank performs?
9. What impact does segmentation, target marketing, and positioning strategy (STP) have on how well a corporation performs?

## **1.5 Objectives of the Research**

### **1.5.1 General Objective**

The general objective of this study is to identify the effect of marketing strategy on business performance of bank of Abyssinia.

### **1.5.2 Specific Objectives**

- To find out the effect of product strategy on business performance.
- To explore the effect of promotion strategy on business performance.
- To investigate the effect of pricing strategy on business performance.
- To know the effect of place strategy on business performance.

- To know the effect of people strategy on business performance.
- To know the effect of process strategy on business performance.<sup>3</sup>
- To know the effect of physical evidence strategy on business performance.
- To understand how mass marketing approach affects how well a corporation performs,
- To understand how the STP (segmentation, target marketing, and positioning) approach affects the performance of businesses.

## **1.6 Significance of the study**

This research would be significantly important in diverse ways to different parties.

The study will tell Bank of Abyssinia management about the impact of the adopted marketing strategy on the bank's financial performance so that management may assess the marketing strategies adopted. As a result, the management may be better equipped to manage the current strategies, which will enhance their strategic response and improve their business achievement and, if there are any, assist them in identifying any weaknesses in their marketing plans. On the other hand, the research will have a significant importance to stakeholders, marketing practitioners in existing and newly emerged banks, various stakeholders working with Banks and the like.

Besides, as an academic study, the research will have immense importance to the academic community as it will contribute for the existing knowledge of marketing strategy on banks' business performance. Besides, it may also be an input for further research on marketing strategy variables and its effects on business performance of Banks.

Moreover, the researcher has been benefited from this research as he gained additional knowledge regarding research development, marketing strategy, banking business performance and other related areas.

## **1.7 Scope and Limitations of the Research**

Focus of the research is restricted to assessing marketing strategies that are employed by Bank of Abyssinia and investigating the respective impact on business achievement of the bank. All in all, the research will have the following scopes and limitations.

### **1.7.1 Geographic Scope**

Given the time and other resource limitations, assessing all private commercial banks in Addis Ababa under this study is very difficult and unmanageable. Therefore, this research has selected Bank of Abyssinia, which is one of the oldest and good performing private commercial banks that is believed to be a representative of all private Commercial Banks in Addis Ababa. Therefore, this study would be delimit to the influence of marketing strategy on business performance on Bank of Abyssinia.

### **1.7.2 Time Scope**

This study is a cross-sectional survey in terms of time scope. This indicates that the study will be over in a year. As a result, the time frame for this study will only be one year.

### **1.7.3 Content /Subjective Scope**

As for the content scope or constructs of this research is concerned, the marketing mix strategy (product strategy, price strategy, promotion strategy place/location strategy, people strategy, mass marketing strategy and STP (segmentation, target marketing and positioning) & their impact on business achievement will be assessed.

### **1.7.4 Methodological Scope**

Regarding the research's methodology, it mostly used cross-sectional survey and explanatory research design.

## **1.8 Definition of terms**

#### **Product:**

Product shall be defined in different ways. For example, one can define product as a physical object that is sold and has a tangible characteristic or in our case, it might be a complex set of benefits that can be used to meet customers' needs.

#### **Price:**

In our context, price shall be defined as fees the bank charges its customers, the interest rate that the bank collects from its borrowers, the commission that is collected from customers for import export activities, etc.

#### **Promotion:**

It refers to the advertising, personal selling, sales promotion, public relations and direct marketing activities. Distribution channels are the most important issues about how an organization can optimize a connection between inner and outer channels.

**Place:**

Theoretically, place refers to distribution channels, market coverage, product inventory, transportation and distribution sites. However, in our case, place refers to the Branch networking or accessibility where the Banking service is provided by the Bank.

**Marketing Mix:**

The term "marketing mix" describes the mixture of several marketing components, including product, promotion, place, price, and others, all of which are intended to increase demand for a certain service.

**Business Performance:**

Theoretically, business performance is the accomplishment of a given task measured against present standards, accuracy, completeness, cost and speed. However, in our case, business performance is basically measured by profitability, local currency mobilization, market share or customer base, total loan disbursement and the like.

**Mass marketing:**

Mass marketing is a marketing strategy in which a firm markets its products or services to a large number of people simultaneously. It refers to marketing products or services to the mass. This strategy is currently adopted by Bank of Abyssinia and has been effective strategy in the past few years. In mass marketing, people are targeted based on their demographic groups like age, gender, or location. It can also be done by targeting niche markets that have similar interests. There are two major benefits of mass marketing:

- Raising brand awareness, and,
- Extending advertising reach that means, gaining customers outside of the target demographic is possible.

## **1.9 Organization of the thesis**

This research paper will incorporate five chapters.

**Chapter One:**

The opening section provides a summary of the study's introduction, the history of the company being studied, the problem statement, the fundamental research questions, the study's objectives, its significance, its scope, its restrictions, and the definitions of some key terms used in the study.

**Chapter Two:**

A synopsis of the marketing strategy literature, including definitions, underlying presumptions, and key concepts relating to market strategy and market performance, is presented in the 2<sup>nd</sup> part, which deals with the review of pertinent literature and attempts to offer the theoretical foundation for the study. Incorporating the conceptual framework of the study's findings into a summary of various literature results.

**Chapter Three:**

The third chapter makes an attempt to present an overview of the methodology to be used in carrying out the research activity by stressing the overview of the research field and the methodologies to be applied as a guide for a quantitatively-based descriptive investigation.

**Chapter Four:**

The fourth chapter of this research will discuss the study's results. The first half of this chapter discusses how the marketing approach affected Bank of Abyssinia's financial performance. The second section examines the marketing strategy variables, such as the product, promotion, pricing, and location. The third section analyses the marketing plan and company performance using descriptive, correlational, and regression methods. The management of strategic marketing company performance is covered in the fourth and final section.

**Chapter Five:**

The research's findings and suggestions for improving Bank of Abyssinia's business performance in relation to the marketing strategy the bank has chosen are tabulated at the last episode.

# CHAPTER TWO

## 2. Relevant Literature Review

### Introduction

The review of relevant literature on the concepts of marketing, marketing strategies, theories of marketing strategies, how they affect business success, and how they relate to bank business performance measurement of bank business performance, and similar topics is covered in this chapter of the research. Empirical studies on marketing strategy and business performance, Business Performance of Banks Ethiopian, continental and worldwide studies shall be reviewed.

### 2.1 Theoretical Literature Review

Through the creation, provision, and unrestricted exchange of goods and services of value with other people, marketing is a social process through which individuals and groups fulfill their needs and desires. As a managerial term, marketing has frequently been defined this way (Philip Kotler 2002, pp 1).

Creating, communicating, and providing value to customers while managing customer relationships in a way that benefits the organization as a whole and its stakeholders are the main objectives of marketing inside a corporation. AMA (2004), American Marketing Association. On the other hand, marketing strategy is an organization's integrated pattern of decisions that specify its crucial choices regarding products, markets, marketing activities and marketing

resources in the creation, communication and/or delivery of products that offer value to customers or consumer in exchanges with the organization and thereby enables the organization to achieve its specific objectives (Varadarajan 2010, pp. 119).

The business unit intends to adopt a marketing mix approach to accomplish its marketing objectives. Marketing strategy, according to Kotler (2007), consists of choices regarding a

company's marketing budget, marketing mix, & allocations in connection with expected competition and prevailing factors.

Aremu and Lawal (2012), consider strategy as a pattern of resource allocation decisions made throughout an organization. This recapitulates both desired goals and beliefs about what are acceptable and most critically unacceptable means for achieving them. Aremu and Lawal, (2012) say that strategy implies that the analysis of the market and its environment, customer buying behavior, competitive activities and the need and capabilities of marketing intermediaries.

It is also defined as; with awareness of the limitations imposed by society, marketing is a philosophy that urges the company to make sure that the requirements and wishes of customers in specific target markets are reflected in all of its actions and activities.

According to Kotler (2003), marketing strategy focuses on target customers. The company chooses a market, divide it into segments, select the most viable ones and consolidates its forces in the service segment. Companies create a marketing mix, using the tools at its disposal: product, price, distribution, sales support. The organization conducts marketing analysis of marketing plans and executes them in order to determine the optimal marketing mix and be able to take necessary action. By observing the surroundings and adapting to it, it performs these tasks.

According to Ennew and Waite (2007), firms in the financial services sector have often been sluggish to take a strategic approach to their marketing activities. For a very long time, according to him, the marketing of financial services was primarily focused on finding the greatest strategies for promoting and selling a line of already available goods in a particular market is the essence of marketing, contrary to popular belief. But marketing is more than that. Understanding consumers and choosing the best way to meet their needs and desires should be the focus of a strategic marketing plan for the financial services industry. Additionally, it must concentrate on the rivalry and consider ways to exceed significant rivals or competitors.

### **2.1.1 Marketing Mix Elements**

Marketing mix refers to the combination of the elements of marketing and the roles each element plays in promoting products and services and delivering those products and services to the customers (Yohannes Fekadu, June 2018).

When a service company creates a complete service offerings to suit consumers' needs, wants and expectations in aggressively competitive markets, such business is said to be creating a product (Tilley, 1999).

In the view of banking businesses, different types of accounts shall be considered as the products that the bank offers to its customers. It is clearly known that the product in banking service marketing mix is intangible in nature (Yohannes Fekadu, June 2018). Citing Kotler, and Keller, 2007, Yohannes further said that like material products such as clothes or shoes, service products cannot be calculated. The banking service is a good example. According to Lovelock and Wirtz (2006), the core product is animated constituent of the services offered and mainly addresses two questions; first, “What do the buyers get when they purchase the product” and “What business are we in”.

However, Mohammad Anwar and Hossain Md. Zahidul Islam (2015) asserted that there are seven (7) components of the marketing mix. They are physical evidence, product, pricing, promotion, place, people, and process.

## **2.1.2 Elements of Marketing Strategy;**

### **2.1.2.1 Promotion strategy:**

According to Ennew et al. (2000), the definition of a promotion strategy is "the extension of a service organization that uses the components of promotion activities and elements in formulating a service promotion strategy." There are a number of promotional activities that are to be practiced by a bank; such as advertisement, personal selling, discount on services etc. (Mittal and Mittal, 2009). Strategies to craft the consumer aware of the existence of a product or service. Promotions have become a serious factor in the service marketing especially for Banking Services. Visualization tangibles services through hoardings, print and TV campaigns or advertisements. Marketing communication helps in differentiating the services when there is no noticeable difference is available (Jauhari and Dutta 2009).

### **2.1.2.2 Product strategy:**

According to Tilley (1999), a product is the result of a service provider creating a full service portfolio to satisfy customers' requirements and desires in fiercely competitive markets. In view of Banking Businesses, different types of accounts, credit facilities, services, and the like are the products that a bank offers to customers. The products in service marketing mix is

intangible in nature. Like material products such as stationery or soap, service products cannot be calculated. Banking services can be a good example (Kotler, and Keller, 2007). According to Lovelock and Wirtz (2006), the core product is the main constituent of the services offered and basically addresses two questions; first, “What do the buyers get when they purchase the product” and “What business are we in”?

### **2.1.2.3 Place strategy:**

According to Thornton and White (2001), place strategy is the extension of a service organization that use outlets and activities to establish a service distribution strategy. Appropriate location for the bank denotes the service distribution especially in association with banking service provision. The place is a part of the marketing mix (7Ps) is where the customer receives the product or Banking service. Place in case of services, determine where the service product is going to be located or performed. Place in banking services means providing banking services at right time in convenient way (Borden, 1964). People (the service providers) refers to an outgrowth of a service organization (which might be a bank) that practices its business in a customer-oriented manner, placing the client at the heart of business operations (Doyle, 1999).

Place in marketing mix means the place and form of providing product to the consumers (Grzywacz, 2006). It refers to the steps taken by a firm to make a product available to the intended market or customers (Kotler et al., 2008). Distribution channels and physical distribution procedures are the two primary components of the location strategy. (Mühlbacher et al., 2006). People (employees), organizations, and institutions are the distribution channels via which products or services are supplied to customers (Mühlbacher et al., 2006).

### **2.1.2.4 Price strategy:**

Pricing strategy is the division of a service organization that implements pricing practices and procedures for determining service prices (Carson et al., 1998). In this instance, "price" refers to the bank-set interest rates on loans as well as fees and commissions for other services. Pricing for services is more challenging than it is for things. According to Muhammad Anwar and Hossain Md. Zahidul Islam (2015), the cost of the product is determined by the services the Bank offers to clients for each specific product. Price is defined as "What is given up or

sacrificed to obtain a product" by Zeithaml (1988). According to Jacoby and Olson (1977), the objective price of a good or service is its actual cost.

#### **2.1.2.5 People strategy:**

People strategy shall mean existing manpower (Human Resources) who works in the particular bank and also customers. The word "People" is used in services marketing in two different perspectives. One for employees, i.e., internal marketing while another for customers, i.e., external marketing. In this way the term people indicates both employees and customers in service marketing (Mohammad Anwar and Hossain Md. Zahidul Islam, 2015). As a result, everyone who is directly or indirectly involved in the use of financial services is crucial to the extended marketing mix (7Ps). 1995 (Hubbert).

#### **2.1.2.6 Process strategy:**

Process strategy for service organizations refers to the growth of a service organization that has established methodical, customer-focused procedures for an effective service delivery process. The actual procedures, mechanisms, and activity flow by which the offering is given are referred to as the process dimension (Verma, 2000). In our case, process for banking service the process of delivering the different services to the customers. Service process is the way in which a service is delivered to the end consumer or customer. A process is a particular operation or method of a series of steps and actions, typically involving multiple steps that often need to take place in defined sequences. Due to its unique nature, the Service provider and the customer are inseparable and the customers are present during service delivery, and hence, process is important for customer satisfaction. Technology has a significant influence on the growth of service delivery options (Dabholkar & Bagozzi, 2002).

#### **2.1.2.7 Physical Evidences Strategy**

Physical evidence can be used to determine how actively service giving company is building a customer-friendly environment at their workplace (Kasper et al., 1999). As for the banking industry, physical evidence refers to the existing physical arrangement of a branch office of the bank or the layout and others arrangements within a branch for delivering services. Physical evidence is the substantial part of a service. As we all know, there are no physical attributes to service, so a consumer tends to rely on material cues. The physical evidences may include signage, office layout, brand, headed paper, reports, punch lines, other tangibles, employee

dress code etc. Tangibles are defined as the appearance of physical facilities, furniture and equipment, personnel and communication material (Zeithaml et al., 2009).

The tangible indicators in the physical environment of a service providing firm influences behaviors of customers and their future purchase decisions (Burgers et al., 2000). Customers and consumers look at the tangible elements and assume about the service company and its performance (Lenka et al., 2009). Better tangible appearances of service quality of the bank branches enhance customers' satisfaction (Lenka et al., 2009).

### **2.1.2.8 Mass Marketing Strategy**

Mass marketing is the process of appealing to an entire market rather than one targeted group. The mass marketing technique of Bank of Abyssinia uses mostly direct marketing up to door to door customer acquisition beyond using mass distribution and mass media to reach the widest audience possible. Ideally, mass marketing aims to advertise to the highest number of potential customers and it's about a product that is intended to be sold to as many people as possible, not just to people with a lot of money or particular needs or interests rather, it is just reaching the mass. This marketing strategy can be done through implementation of various modalities such as simplifying the marketing and sales processes, cross-selling products more effectively, close monitoring of deposit balances, enhancing the efficiency of various performance issues etc. Mass marketing helps the bank through increasing its customer base and its resource mobilization through acquisition of new customer and due to this, the impact of mass marketing on BoA's business performance is expected to be positive for this study. For the purpose of this study, customer base of the bank is used as a proxy for mass marketing.

### **2.1.2.9 STP (segmentation, target marketing and positioning)**

#### **➤ Market Segmentation**

Market segmentation is the practice of breaking down a large customer base into smaller groups of consumers made up of both current and potential customers in order to discover segments of the larger market. A consumer-focused tactic that may be applied in almost any market is market segmentation. (2018) (Camilleri, M. A.). On the other hand, key components of every marketing plan are market segmentation and target market identification. In addition, segmentation involves dividing a market along lines of affinity, likeness, or commonality. In

this instance, the consumers who make up that particular market group have some things in common.

In order to attain a competitive advantage inside a segment, segmentation focuses marketing efforts and resources on that subdivision or market segment.

Actually, each consumer has unique demands, interests, resources, and habits. Since it is almost impossible to meet every customer's specific wants, marketers group customers into market groups based on characteristics they share. It is possible to create a marketing mix for this industry that appeals to every customer because of these similar characteristics (Carole H. Anderson, 2000).

### **Bases for Market Segmentation:**

A Market can be segmented on the following basic customer characteristics:

#### **A) Demographic Market Segmentation**

Market segmentation that takes gender, age group, income status, and education level into consideration as common demographic characteristics is known as demographic segmentation. Some brands, for instance, only appeal to women, while other brands only appeal to men. Music downloads are often promoted to children, whilst audio devices are typically sold to aged people. Levels of education are frequently used to define market segmentation. For instance, private elementary schools may decide to focus on well-educated individuals who are young women.

#### **B) Geographic Market Segmentation**

As for geographic segmentation of a market is concerned, perhaps it is the most common form of market segmentation. For instance, companies may choose to market their products in certain geographic areas, such as regions even countries. A brand or product might only be available in a specific state, market area, or even one specific region.

Geographic Segmentation can be of different types such as urban Vs rural, northern part Vs southern part of a country, warmer areas Vs cold, high humidity areas Vs dry areas and the like.

#### **C) Behavioral Market Segmentation**

Behavioral segmentation of a market on the other hand might be based on the customer behavior toward a certain products or services. The behavioral variables on the segmentation may include; benefits sought from a product or service, usage rate of a product or service,

brand loyalty for a specific product or service, user status and other variables such as first time usage of that specific product occasions of the use of that specific product and the like.

#### **D) Psychographic or Lifestyle Market Segmentation**

Market segmentation based on psychographic or lifestyle factors takes into account customer attitudes, values, behaviors, emotions, perceptions, beliefs, interests, and other factors regarding a product or service.

##### **➤ Target Marketing**

Coming to target marketing, after segmentation, the next step that is target marketing, requires a corporation to decide which segments to concentrate its resources on. The portion is actually selected through targeting. A group of customers the business chooses to gratify that have similar requirements or traits. Target marketing is a tool used by companies to provide to particular markets. Undifferentiated, focused, and differentiated targeting methods are the three main types. During the targeting process, the business unit must balance its resources and competencies against the attractiveness of other areas (P. Kotler 2007, p. 360.)

##### **➤ Positioning**

In terms of positioning, it refers to the use of marketing to help customers visualize your product or services in their minds (in comparison to competing goods). The art of positioning involves figuring out how a product or service should be viewed by a target market in comparison to its competitors. It provides an answer to the question: "Why would someone in the target market(s) choose to purchase my product or service over that of the rivals?" What should be the perceived worth of my offering in comparison to the competition? is an equivalent query (Kotler P. 2007).

### **2.1.3 Business Performance Management:**

According to Mark N. Frolick and Thilini R. Ariyachandra 2006, Business Performance Management is a consolidation of concepts that companies have been practicing for some time, such as data warehousing, business intelligence, and total quality management. This single integrated concept is focused on enhancing corporate performance.

Citing Iervolino 2004, Mark N. Frolick and Thilini R. Ariyachandra 2006 furtherer said that Business Performance Management involves a range of integrated operational and analytical processes that accomplish two sequential tasks. First, it facilitates the creation of strategic goals by specifying specific objectives and key performance indicators that are significant to the organization. Second, it supports the subsequent management of the performance to those

targets. The objectives and indicators are then associated with operational metrics and linked to performance incentives, which lead to effective strategy implementation throughout the company.

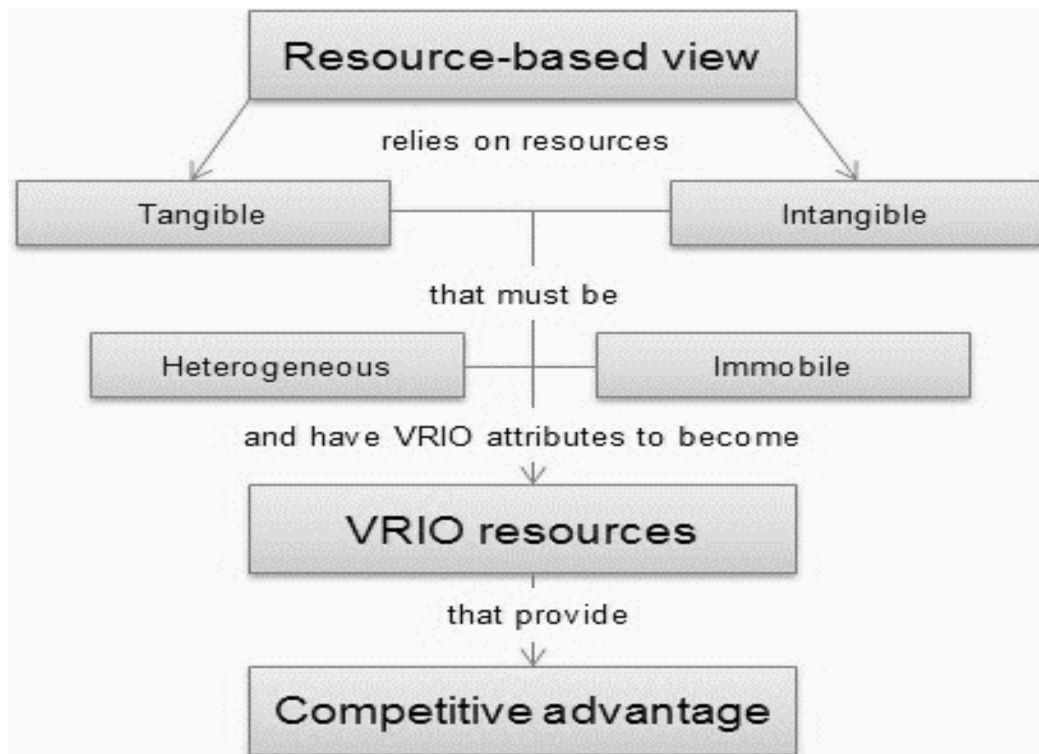
### **2.1.3.1 Resource Based View (RBV) Theory:**

According to the notion of resource-based view (RBV), a firm's competitive advantage is explained by the distinctiveness, rarity, and imitable resources it has developed and that have fueled corporate expansion. The limitation of the RBV is that it only explains a firm's competitive advantage in a static context, which is problematic for businesses operating in rapidly evolving markets (Samsudin & Ismail, 2019).

The organization would need to use its core strengths in strategic planning from a resource-based perspective (RBV) in order to attain returns that are more than average (Hitt, Ireland, & Hoskisson, 2017).

However, 1990s onwards, scholars of international businesses have paid close attention to the notion of dynamic capability, which explains a firm's competitive advantage from the perspective of a dynamic and fast-moving environment. Businesses and organizations use the resource-based view as a framework and tool for strategic management to identify and make the best use of the available resources in order to create a sustainable competitive advantage for the company. It is built on evaluating, recognizing, and strategically aligning resources that will ensure to enhance competitiveness to enterprises and organizations. According to the RBV, all organizations and businesses have access to, ownership of, and control over resources, which allows them to gain a competitive advantage. Therefore, a portion of these resources also enable superior long-term performance. Ownership and control of significant resources can lead to a long-lasting, sustainable competitive advantage, which adds to the discussion of these resources.

**RBV Model: The concept is taken from Jay B. Barney (2001) theory on RBV**



Advocators of RBV contend that rather than focusing on the competitive environment, businesses should look within to identify sources of competitive advantage. According to the RBV model, resources play a vital part in assisting businesses in achieving improved organizational performance.

According to RBV theory, resources are of two types. Namely, tangible and intangible ones. The tangible ones refers to the physical existence and those with no physical existence is intangible ones.

In our context, tangible assets of the Banking sector incorporates physical assets such as land and buildings, furniture and fixtures, machinery and equipment, inventory and supplies, facilities and infrastructure, and the like. While the intangibles ones include non-physical assets but with financial value such as Banks' brand and reputation, goodwill, patents and copyrights, trade names, customer experience, patented technologies, computer software, databases, and

trade secrets, customer lists, franchise agreements, customer and supplier relationships, managerial talents, Human Resources, etc.

### **2.1.3.2 Dynamic Capabilities Theory:**

Citing Teece, Pisano, and Shuen (1997) Samsudin & Ismail, 2019 defined dynamic capabilities as the ability of the firm to combine, develop and reconfigure external and internal expertise in order to respond to speedily changing environment. The relationship between dynamic capabilities and organizational performance has indicate a positive relationship based on empirical studies (Hung et al., 2010).

Dynamic Capabilities theory, was first developed to clarify how businesses succeed in dynamic business settings by concentrating on the skills they use to gain a competitive advantage (Beske, Land, & Seuring, 2014, p. 3). The dynamic capabilities approach, which is an extension of the resource-based perspective, contends that organizations must constantly align, adjust, and reconfigure their resources and capabilities in a dynamic and volatile environment to ensure continued innovation and above-average returns on investment (Teece, 2009). The ability of a firm to integrate, develop, and reconfigure internal and external resources and competencies to meet and influence quickly changing business environments (Teece et al., 1997, 1990).

#### **2.1.3.2.1 Dynamic Capabilities and Business Performance**

According Teece (2017) Business performance can be considerably improved by building the ability to effectively increase capabilities. Organizations with dynamic capacities have an essential evolutionary process that helps individuals solve challenges, make better decisions, foster creativity, and implement the organization's goals more successfully. Utilizing specific methods of a different routine, an organization's dynamic capacities, such as the expression of implicit knowledge and experience accumulation, should alter. Therefore, the development of dynamic talent within organizations has the potential to be unique. Organizational effectiveness is measured by the achievement of increased profit margins, a larger market share, and the rate of business growth. Similar to that Lodato (2014) argument that is Business performance is a measure using actual results or organizational outcome determined using goals and objectives. Some of the goals are financial performance that are measured by profits, Return on Assets,

Return on Investment, performance of products in the market that is sales, market share, and returns of wealth of shareholders. Dynamic Capabilities (DC) on the other hand can usefully belong to three clusters of activities and adjustments namely identification and assessment of an opportunities that is sensing, mobilization of resources to address an opportunity and to capture value from doing so that is seizing and continued renewal or transforming.

Alemayehu Geda (2006) asserts that one of the primary goals of financial institutions is to mobilize resources, particularly domestic savings, and direct them toward potential investors. Additionally, Bobakova (2003) stated that any bank's primary goals should be to maximize profit, maintain market share, and carry out all business.

#### **2.1.4 Bank Business Performance:**

Various performance parameters are there for the banking industry. To mention some, Return on Assets (RoA), Return on Investment (RoI), capital adequacy etc. However, in our case, the major Business Performance indicators of commercial banks focuses on profitability, customer base (market share), and, deposit (resource mobilization).

Alemayehu Geda (2006) asserts that one of the primary goals of financial institutions is to mobilize resources, particularly domestic savings, and direct them toward potential investors. Additionally, Bobakova (2003) stated that any bank's primary goals should be to maximize profit, maintain market share, and carry out all business.

## **2.2 Empirical Review**

Empirical review on the other hand refers to researches with conclusions of the study that is strictly drained from concretely empirical evidence which is verifiable with evidence.

A variety of empirical studies were conducted to evaluate how marketing strategy affected market performance. For instance, Yohannes Fekadu (2018) conducted study to determine how Lion Bank workers felt about market performance and the effect of marketing strategy. The researcher employed both descriptive and inferential statistics, as was evident from the study. His study's pool included the branches in the Addis Ababa district as well as the personnel at every level of the bank in Addis Abeba as its target demographics. Only staff working at 15 of the 47 branches in Addis Abeba were chosen as samples using straightforward random lottery

procedures. The researcher's findings indicate that bank personnel have strong market strategy understanding with regard to product, pricing, site, and marketing.

According to Muthengi (2017), a marketing strategy is a way to direct an organization's efforts and resources toward a course of action that may improve sales and enable it to dominate a specific market niche.

Cavusgil and Zou's (2009) empirical investigation confirmed that product adaptation is related to company financial success, including profitability, return on investment, return on assets, and other metrics, in addition to sales growth.

Additionally, Cavusgil and Zou (2009) noted that the effectiveness of the organization as a whole is positively impacted by product adaptation as a worldwide market strategy. The internal and external business environments that have a beneficial impact on a company's performance should be considered in the market strategy in order for a corporation to securely adjust to various worldwide marketplaces (Bailey, 2008).

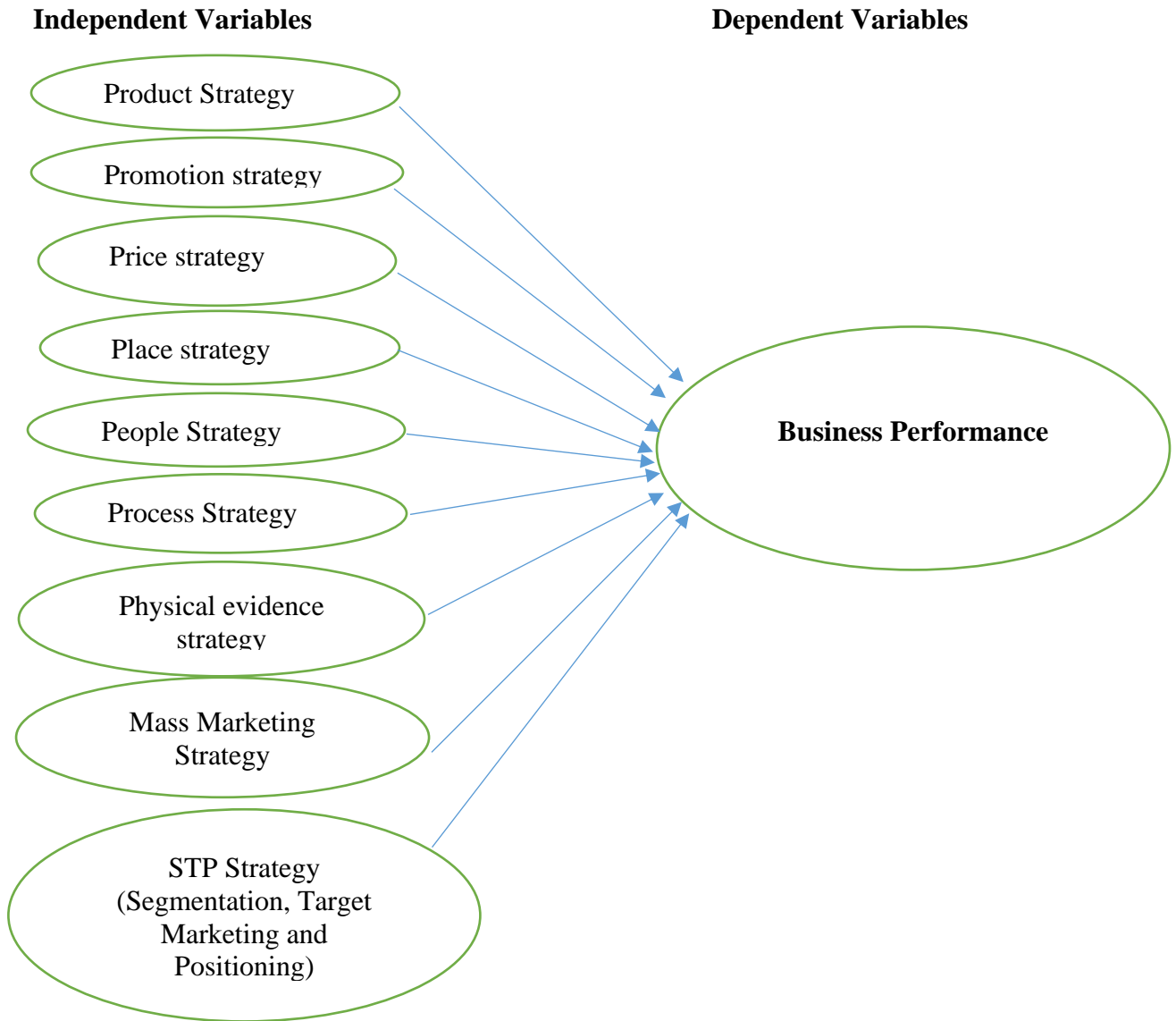
More factual Studies have demonstrated the connection between marketing strategy and effectiveness. For instance, Moola C. (2017) studied how marketing tactics affected the sales performance of Small and Medium Enterprises in Kenya, and she found a strong correlation between all of the marketing mix's components and sales success. In contrast, Alita et al. (2012) looked at how promotional techniques affected banks' performance. These researchers discovered a beneficial connection between advertising tactics and bank performance. In addition, Ayedunet al. (2014) looked at how marketing techniques affected the corporate performance of estate surveying and valuation enterprises in Nigeria's Kaduna metropolitan. The study found a positive correlation between the organizations' corporate performance and the marketing methods they utilized.

## **2.3 Conceptual Framework/Foundation**

For this research, the conceptual framework listed below was created. The framework is to show the overall effect of independent variables in our case product, promotion, price, place, people, processes, mass marketing strategy, STP strategy and physical evidence on the independent variable which is business performance.

The framework illustrates the relationship between the independent variables or marketing mix elements and the dependent variable that is the business performance in bank of Abyssinia.

### **Independent and Dependent Variables Framework**



The concept of the framework is adopted from Abubakar Suleiman (Abubakar Tafawa, Balewa University and Muhammad Sallsu Usman (Federal University, Kashere, 2020).

## **2.4 Relationship between Independent and Dependent Variables**

### **2.4.1 Relationship between Product Development Strategy and Business Performance**

According to Mihalj, Dejan and Dragon (2019), Product and service innovation is essential for establishing competitiveness. Innovation is a step in the right direction in terms of meeting consumer demands and expectations. For a firm, innovation should go beyond merely redesigning, changing, or purportedly improving the good or service. Innovation is a strategic advantage that fosters competition and ultimately improves business performance. They further said that the technological process of product and service innovation is used to establish a link between business performance and market orientation. Although business success is sometimes referred to as an organizational statistic, it is actually the result of numerous other technological factors.

Therefore, Hypothesis- 1 that is, Product Development Strategy has positive and significant effect on Business Performance has been developed.

### **2.4.2 Relationship between Promotion Strategy and Business Performance**

The success of brand promotion depends on the company's positive reputation and image in a cutthroat industry. According to Khoshtaria, Datuashvili, and Martin (2020). The idea of brand extension or loyalty is necessary for the concept of brand promotion. Additionally, brand promotion gives a company a competitive edge in a cutthroat market. Promotion thus affects how businesses operate across all industries.

Therefore, Hypothesis-2 that is the development of a promotion strategy has a good and significant impact on business performance.

### **2.4.3 Relationship between Placing/Branch Networking Strategy and Business Performance**

According to Gorchels, West, and Marien (2004), a distribution channel is a group of interconnected businesses that participate in the process of making a good or service accessible for use or consumption.

On the other hand, Physical movement, warehousing, product ownership, pre and post-sale operations, order processing, credit and collections, as well as other diverse types of support activities, can also be considered a distribution channel (Gorchelset al. 2004). When a good or service is made available to consumers or business users for use or consumption, whether directly or indirectly through intermediaries, that act is known as distribution (Wren, 2007).

Placing/Branch networking in our case refers to accessibility to the customer at large or market coverage. Accessibility through various means to the customers/potential customers is critically important and affects the business performance of service providers in particular the Banking Services during such a stiff competition situation.

Therefore, Hypothesis-3 that is placing/ the development of a branch networking strategy has a good and significant impact on business performance.

#### **2.4.4 Relationship between People Strategy and Business Performance**

In 2012, Booms and Bitners said that people refers to all people directly or indirectly involved in the service encounter, namely the firm's contact employees, personnel and other customers. It is clearly known that service businesses such as banking heavily rely on the capacity of contact personnel to supply the service due to the inseparability of production and consumption for services, which entails the simultaneous production and consumption of services. Banking service in particular heavily rely on the service providing personnel.

On the other hand, “People” is used in services marketing in two different perspectives. One for employees, i.e., internal marketing while another for customers, i.e., external marketing (Mohammad Anwar and Hossain Md. Zahidul Islam, 2015).

Both the internal people (the employees) and the external people (the customers) play critical role in the survival of organizations. Whatever technologies are employed, the human element has paramount importance for banking services and heavily impacts the business performance or profitability.

Therefore, considering that, Hypothesis-4, which is the development of a people strategy has a positive and significant impact on business performance.

## **2.4.5 Relationship between Pricing Strategy and Business Performance**

Pricing decisions, according to Monroe (2003), is among the most crucial management choices as it does have a great impact on a company's profitability, return on investment, market competitiveness, and business performance as a whole.

Pricing of bank's products such as credit facilities, commissions on International Banking services, charges on various digital banking services and the like have direct impacts on business performance in particular profitability.

Taking into that, Hypothesis-5 that is the development of a pricing strategy has a positive and significant impact on business performance.

## **2.4.6 Relationship between Process Strategy and Business Performance**

Process refers to the procedures and steps of the service provision to be followed. Services often involve a series of acts and processes since they are performances or actions done for or with the customers. These actions come together to form a service process that customers evaluate. In connection with the banking sector, process can be described as the customer service provided by the bank staff as well as by the non-human machine. There are more chances for tailoring the service to the demands of the customers because service is developed as it is consumed and the client is frequently involved in the process.

In the service giving industry in particular in the banking sector, process is more critical than non-service giving organizations.

Sulieman I. Shelash Al-Hawary, Anber A, Shlash Mohammad, Bahaà Abdul-Hafez Attallah Al-Nady (2018) said that Service quality is a significant determinant of customer satisfaction, and the basic factor that affects customer satisfaction.

Therefore, high quality service is an increasingly important weapon to survive, the higher service quality was, the higher customer satisfaction, the higher profitability or market share or deposit performance or the higher business performance in general in connection with banking business.

Hence, taking in to account the serious impact of Process on business performance, Hypothesis-6 that is the development of Process Strategy has an important and favorable effect on business performance.

### **2.4.7 Relationship between Physical Evidence Strategy and Business Performance**

Physical evidence of the Banking sector incorporates all the tangible representations such as the Branch office layout, the ATM outlets design, the ITM centers design, the passbook designs, the brand, branded letterhead, business cards, formats, vouchers, signage, and all other tangible/visible items. These physical evidences believed to be directly or indirectly impacts business performance.

Booms and Bitners stated in 2012 that the physical facility, or its services cape, can have a significant impact in the service experience due to the simultaneous production and consumption of most services.

Therefore, Hypothesis-7 that is the development of the Physical Evidence Strategy has a favorable and significant impact on business performance.

### **2.4.8 Relationship between Mass Marketing Strategy and Business Performance**

Mass Marketing strategy as a marketing strategy is believed to impact the overall performance of Businesses. In particular in the Banking sector, mass marketing is a means to increase the market share and customer base of Banks by reaching the mass community. Increase in customer base as well as market share means increase in business performance. As such Hypothesis 8, which is the development of a mass marketing strategy has a favorable and significant impact on business performance.

### **2.4.9 Relationship between STP (Segmentation, target marketing, and positioning) strategy and Business Performance**

Citing Frances Brassington and Pettit's (1997) research, Tahsina Khan (2013) said that market segmentation is a crucial issue for every organization as different groups and customers have distinct traits and preferences, which are aspects that businesses must take into account. Thus, segmentation is a stage in which the business identifies all groups of potential customers by

classifying them according to their wants, demands, requirements, and other distinctive features. As a result, that will become the set of choices to be chosen based on the attractiveness of the market(s). Same is true for target marketing and positioning. The all are applicable to increase customer satisfaction and eventually business performance.

Market segmentation is the process of establishing market segments and breaking down a large customer base into smaller consumer groups made up of both current and potential customers. Prior to moving on to positioning, which explains how a target market should be aware of a product or service in relation to rivals, a company must decide which segments to concentrate its resources on in target marketing. This method aids in finding and acquiring customers, which ultimately boosts sales and ultimately performance.

As such STP is believed to impact business performance and hence Hypothesis- 9 that is the development of the STP strategy has a good and significant impact on business performance.

## **2.5 Research Hypothesis:**

**H-1:** The development of product strategy has a good and significant impact on business performance.

**H-2:** The development of promotion strategy has a good and significant impact on business performance.

**H-3:** The development of branch networking strategy has a good and significant impact on business performance.

**H-4:** The development of people strategy has a positive and significant impact on business performance.

**H-5:** The development of pricing strategy has a positive and significant impact on business performance.

**H-6:** The development of process strategy has a positive and significant impact on business performance.

**H-7:** The development of physical evidence strategy has a positive and significant impact on business performance.

**H-8:** The development of a Mass Marketing strategy has a positive and significant impact on business performance

**H-9:** The development of STP (Segmentation, target marketing, and positioning) strategy has a favorable and meaningful effect on business performance.

# CHAPTER THREE

## 3. Research Methodology

### Introduction

The Research Methodology is the main topic of this chapter of the research paper, which also covers the research design, data types and sources, data collection methods, data processing, and data analysis, last but not least ethical considerations.

### 3.1 Research Design

As clearly indicated in the above pages, the main reason for this study is to assess the impact of marketing strategy on business performance of Bank of Abyssinia. Both the independent and dependent variables of the research are outlined.

Exploratory research has been used to conduct this study. Exploratory research enables the researchers to better understand the prevailing situation (Twinn, 1997). Exploratory research aids in developing a hypothesis about what is actually happening and lays the groundwork for additional investigation; it is not a method for reaching definitive results (Elo & Kyngas, 2008).

### 3.2 Data collection and data sources

Theoretically, there are two sources of data for a research. These data sources are primary and secondary sources. Thus, the researcher has used primary data sources to collect the required information.

Employees of Bank of Abyssinia who are working in various capacities here in Addis Abeba are the primary source of data for this study. The basic data is gathered using surveys that were given to bank workers. The major data gathering tool was a questionnaire that was carefully written and organized. To encourage responders to fill out the questionnaire, the researcher tried to make the questionnaire's design and layout simpler.

### **3.3 Data Collection Techniques**

To gather pertinent information from sample respondents, a structured questionnaire with a Likert scale with a range of 1 (strongly disagree) to 5 (strongly agree) is given to randomly chosen employees. In this scenario, the questionnaire used a five-level Likert scale with closed-ended questions.

The questionnaire is made up of three primary sections. The respondents' demographic data makes up the first section. Questions about the dependent variable of the study, business performance, were asked in the third section of the questionnaire. Each of the nine independent variables of the study was covered in detail in the second section of the questionnaire. Self-administered questions are included in the questionnaire's initial section in order to gather background data from respondents that is important to the study. The respondents were asked for details about their gender, age, educational background, and employment history.

The second section of the questionnaires included queries on each of the nine (9) independent variables of marketing strategy, including mass marketing, segmentation, target marketing, and positioning (STP). These variables are promotion strategy, product strategy, price strategy, place strategy, people strategy, process strategy, and strategy for physical evidence. Each response has been rated using a 5-point Likert scale ranging from 1 to 5. Strongly disagree (1), disagree (2), neutral (3), agree (4) and strongly agree (5).

The third part of the questionnaire will incorporate questions on the dependent variable that is on Business Performance. Similarly, a 5-point Likert scale ranging from 1 to 5. Strongly Disagree (1), disagree (2), neutral (3), agree (4) and strongly agree (5) are used.

### **3.4 Methods of Data processing and Data Analysis**

The researcher analyzed the data using both descriptive and inferential statistics to make the interpretation of the research easier. The research's findings are examined using SPSS version 16.0, the Statistical Package for Social Sciences.

### **3.5 Sampling Technique and Population of the Study**

The targeted population for this research are employees of Bank of Abyssinia who have direct relationship with marketing strategy as well as Business performance of the Bank working on different District offices and Head quarter at different departments here in Addis Ababa.

The Bank has three city District Offices namely, West Addis Ababa District Office, East Addis Ababa District Office and Central Addis Ababa District Office. On the other hand, there are four Departments that have direct relationship with marketing strategies such as new product development, promotion, Branch opening, people, pricing, and the like. These are, Marketing Department, Deposit Mobilization Department, corporate planning Department, and Human Resources Department. Cluster sampling technique is employed or applied for this study.

**Table – 1 population of the study**

<b>Location of staff</b>	<b>Number of staff</b>
Number of staff at Marketing Department	20
Number of staff at Corporate Planning Department	32
Number of staff at Human Resource Management Department	40
Number of staff at Deposit Mobilization Department	30
Number of staff at Central Addis Ababa District Office	52
Number of staff at East Addis Ababa District Office	66
Number of staff at West Addis Ababa District Office	60
<b>Total Population</b>	<b>300</b>

Therefore, the total population of the research is 300.

The research is conducted with 5% marginal error and 95% confidence interval.

Hence, sample size of this research is designed as follows:

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

**Where:** n= the sample size/ required sample size

N = the total population size

1 = designates the probability of the event occurring.

e= the level of precision (Sampling error that can be tolerated)

Therefore sample size of the research shall be calculated as:

$$n = \frac{300}{1+300(0.05*0.05)}$$

$$n = \frac{300}{1+0.75}$$

$$n = \frac{300}{1.75}$$

$$n = \underline{\underline{171}}$$

Therefore, the sample size of the research shall be 171. The researcher shall distribute 171 questionnaire to those selected Department and District office employees and officials.

## 3.6 Validity and Reliability

### 3.6.1 Validity

According to Mark Saunders, Philip Lewis, and Adrian Thornhil in 2009, the validity of a data collection process or procedures relates to how well they capture the variables they were designed to. Saunders went on to say that validity determines how accurate the research findings are or whether the measurement tool accurately measures what is supposed to evaluate.

The design of the questionnaires is based on past similar studies as well as a review of relevant literature so as to ensure the validity of the research findings. In addition, the researcher of this study evaluated the instrument's content validity utilizing the advice of academic experts, the designated advisor, and the banking sector.

### 3.6.2 Reliability

Reliability, according to Creswell J. in 2008, is a gauge of internal consistency. When the instrument is used, it is to assess showing whether the scores are steady over time and whether the item responses are consistent across constructs.

The researcher has employed a Cronbach's alpha test so as to evaluate the internal consistency of the instrument, which is the questionnaires generated, in order to estimate the reliability of the instruments used in this research.

The Cronbach's Alpha Coefficient value should ideally be over 0.7, per Creswell J., 2007, because the closer it is to 1, the higher the internal consistency.

The dependability of the questionnaires created by the researcher was evaluated using a convenience sample of 10 respondents, and the results are listed below the relevant tables.

**Table -2 Reliability Test of variables under study  
Case Processing Summary**

		N	%
Cases	Valid	10	100.0
	Excluded <sup>a</sup>	0	.0
	Total	10	100.0

a. Listwise deletion based on all variables in the procedure.

**Table - 3 Average Cronbach's Alpha test result (considering all variables the study)**

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.941	38

**Table - 4 Cronbach's Alpha test result (considering individual variables)**

<b>Variables</b>	<b>Cronbach's Alpha (<math>\alpha</math>)</b>	<b>N of Items</b>
Product Development Strategy	0.903	3
Promotion Strategy	0.791	3
Price Strategy	0.300	3
Place Strategy	0.713	3
People Strategy	0.713	3
Process Strategy	0.776	3
Physical Evidence Strategy	0.590	3
Mass Marketing Strategy	0.886	4
STP Strategy	0.886	9
Business Performance	0.803	4

*Source: own survey (2023)*

Therefore, as can be seen from the above tables, the average Cronbach's alpha value is 0.941 for all variables under study. On the other hand, considering the individual result, Cronbach's alpha value of the seven Independent Variables, is greater than 0.7 indicating high degree of internal consistency of the instruments applied.

### **3.7 Ethical Consideration**

The respondents' anonymity and the confidentiality of the information the company and its employees are required to provide are honored. Additionally, all study subjects gave their consent freely and without being under any duress or compulsion. There was no harm done to the research subjects, the study was independent, and any conflicts of interest or prejudice were made obvious. Additionally, the information provided by the interviewees is exclusively for scholarly purposes and has no ulterior motives.

# CHAPTER FOUR

## 4. Data Presentation, Analysis, and Interpretation

### Introduction

This chapter of the research, dealt with data presentation, analysis, and interpretation. The research is conducted to know the effect of Marketing Strategy on Business Performance in the case of Bank of Abyssinia. The first part of the chapter describes the response rate, Reliability Test, and demographic characteristics of respondents such as age, gender, educational level, and work experience. The next component covers Descriptive Statistics with respect to the marketing plan and business performance/achievement and also the inferential analysis. Discussion of the results is also presented at the chapter's conclusion.

### 4.1 Response Rate

A total of 171 questionnaires were distributed to the sample respondents. Of the total 171 questionnaires, 152 were returned while 19 were not returned at all. Therefore, 88.88% response rate is acceptable as indicated in various literatures.

**Table 5 Response Rate of respondents**

Total Number of questionnaires distributed	Total number of valid questionnaire returned	Number of questionnaire not yet returned	Response Rate for valid questionnaire
171	152	19	88.88%

*Source: Own survey (2023)*

## 4.2 Demographic Profile of Sample Respondents

Table - 6 Demographic profile of respondents

<b>Gender</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	Male	104	68.4	68.4	68.4
	Female	48	31.6	31.6	31.6
	<b>Total</b>	<b>152</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Age</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	20-25	56	36.8	36.8	68.4
	26-30	36	23.7	23.7	31.6
	31-35	25	16.4	16.4	<b>100.0</b>
	36-40	21	13.8	13.8	68.4
	Above 40 years old	14	9.2	9.2	31.6
	<b>Total</b>	<b>152</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Work Experience</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	1-5	77	50.7	50.7	50.7
	6-10	35	23.0	23.0	23.0
	11-15	27	17.8	17.8	17.8
	Above 15 Years	13	8.6	8.6	8.6
	<b>Total</b>	<b>152</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Educational Level</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	Diploma	9	5.92	5.92	5.92
	Degree	87	57.24	57.24	57.24
	Master's Degree	56	36.8	36.8	36.8
	<b>Total</b>	<b>152</b>	<b>100.00</b>	<b>100.0</b>	<b>100.0</b>

Source: Survey data (2023)

As can be seen from the survey data, 68.4% of respondents were male and rest 31.6% were female. In this regard, the majority of respondents were male in gender.

Age wise, 36.8% were 20-25 years old, 23.7% were 26-30 years old, 16.4% were 31-35 years old, 13.8% fall between 36-40 years of age and the rest 9.2% were older than 40 years. Therefore, the majority of the respondents were between 20-25 years old but the age group between 26 and 30 years old came in second place with 23.7% of the total. This tells us that the majority of Bank of Abyssinia's staff is younger generation.

In terms of work experience, 50.7% of all respondents have between one and five years of experience. 6–10 years of work experience are reported by 23% of respondents. 11–15 years of work experience are represented by 17.8% of all responses. Not to mention, 8.6% of the responders had more than fifteen years of professional work experience. 50.7 percent of the respondents in this case have one to five years of job experience. According to this, the majority of respondents that is 50.7% have 1–5 years of job experience, followed by 6–10 years representing 23% of the total respondents.

As for the educational level, 57.24% of the total respondents are first degree holders and 36.8% have second or Master's Degree. Only 5.92% of the respondents were Diploma Holders. No PHD holder among the respondents.

### **4.3 Descriptive Statistical Analysis of Variables**

In this part of the data analysis of the research, descriptive statistics of responses to survey questions are analyzed as follows.

#### **4.3.1 Descriptive Analysis of Product Development Strategy**

Respondents were asked three questions about the effect of product development strategy of Bank of Abyssinia on business performance. The result of their response is tabulated hereunder the table below.

**Table - 7 Mean & Standard Deviation of Product Development Strategy**

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
Bank of Abyssinia is very innovative in development of new products/services	152	4.4079	.73110
Bank of Abyssinia always reviews the effectiveness of its products and services	152	3.8684	.85880
Bank of Abyssinia has a wide range of products	152	4.2303	.70448
<b>Grand Mean and Standard Deviation</b>		<b>4.2303</b>	<b>0.7647</b>

*Source: own survey (2023)*

As illustrated on the above table, the Grand Mean 4.2303 with Standard Deviation of 0.7647 for Product Development Strategy designate that most of the respondents have leaned towards the strong level of agreement with the questions they were asked to rate about the product Development of Bank of Abyssinia indicating that Product Development Strategy is an important variable for Business Performance. Specially, the product innovation of the Bank is high according to the respondents as depicted above with mean value of 4.4079.

### **4.3.2 Descriptive Analysis of Promotion Strategy**

In order to gauge the respondents' agreement or disagreement with the Bank of Abyssinia's promotion approach, three questions were posed to them. Output of the respondents answer is analyzed in the table below under table 8.

**Table - 8 Mean & Standard Deviation of Promotion Strategy**

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
Overall promotions of Bank of Abyssinia are very informative about its products and services	152	3.7039	.99561
The message presented to the public on any media by bank of Abyssinia are easily understandable	152	4.0724	.77290
The overall promotions of bank of Abyssinia on various media creates awareness to the public about its unique products and services	152	3.8158	.80906
<b>Grand Mean and Standard Deviation</b>	<b>152</b>	<b>3.8640</b>	<b>0.85919</b>

*Source: own survey (2023)*

Poonlar Btawee (1987) graded the mean score, which varies from 3.51-4.50, as being in a good range. Therefore, bank's promotion strategy has an impact on its business performance, according to the grand mean of 3.8640 and standard deviation of 0.85919. Moreover, the respondents stated their high agreement regarding the message presented to the public on any media by bank of Abyssinia are easily understandable as justified by the mean value of 4.0724 with standard deviation 0.7729.

### 4.3.3 Descriptive Analysis of Placement/Branch Networking Strategy

Here, respondents were asked to state their opinion regarding the placement/Branch Networking Strategy of Bank of Abyssinia. The result of the Place/Branch Networking Strategy is indicated hereunder table 9.

**Table - 9 Mean & Standard Deviation of Placement/Branch Networking**

<b>Descriptive Statistics</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Branch location of bank of Abyssinia are very convenient and easily accessible	152	3.7171	.76702
Banking services of bank of Abyssinia are easily accessible through various outlets such as branches ,POS,ITM,ATM and the like	152	4.0000	.76340
Branches, ATMs. POS, and ITM centers of bank of Abyssinia are fairly distributed in the country	152	3.5724	.82672
<b>Grand Mean and Standard Deviation</b>	<b>152</b>	<b>3.7631</b>	<b>0.7857</b>

*Source: own survey (2023)*

The accessibility of the Bank's service through various outlets such as Branches, POS, ITM, and ATM has a significant impact on the Business performance of the Bank as justified by Mean value of 4.00 with standard deviation of 0.7634. Moreover, the mean value of 3.7631 with grand Standard Deviation 0.7857 is an indication that the overall Placement/Branch Network Strategy of the Bank has an effect on its business performance.

### 4.3.4 Descriptive Analysis of Price Strategy

Coming to the Pricing Strategy of the Bank, in order to know the level of agreement or disagreement towards the effect of pricing strategy of the bank on its business performance, three questions were prepared. Summary of the analysis of the pricing strategy is indicated on table 10.

**Table - 10 Mean & Standard Deviation of Price Strategy**

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
Bank of Abyssinia interest rates on loans and advances, commissions and charges are faire compared to others	152	3.4605	1.00252
In setting prices for services, bank of Abyssinia reviews the competitors price	152	3.4342	.76920
The pricing strategy of bank of Abyssinia goes with strategic objective of the bank	152	3.5987	.81590
<b>Grand Mean and Standard Deviation</b>	<b>152</b>	<b>3.4978</b>	<b>0.86254</b>

*Source: own survey (2023)*

The respondents level of agreement/disagreement regarding the pricing strategy of the Bank ranges from Mean vale of 3.5987 with Standard Deviation 0.8159 to 3.4342 with standard deviation of 0.7692. Besides, the Grand Mean value is 3.4978 with Standard Deviation of 0.8625. This indicates that the effect of pricing strategy on business performance is somehow lower compared with other Strategies. Poonlar Btawee (1987) assessed the mean score, which runs from 3.51-4.50, as a good range.

### 4.3.5 Descriptive Analysis of People Strategy

One of any organization's most important resources is its people strategy. In this study, participants were asked to rate how much they agreed or disagreed with the bank's personnel. The outcome of the analysis is tabulated under table 11.

**Table - 11 Mean & Standard Deviation of People Strategy**

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
Employees of the Bank of Abyssinia are knowledgeable about the products/services of the Bank.	152	4.1382	.83030
Employees of bank of Abyssinia are knowledgeable about the key strategies of the bank	152	4.0526	.76157
Employees of the Bank of Abyssinia are highly disciplined and are motivated.	152	4.1447	1.00599
<b>Grand Mean and Standard Deviation</b>	<b>152</b>	<b>4.1118</b>	<b>0.8659</b>

*Source: own survey (2023)*

Grand Mean value of 4.1118 with Standard Deviation 0.8659 indicates that the respondents agreement on the effect of People strategy of the bank on its Business Performance. The respondents expressed great agreement with the above illustrated impact of people strategy on business performance.

### **4.3.6 Descriptive Analysis of Process Strategy**

Process Strategy of the Bank refers to the service quality that is rendered by the Bank through different means such as Branch Offices, through various Digital Means such as Mobile Banking, ATM, and the like. In this connection, respondents were asked about the process strategy and their response is indicated here under table 12.

**Table - 12 Mean & Standard Deviation of Process Strategy**

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
Bank of Abyssinia provides fast and efficient services to its customers.	152	4.0987	.88220
The Digital Banking services such as Mobile Banking and ATM services of Bank of Abyssinia are user friendly and easy to perform without support	152	3.5789	1.10103
The customer service delivery at the counter area at Bank of Abyssinia is within the SDT developed by the bank.	152	3.7697	.87247
<b>Grand Mean and Standard Deviation</b>	<b>152</b>	<b>3.8157</b>	<b>0.9519</b>

*Source: own survey (2023)*

The mean value 4.0987 with standard deviation 0.8822 refers to respondents' agreement on the positive influence of process strategy on the business performance of the Bank, specially the fast and efficient service. This is further witnessed by Grand Mean value of 3.8157 with Grand Standard Deviation of 0.9519.

### 4.3.7 Descriptive Analysis of Physical Evidence Strategy

Physical Evidence Strategy refers to the Branch Office layout and design as well as the ATM and ITM physical attraction. To determine the respondents' level of agreement with the Bank's physical evidence strategy, question were prepared on the subject and the table below indicates the physical evidence strategy descriptive analysis.

**Table - 13 Mean & Standard Deviation of Physical Evidence Strategy**

<b>Descriptive Statistics</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
The standard Branch office layout (Branding) of Bank of Abyssinia is very attractive.	152	3.6447	1.20379
The standard Branch office design (counter area) or customer service area of Bank of Abyssinia is very convenient for customers	152	3.5987	1.01159
The Interactive Teller Machine as well as the ATM center's physical layout of Bank of Abyssinia are designed in an attractive way.	152	4.0592	.80753
<b>Grand Mean and Standard Deviation</b>	<b>152</b>	<b>3.7675</b>	<b>1.0076</b>

*Source: own survey (2023)*

In general, the overall mean of 3.7675 with standard deviation 1.0076 indicates the respondents' positive view towards the physical evidence strategy of the Bank towards its impact on financial performance.

In particular, the respondents were in favor of the attractiveness of the Interactive Teller Machine as well as the ATM center's physical layout of Bank of Abyssinia.

### 4.3.8 Descriptive Analysis of Mass Marketing Strategy

Mass Marketing is one of the Marketing Strategies that is believed to impact the overall business performance. In order to assess this, sample respondents were requested to rate their level of agreement as indicated under table 14.

**Table - 14 Mean & Standard Deviation of Mass Marketing Strategy**

<b>Descriptive Statistics</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
The mass marketing strategy that is adopted by Abyssinia Bank has positively impacted the profitability of the Bank.	152	3.5066	1.13346
The mass marketing strategy that is applied by Abyssinia Bank has positively impacted the customer base (market share) of the Bank.	152	3.7961	.98558
The mass marketing strategy that is adopted by Bank of Abyssinia has positively impacted the deposit (resource) mobilization of the Bank.	152	3.7368	1.15510
The mass marketing strategy that is adopted by Bank of Abyssinia has positively impacted the overall business growth and performance of the Bank.	152	3.8224	.81462
<b>Grand Mean and Standard Deviation</b>	<b>152</b>	<b>3.7154</b>	<b>1.02219</b>

*Source: own survey (2023)*

Table 14 indicates the level of agreement of respondents towards the impact of marketing strategy on business performance. The Mean and Standard Deviation of respondents ranges from 3.8224 with standard deviation 0.8146 to 3.5066 with standard deviation 1.1334.

The Grand Mean is also 3.7154 with Grand Standard Deviation of 1.0221 implies that the majority of respondents are in strong agreement about how the Bank of Abyssinia's business performance is impacted by its mass marketing strategy.

#### **4.3.9 Descriptive Analysis of STP (Segmentation, Target Marketing and Positioning) Strategy**

In order to know the level of agreement of respondents on STP (Segmentation, Target Marketing and Positioning) Strategy of Bank of Abyssinia, some nine questions were prepared and the response is analyzed here under table 15.

**Table - 15 Mean & Standard Deviation of STP Strategy**

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
Bank of Abyssinia uses geographic location as bases for segmentation	152	3.6316	.82738
Bank of Abyssinia uses demography as bases for market segmentation.	152	3.6842	1.07606
Bank of Abyssinia uses Behavioral segmentation as bases for market segmentation.	152	3.5789	1.01984
In addition to the Mass Marketing practice, Bank of Abyssinia does have targeted groups of customers	152	3.7105	.90350
Bank of Abyssinia has unique services for special target customers.	152	4.0395	.82896
Bank of Abyssinia has special offers for special target customers.	152	3.9934	.82588
Bank of Abyssinia has positioned itself in the minds of its customers due to quality service it provides	152	3.9474	.77022
Bank of Abyssinia has positioned itself in the minds of its customers due to its special products.	152	3.9539	.64427
Bank of Abyssinia has positioned itself in the minds of its customers due to the technology that it has adopted.	152	4.1711	.59553
<b>Grand Mean and Standard Deviation</b>	<b>152</b>	<b>3.8567</b>	<b>0.8324</b>

*Source: own survey (2023)*

As depicted on the descriptive analysis of STP, the 152 respondents replied their level of agreement towards the applicability of STP strategy.

With a mean value of 3.6316 and a standard deviation of 0.82738, the geographic location segmentation used by Bank of Abyssinia is mostly accepted by the majority of respondents. The same is true for Demographic as well as Behavioral Segmentations as depicted by Mean value of 0.6842 with standard deviation of 1.0760 and Mean value of 3.5789 with standard deviation of 1.0198, respectively.

As for the target marketing, mean value of 3.7105 with standard deviation of .90350 as well as mean value of 4.0395 with standard deviation .82896 both depicts the high level of agreement of respondents towards the practice of target marketing in addition to the mass marketing strategy.

On the other hand, mean value of 4.1711 with standard deviation .59553 indicates that the respondents' high level of agreement on positioning that is Bank of Abyssinia has positioned itself in the minds of its customers due to the technology that it has adopted.

In general Mean Value of 3.8567 with Standard Deviation 0.8324 on STP indicates that the applicability of STP strategy at Bank of Abyssinia and their impact on Business Performance.

### 4.3.10 Descriptive Analysis of Business Performance

In order to assess the degree of agreement of respondents on the overall Business Performance of Bank of Abyssinia, respondents were asked questions regarding the subject and the outcome is analyzed hereunder table 16.

**Table - 16 Mean & Standard Deviation of Business Performance**

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
The profitability of Bank of Abyssinia has increased significantly in the past few years.	152	4.2171	.63993
The deposit (resource mobilization) of Bank of Abyssinia has increased significantly in the past few years.	152	4.3224	.68669
The customer base (Market Share) of Bank of Abyssinia has increased significantly in the past few years.	152	4.3158	.64511
The overall business performance of Bank of Abyssinia has increased significantly in the past few years' time.	152	4.4211	.61468
<b>Grand Mean and Standard Deviation</b>	<b>152</b>	<b>4.3191</b>	<b>0.6466</b>

*Source: own survey (2023)*

Table 16 depicts that in all the questions raised, the respondents high level agreement on the overall Business Performance of Bank of Abyssinia in the past few years as justified by overall the mean value of 4.3191 with standard deviation of 0.6466.

The table further witnessed the respondents' high level of agreement on the overall Business performance of bank of Abyssinia in terms of profitability, resource mobilization, and market share as measured by mean values.

**Table - 17 Summary of Descriptive Analysis**

<b>Descriptive Statistics</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Product development strategy	152	4.1689	.56900
People Strategy	152	4.1118	.68404
Promotion strategy	152	3.8640	.64917
STP (Segmentation target marketing and positioning strategy)	152	3.8567	.58859
Process strategy	152	3.8158	.76512
Physical evidence strategy	152	3.7675	.84662
Placement Strategy/ Branch networking strategy	152	3.7632	.61215
Mass marketing strategy	152	3.7155	.91259
Pricing strategy	152	3.4978	.70632
Valid N (listwise)	152		

As illustrated in the above table, all the respondents have agreed on the positive effect and significance of Marketing Strategies on Business Performance of Bank of Abyssinia. The Product Development Strategy comes first followed by people strategy, promotion strategy, STP (Segmentation target marketing and positioning strategy), process strategy, Process Strategy, process strategy, Physical Evidence Strategy , placement strategy/Branch Networking Strategy, Mass Marketing Strategy and last pricing Strategy.

## **4.4 Inferential Analysis**

To determine whether there is a statistically significant relationship between the two variables, namely the independent and dependent variables, this study has performed both correlation analysis and regression analysis.

### **4.4.1 Correlation Analysis**

A correlation coefficient can be used to show how two or more variables are related. Correlation is probably the easiest and most practical technique to assess the relationship between two or more variables, claim Marczyk et al. 2005.

Kothari (2004) claims that the coefficient is a single number with a range of -1 to +1. Kothari further claimed that Pearson correlation is the most widely used method for assessing the size, direction & strength of correlations between the dependent and independent variables.

To test and check the effects of Marketing Strategies on Business Performance of Bank of Abyssinia, the researcher has used Pearson Correlation Analysis.

Gujarati (2009) stated the following:

- Correlation Coefficient of +1 implies perfect correlation,
- A Coefficient of +0.60 - 0.99 is a strong correlation,
- A Coefficient of +0.3 - 0.59 is a moderate correlation, and,
- +0.1- 0.29 is a weak correlation.

For this research, a Bivariate Correlation has been applied to analyze the relationship between the Dependent Variable, that is Business Performance and each of the nine Independent Variables of Product Strategy, Promotion Strategy, People Strategy, Price Strategy, Placing/Branch Networking Strategy, Process Strategy, Physical Evidence Strategy, Mass Marketing strategy, and STP Strategy using two tailed statistics at 95% level of significance.

**Table - 18 Pearson Correlations Coefficient**

Correlations											
		Product development strategy	Promotion strategy	Placemat strategy	Pricing strategy	People Strategy	Process strategy	Physical evidence strategy	Mass marketing strategy	STP Strategy	Business Performance
Product development strategy	Pearson Correlation	1	.357**	.392**	.513**	.626**	.500**	.554**	.272**	.470**	.334**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.001	.000	.000
	N	152	152	152	152	152	152	152	152	152	152
Promotion strategy	Pearson Correlation	.357**	1	.213**	.291**	.129	.152	.203*	.240**	.178*	.347**
	Sig. (2-tailed)	.000		.008	.000	.113	.061	.012	.003	.028	.000
	N	152	152	152	152	152	152	152	152	152	152
placemat strategy	Pearson Correlation	.392**	.213**	1	.220**	.510**	.387**	.380**	.459**	.312**	.326**
	Sig. (2-tailed)	.000	.008		.006	.000	.000	.000	.000	.000	.000
	N	152	152	152	152	152	152	152	152	152	152
Pricing strategy	Pearson Correlation	.513**	.291**	.220**	1	.559**	.578**	.656**	.449**	.757**	.530**
	Sig. (2-tailed)	.000	.000	.006		.000	.000	.000	.000	.000	.000
	N	152	152	152	152	152	152	152	152	152	152
People Strategy	Pearson Correlation	.626**	.129	.510**	.559**	1	.613**	.533**	.462**	.625**	.457**
	Sig. (2-tailed)	.000	.113	.000	.000		.000	.000	.000	.000	.000
	N	152	152	152	152	152	152	152	152	152	152

Process strategy	Pearson Correlation	.500**	.152	.387**	.578**	.613**	1	.767**	.477**	.684**	.365**
	Sig. (2-tailed)	.000	.061	.000	.000	.000		.000	.000	.000	.000
	N	152	152	152	152	152	152	152	152	152	152
Physical evidence strategy	Pearson Correlation	.554**	.203*	.380**	.656**	.533**	.767**	1	.432**	.672**	.380**
	Sig. (2-tailed)	.000	.012	.000	.000	.000	.000		.000	.000	.000
	N	152	152	152	152	152	152	152	152	152	152
Mass marketing strategy	Pearson Correlation	.272**	.240**	.459**	.449**	.462**	.477**	.432**	1	.508**	.299**
	Sig. (2-tailed)	.001	.003	.000	.000	.000	.000	.000		.000	.000
	N	152	152	152	152	152	152	152	152	152	152
STP Strategy	Pearson Correlation	.470**	.178*	.312**	.757**	.625**	.684**	.672**	.508**	1	.520**
	Sig. (2-tailed)	.000	.028	.000	.000	.000	.000	.000	.000		.000
	N	152	152	152	152	152	152	152	152	152	152
Business Performance	Pearson Correlation	.334**	.347**	.326**	.530**	.457**	.365**	.380**	.299**	.520**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	152	152	152	152	152	152	152	152	152	152
**. Correlation is significant at the 0.01 level (2-tailed).											
*. Correlation is significant at the 0.05 level (2-tailed).											

*Source: own survey (2023)*

Table 18 illustrates that Product development strategy, promotion strategy, branch networking strategy, pricing strategy, people strategy, mass marketing strategy, and all STP strategies all have positive correlations with the dependent variable, business performance.

As indicated above, some of the independent variables even have strong correlation while others moderate correlations. For instance, STP is strongly correlated with Business performance as evidenced by ( $r=0.757$ ), ( $r=0.684$ ), and ( $r=0.672$ ). Same is true for physical evidence strategy as evidenced by ( $r=0.767$ ), ( $r=0.672$ ), and ( $r=0.656$ ).

#### 4.4.2 Multiple Regression Models

Multiple regression analysis has been applied to check the effect of all Marketing Strategies (Independent Variables) on Business Performance (the Dependent Variable).

Brooks 2008 said that the most popular and commonly used models for examining the relationship between a single continuous dependent variable and numerous continuous or categorical independent variables are multiple regressions.

Therefore, in our case, multiple regression analysis has been applied to examine the effect of Marketing Strategies namely, Product Development Strategy, Promotion Strategy, Placing/Branch Networking Strategy, People Strategy, Pricing Strategy, Process Strategy, Physical Evidence Strategy, Mass Marketing Strategy, and STP (Segmentation, Targeting, and Positioning) on Business Performance.

According to Ho (2006), researchers can examine the connection between the dependent variable and a group of independent or predictor variables using a statistical model called multiple regression.

#### **4.4.3 Assumptions of Multiple Regression Models**

Hair et al., 2006 said that to check that the data collected accurately represented the sample, and the researcher's findings were the best result, it is vital to address the regression analysis's underlying assumptions.

##### **➤ Linearity Test**

According to Hair et al. (2006), the linearity of the relationship between the dependent and independent variables can be used to determine how much the change in the dependent variables is related to the independent variables.

By having a continuous unit change (slope) of the dependent variable for a constant unit change of the independent variable, linear models can predict values falling in a straight line. The relationship between the dependent variable (Business Performance) and independent variables must be linear in order to support the assumption. It aims to establish whether or not the relationship between the dependent variable and the independent variable (Product Development Strategy, Promotion Strategy, Placing/Branch Networking Strategy, People Strategy, Pricing Strategy, Process Strategy, Physical Evidence Strategy, Mass Marketing Strategy, and STP strategy) is linear. This determination is necessary for both correlation analysis and linear regression analysis.

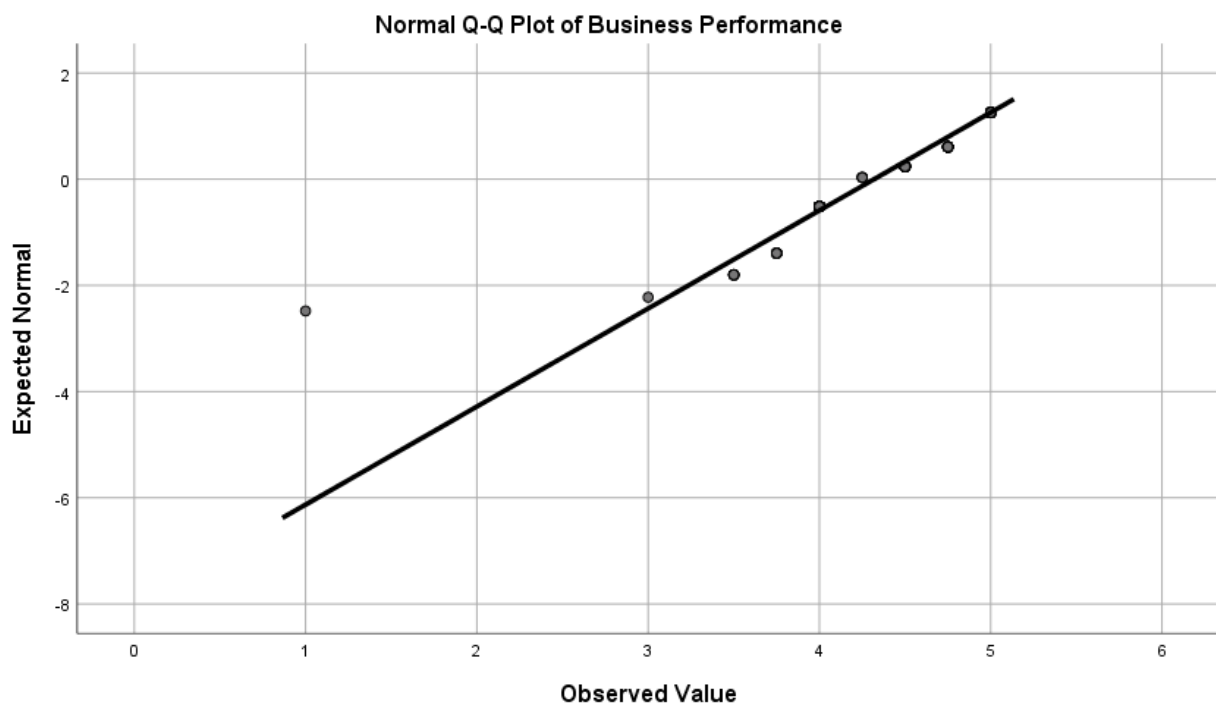
### ➤ Normality Test

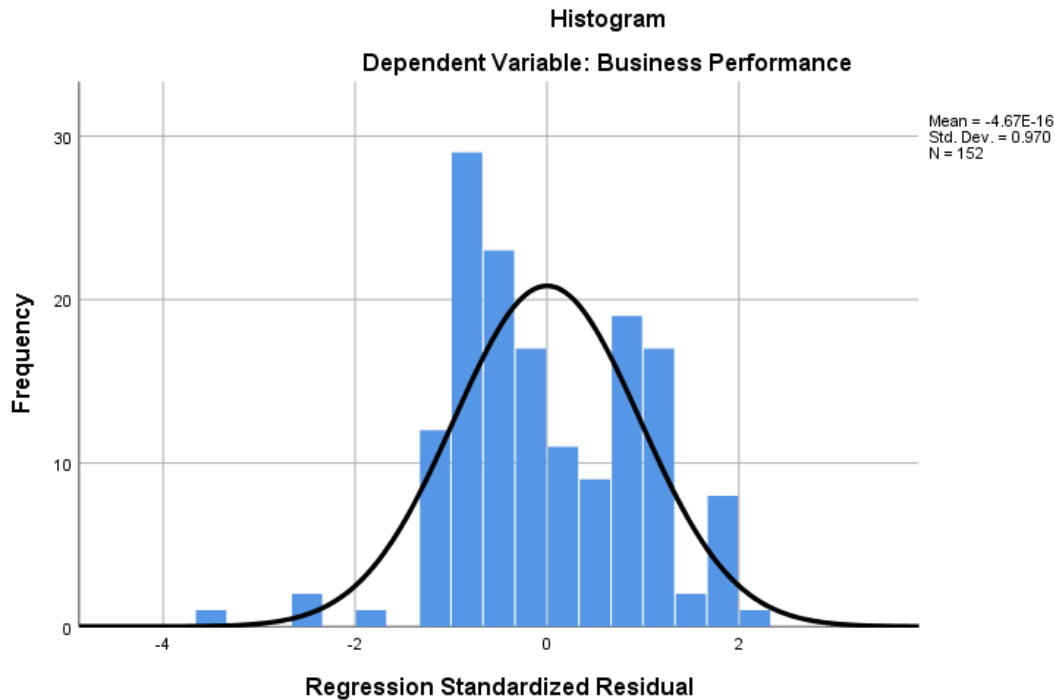
Regression entails that the dependent variable be regularly distributed, which is a key assumption. It is assumed that the sample's numerical data came from regularly distributed populations. This implies that each variable's data values should also follow a normal distribution. There are different methods to test normal distribution. For example, a graphical method could be used to check the test for normal distribution. The histogram is bell-shaped, and the disturbance is normally distributed, according to the data's graphic normality test.

According to Stevens, 2009; Tabachnick & Fidell, 2006, screening for normality is an essential early step when conducting a multiple regression.

In addition to normal probability plots, the variables were subjected to a normality test that included a skewness and kurtosis analysis. While Kurtosis indicates information about the distribution's peakedness, Skewness provides information about the distribution's symmetry (Pallant, 2005).

On the other hand, according to Field (2005), conventional values of skewness between -2 and +2 in absolute value are acceptable. Additionally, a kurtosis statistics value of less than 6 is appropriate to regard that distribution as normal (Mardia, 1970).





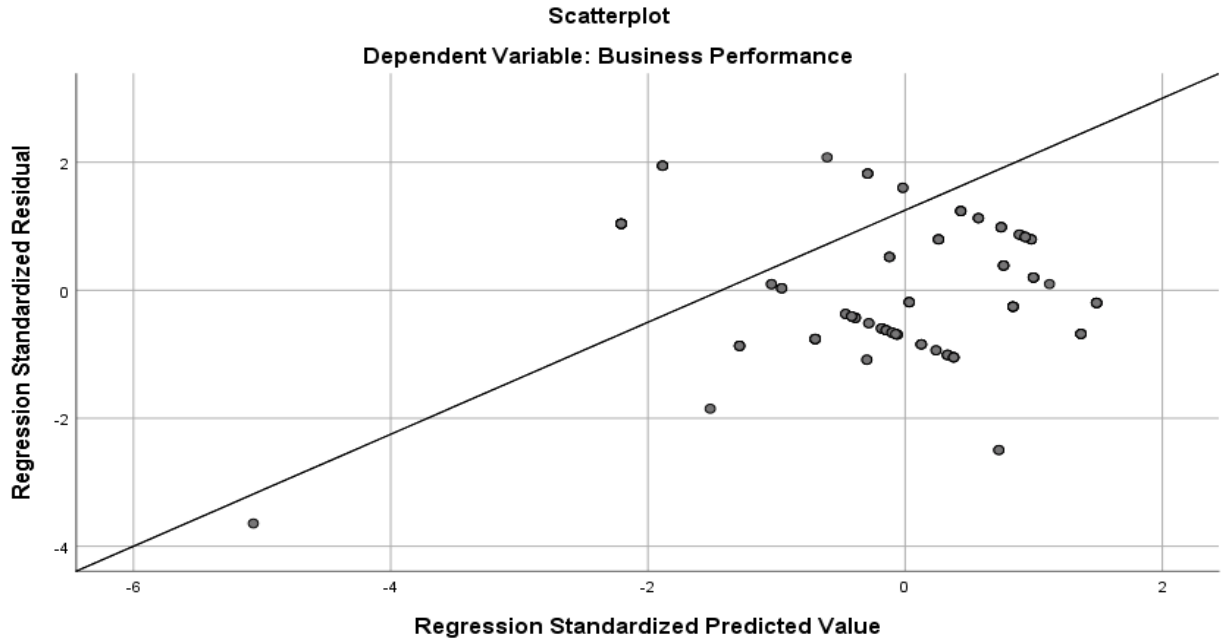
➤ **Multi Collinearity Test**

Multicollinearity in multiple regression analysis, according to Kline (1998), refers to the correlation between the independent variables themselves. Kline, further said that multicollinearity is not a threat if a correlation value is less than 80%. In our case, before making the multiple regression analysis, we have examined the result of multiple correlations among the independent variables and found out that, the pair wise correlation between the independent variables is less than 80%.

➤ **Homoscedasticity Test**

According to this hypothesis, the changes of the error terms are comparable regardless of the independent variables' values. It measures how equally skewed the data values for the dependent and independent variables are.

Osborne & Waters, 2002 also said that homoscedasticity test can be checked by visual examination of a plot of the standardized residuals by the regression standardized predicted value. Specifically, statistical software scatter plots of residuals with independent variables are the method for examining this assumption (Keith, 2006).



Relationship between a group of independent or predictive variables and the dependent variable.

#### 4.4.4 Model Summary

Table - 19 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.640 <sup>a</sup>	.409	.372	.42915

Source: SPSS output

**Predictors:** (Constant), Segmentation target marketing and positioning strategy, Promotion strategy, Branch/placemat networking strategy, Product development strategy, Mass marketing strategy, Process strategy, People Strategy, Pricing strategy, Physical evidence strategy

**Dependent Variable:** Business Performance

#### 4.4.5 Multiple Regression Analysis

Kothari, 2004 claimed that Regression Analysis is a statistical method applied to check the influence of one or more independent variables on a dependent variable. Multiple regression models have been used by the researcher to examine the relationship between business performance and various marketing strategies, including mass marketing, STP, product

development, promotion, branch networking, pricing, people, process, and physical evidence. The analysis's goal is to evaluate how marketing strategies affect business performance and determine which marketing approach has the biggest impact on Bank of Abyssinian's business performance. Following is a summary of the ANOVA and Models;

**Table - 20 Multiple Regression Analysis**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.630	.339		4.813	.000
	Product development strategy	-.135	.091	-.142	-1.493	.138
	Promotion strategy	.208	.061	.250	3.407	.001
	Place Strategy/Branch networking strategy	.145	.073	.164	1.977	.050
	Pricing strategy	.216	.085	.282	2.545	.012
	People Strategy	.171	.084	.216	2.021	.045
	Process strategy	-.040	.080	-.057	-.506	.614
	Physical evidence strategy	-.027	.074	-.042	-.362	.718
	Mass marketing strategy	-.068	.050	-.115	-1.374	.172
	Segmentation target marketing and positioning strategy	.247	.107	.268	2.303	.023

a. Dependent Variable: Business Performance

*Source: SPSS output*

Table 20 illustrates the significance level of the Independent Variables on the Dependent Variable. From the nine independent variables, five of them are significantly affects the dependent variable,

#### 4.4.6 Hypothesis Testing

**H-1:** Product Strategy has a favorable effect and significant impact on business performance of Bank of Abyssinia.

The finding of the multiple regression indicated on table 7 indicates that product development strategy is not significant on the Business Performance of Bank of Abyssinia as justified by beta value of .142 and with significance level of 0.18 that is greater than 0.05. ( $\beta = 0.142$ ,  $p > 0.05$ ).

In this case the hypothesis “Product Development Strategy has positive and significant effect on Business Performance of Bank of Abyssinia” is rejected due to the multiple regression result.

**H-2:** Promotion Strategy positively and significantly impacts business performance of Bank of Abyssinia.

The finding of the multiple regression indicated on table 8 indicates that promotion strategy has positive effect and has a significant effect on Business Performance of Bank of Abyssinia as justified by Beta value of 0.25 and with significance level of 0.001 that is less than 0.05. ( $\beta = 0.25$   $p < 0.05$ ).

In this case the hypothesis “Promotion Strategy has positive and significant effect on Business Performance of Bank of Abyssinia” is accepted due to the multiple regression result.

**H-3:** Branch Networking Strategy positively and significantly impacts business performance of Bank of Abyssinia.

The finding of the multiple regression indicated on table 9 indicates that placing strategy/branch Network strategy has positive effect and has a significant effect on business performance of Bank of Abyssinia as justified by beta value of 0.164 and with significance level of 0.05 that is equal to 0.05. ( $\beta = 0.164 = 0.05$ ).

In this case the hypothesis “placing/branch networking strategy has positive and significant effect on business performance of Bank of Abyssinia” is accepted due to the multiple regression result.

**H-4:** People Strategy positively and significantly impacts business performance of Bank of Abyssinia.

The finding of the multiple regression indicated on table 10 indicates that People Strategy/Branch Network Strategy has positive effect and has a significant effect on Business Performance of Bank of Abyssinia as justified by beta value of 0.216 and with significance level of 0.045 that is less than to 0.05. ( $\beta = 0.216 < 0.05$ ).

In this case the hypothesis “people strategy has positive and significant effect on business performance of Bank of Abyssinia” is accepted due to the multiple regression result.

**H-5:** Pricing Strategy positively and significantly impacts business performance of Bank of Abyssinia.

The finding of the multiple regression indicated on table 11 indicates that Pricing Strategy has positive effect and has a significant effect on business performance of Bank of Abyssinia as justified by beta value of 0.282 and with significance level of 0.012 that is less than to 0.05. ( $\beta = 0.282 < 0.05$ ).

In this case the hypothesis “price strategy has positive and significant effect on business performance of Bank of Abyssinia” is accepted due to the multiple regression result.

**H-6:** Process Strategy positively and significantly impacts business performance of Bank of Abyssinia.

The multiple regression analysis indicated on table 12 indicates that Process strategy is not significant on the Business Performance of Bank of Abyssinia as justified by beta value of .057 and with significance level of 0.614 that is greater than 0.05. ( $\beta = 0.057, p > 0.05$ ). In this case the hypothesis “Process Strategy has positive and significant effect on Business Performance of Bank of Abyssinia” is rejected due to the multiple regression result.

**H-7:** Physical Evidence strategy has positive and significant effect on Business Performance of Bank of Abyssinia.

The multiple regression analysis on table 13 further indicated that physical evidence strategy is not significant on the business performance of Bank of Abyssinia as justified by beta value of .042 and with significance level of 0.718 that is greater than 0.05. ( $\beta = 0.042, p > 0.05$ ). In this case the hypothesis “physical evidence strategy has positive and significant effect on business performance of Bank of Abyssinia” is rejected due to the multiple regression result.

**H-8:** Mass Marketing strategy has positive and significant effect on business performance of Bank of Abyssinia.

The multiple regression as indicated on table 14 indicates that mass marketing strategy is not significant on the business performance of Bank of Abyssinia as justified by beta value of 0.115 and with significance level of 0.172 that is greater than 0.05. ( $\beta = 0.172, p > 0.05$ ). In this case

the hypothesis “Mass Marketing Strategy has positive and significant effect on Business Performance of Bank of Abyssinia” is rejected due to the multiple regression result.

**H-9:** STP (Segmentation, Target Marketing and Positioning) Strategy positively and significantly impacts business performance.

The finding of the multiple regression indicated on table 15 indicates that Pricing Strategy has positive effect and has a significant effect on Business Performance of Bank of Abyssinia as justified by Beta value of 0.282 and with significance level of 0.012 that is less than to 0.05. ( $\beta = 0.282 < 0.05$ ).

In this case the hypothesis “STP (Segmentation, Targeting & Positioning) Strategy has positive and significant effect on Business Performance of Bank of Abyssinia” is accepted due to the multiple regression result.

#### 4.4.7 Anova Analysis

**Table - 21 Anova Analysis**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.123	9	2.014	10.934	.000 <sup>b</sup>
	Residual	26.152	142	.184		
	Total	44.275	151			

**a. Dependent Variable:** Business Performance

**b. Predictors:** (Constant), Segmentation target marketing and positioning strategy, Promotion strategy, Branch/placemat networking strategy, Product development strategy, Mass marketing strategy, Process strategy, People Strategy, Pricing strategy, Physical evidence strategy.

ANOVA table usually indicates that, the dependent variable is strongly predicted by the combination of the independent variables. In particular, the F-ratio denotes the ratio of the improvements in prediction that arise from fitting the model, relative to the wrongness that still exists in the model, when determining if the model is meaningfully better at forecasting the event. The ANOVA table displays the model's overall statistical significance. The significance value of P statistics displays a value (0.000) that is less than p 0.05, which proves that the model is

significant. Due to the high correlation between the predictor and responder variables, it may be concluded that the independent variables have an effect on how well a business performs. The p-value for the F statistic in the ANOVA table, which is .000, which is .05 indicates that at least one of the independent factors is a significant predictor of the dependent variable (Business Performance). This shows that, compared to using the mean value of business performance, the regression model produces a much better prediction of company performance.

#### **4.4.8 Discussion on the Findings**

The main purpose of this research is to investigate the effect of marketing strategies on business performance in Bank of Abyssinia. Besides, the research has managed to answer all the issues that were questioned in chapter one of the research. In order to perform the research work, nine independent variables were considered. These are product Development Strategy, Promotion Strategy, People Strategy, Pricing Strategy, Placing Strategy, Process Strategy, Physical Evidence Strategy, Mass Marketing Strategy, and STP Strategy.

According to the mean value of 4.1689, the descriptive analysis of the research demonstrated that the product strategy has a positive and significant impact on the business performance of the Bank. As a result, we can draw the conclusion that Bank of Abyssinia's product development strategy significantly affects the company's business performance.

Same is true for people strategy as evidenced by mean value of 4.1118 indicating the significant impact of the development of people strategy on the business performance.

On the other hand, promotion strategy is also plays a significant role in the business performance of Bank of Abyssinia as observed from the descriptive analysis with mean value of 3.8640. Same is true for STP strategy. The descriptive analysis further indicated that mean value of STP is 3.8567 confirming the significance of the STP strategy on the business performance.

As for the process strategy, the descriptive analysis mean value of 3.8158 also indicates that the customer service process of the Bank has a positive impact on the Business Performance. On the other hand, the physical evidence strategy, that is the physical appearance of the Bank's Branch layout, ATM Center design, and other office layout has an influence on the business performance of the bank as evidenced by mean value of 3.7675 of the deceptive analysis.

The descriptive analysis further confirmed that the rest three strategies namely pricing strategy, Mass Marketing Strategies, and placement or Branch Networking Strategies have also significant roles on Business performance as evidenced by grand mean values of 3.4978, 3.7155, and 3.7675, respectively.

Various researchers have also confirmed that these marketing strategies significantly impacts the overall Business Performance.

The regression analysis further supported the fact that Promotion strategy, people strategy, Pricing Strategy, Placement/Branch Networking Strategy and STP Strategy have significant impact on business performance. However Product Development Strategy, Physical Evidence Strategy, Process Strategy and Mass Marketing Strategy have less impact on the Business Performance.

# CHAPTER FIVE

## 5. Summary, Conclusion and Recommendations

The research's summary, conclusion, and recommendations were covered in this chapter. These were based on the study's findings. This study aimed to determine the impact of various marketing strategies on the business performance of Bank of Abyssinia, including Product Development Strategy, Promotion Strategy, Placing/Branch Networking Strategy, People Strategy, Pricing Strategy, Process Strategy, Physical Evidence Strategy, Mass Marketing Strategy, and STP Strategy.

Based on the findings of the study, which was acquired through questionnaires issued to 171 staff members of the Bank who are working in various positions across various Departments, the conclusion and recommendations are derived.

### 5.1 Summary of Findings

As was previously mentioned, the main goal of this study was to evaluate and look into how the various marketing strategies (Product Development Strategy, Promotion Strategy, Placing/Branch Networking Strategy, People Strategy, Pricing Strategy, Process Strategy, Physical Evidence Strategy, Mass Marketing Strategy, and STP Strategy) affected the business performance of Bank of Abyssinia.

In order to attain the very objective of the study, the researcher has reviewed relevant literatures, developed questionnaires, distributed to 171 respondents and collected firsthand information. So as to measure the reliability of the instruments used in this research, by taking a sample of 10 respondents using convenience the researcher has used a Cronbach's alpha test.

On the other hand, the researcher has outlined nine objectives and nine research questions that is to be answered by the research result.

The researcher has also developed nine research hypothesis that matches with research questions and specific objectives and tested them by using various statistical parameters. These hypotheses have been tested using the two most popular testing criteria, descriptive and inferential statistics analysis.

In order to determine the mean and standard deviation of the respondents' responses with regard to the impact of Marketing Strategies (Product Development Strategy, Promotion Strategy, Placing/Branch Networking Strategy, People Strategy, Pricing Strategy, Process Strategy, Physical Evidence Strategy, Mass Marketing Strategy, and STP Strategy) on Business Performance, the descriptive analysis has been applied.

### **5.1.1 Descriptive Analysis Summary:**

According to the descriptive analysis, the majority of respondents agreed that all marketing strategies, including those for product development, promotion, placement and branch networking, people strategy, pricing strategy, process strategy, physical evidence strategy, mass marketing, and STP strategy, have a positive impact on business performance as evidenced by (grand mean of 4.2303 with standard deviation 0.7647 for Product Development Strategy), (grand mean of 3.8640 with standard deviation 0.8591 for Promotion Strategy), (grand mean of 3.7631 with standard deviation 0.7657 for placement/Branch Networking Strategy), (grand mean of 3.4978 with standard deviation 0.8625 for Pricing Strategy), (grand mean of 4.1118 with standard deviation 0.8659 for people Strategy), (grand mean of 3.8157 with standard deviation 0.9519 for process Strategy), (grand mean of 3.7675 with standard deviation 1.0076 for physical evidence Strategy), (grand mean of 3.7154 with standard deviation 0.2221 for mass marketing Strategy), (grand mean of 3.8567 with standard deviation 0.8324 for STP Strategy).

In order to show the relationship between the dependent and independent variables, correlation and regression analyses were also used. During the multiple regression assumption testing, the existence of multicollinearity between the independent and dependent variables, the linearity test, and the homoscedasticity test were all investigated.

### **5.1.2 The Inferential Analysis Summary:**

Every Independent Variable, including Product Development Strategy, Promotion Strategy, Placing/Branch Networking Strategy, People Strategy, Pricing Strategy, People Strategy, Mass Marketing Strategy, and all STP strategies, has a positive correlation with the Dependent Variable, which is Business Performance. While some just show modest correlations, several of the independent variables even have substantial relationships. For instance, STP is strongly correlated with Business performance as evidenced by ( $r=0.757$ ), ( $r=0.684$ ), and ( $r=0.672$ ). Same is true for physical evidence strategy as evidenced by ( $r=0.767$ ), ( $r=0.672$ ), and ( $r=0.656$ ).

Coming to the regression analysis result, of the nine independent variables, five of them had positive and significant effect on Business performance as evidenced by;

- Promotion strategy ( $\beta = 0.25$ ,  $P=0.001$ ),  $P < 0.05$ ),
- Placing/ Branch Networking Strategy ( $\beta = 0.164$ ,  $P=0.05$ ),  $P=0.05$
- People Strategy ( $\beta = 0.216$ ,  $P=0.045$ ),  $P<0.05$ ).
- Pricing strategy ( $\beta = 0.282$ ,  $P=0.0120$ ,  $P <0.05$ )
- STP strategy ( $\beta = 0.282$ ,  $P=0.012$ ),  $P <0.05$ ).

This means that the five independent variables mentioned above have a positive and significant impact on the business performance of Bank of Abyssinia, while the other four independent variables Product Development Strategy, Physical Evidence Strategy, Process Strategy, and Mass Marketing Strategy have no bearing on business performance, according to the regression analysis performed.

## **5.2 Conclusion**

In general, the study looked at how the Bank of Abyssinia's marketing strategy (including product development, promotion, placement, branch networking, people, pricing, process, physical evidence strategy, mass marketing, and STP strategy) affected business performance. Nine hypotheses were developed at the outset of the study to explore the connections between the dependent variable, business performance, and the independent variables, marketing strategy and independent variables.

Therefore, based on the major output of the research, all the Marketing Strategies (Product Development Strategy, Promotion Strategy, Placing/Branch Networking Strategy, People Strategy, Pricing Strategy, Process Strategy, Physical Evidence Strategy, Mass Marketing Strategy, and STP strategy) on Business Performance as evidenced by (grand mean of 4.2303 with standard deviation 0.7647 for Product Development Strategy), (grand mean of 3.8640 with standard deviation 0.8591 for Promotion Strategy), (grand mean of 3.7631 with standard deviation 0.7657 for placement/Branch Networking Strategy), (grand mean of 3.4978 with standard deviation 0.8625 for Pricing Strategy), (grand mean of 4.1118 with standard deviation 0.8659 for people Strategy), (grand mean of 3.8157 with standard deviation 0.9519 for process Strategy), (grand mean of 3.7675 with standard deviation 1.0076 for physical evidence Strategy), (grand mean of 3.7154 with standard deviation 0.2221 for mass marketing Strategy), (grand mean of

3.8567 with standard deviation 0.8324 for STP Strategy). However, the regression analysis, depicted that out of the nine Marketing Strategies only five of the them have positive result and significance on the Business Performance of Bank of Abyssinia as justified by Promotion strategy ( $\beta = 0.25$ ,  $P=0.001$ ),  $P < 0.05$ ), Placing/ Branch Networking Strategy ( $\beta = 0.164$ ,  $P=0.05$ ),  $P=0.05$ , People Strategy ( $\beta = 0.216$ ,  $P=0.045$ ),  $P < 0.05$ ), Pricing strategy ( $\beta = 0.282$ ,  $P=0.0120$ ,  $P < 0.05$ ), STP strategy ( $\beta = 0.282$ ,  $P=0.012$ ),  $P < 0.05$ ).

In general, we may draw the conclusion that Bank of Abyssinia's marketing initiatives have a favorable impact and are important for its business performance.

## 5.3 Recommendations

Based on the findings of the research, the researcher has recommended the following:

- The Multiple Regression Analysis result depicted that from the nine Marketing Strategies under study, five of them namely Promotion strategy, Placing/Branch Networking Strategy, People Strategy, Pricing strategy, and STP strategy have high effect on the Business Performance of Bank of Abyssinia. However, the significance of the other four independent variables namely; Product Development Strategy, Physical Evidence Strategy, Process Strategy, and Mass Marketing Strategy on corporate business performance is less. Therefore, Bank of Abyssinia should focus on these marketing strategies with low effect on Business Performance so as to improve their impact on the overall business performance of the Bank. The bank is expected to review the effectiveness of its products as well as it needs to improve its service quality as both product and service quality are important factors for profitability, customer base, market share, and the like. Same is true for the physical evidence and mass marketing strategies.
- Bank of Abyssinia has various products that are designed to attract customers and eventually increase its profitability, market share and deposit mobilization. So as to meet the purpose, the Bank should review frequently the effectiveness of its newly developed products and should make amendments if needed.
- Process Strategy refers to the customer service provision at Branch level and at other service outlets such as ATM, PoS, Interactive Teller Machine and the like. Therefore the Bank should improve its service provision through various outlets so as to increase its impact on its Corporate Business Performance.
- Physical Evidence on the other hand refers to the physical presence and design of Branch Office, ATM machine, and others service outlets. Same here, in order to increase the effect of physical evidence strategy, the company has to work on these issues.
- On the other hand, the impact of mass marketing strategy on the Corporate Business Performance of the Bank is limited as observed from the regression analysis output. Therefore, the company has to review its mass marketing strategy so as to improve its influence on Business Performance.

## **5.4 Recommendations for further studies**

- The research is made based on information obtained from some selected Departments and District Offices of the company that might not be exhaustive. Futures studies shall be expanded to other sections and Branch Offices in order to make it more exhaustive and representative.
- The research is based on inputs obtained from the staff of the company only, future studies shall incorporate inputs from the customers and other stakeholders.
- The research is made based on data obtained from a single Bank. Future studies might increase the number of Banks at national level so that the research out shall benefit the industry as a whole.

## List of References:

- Aliata, V. L., Odondo, A. J., Aila, F. O., Ojera, P. B., Abong'o, B. E., & Odera, O. (2012). "Influence of promotional strategies on banks performance. *International journal of Business, Humanities and Technology*, 2(5), PP 169-178.
- American Marketing Association (AMA) (2004) *Marketing News 2004*, p. 1.
- Ayendu, C. A., Oloyede, S. A., Oluwunmi, A. O., & Oyedele, M. O. (2014). *The effect of Marketing Strategies on Corporate Performance of Estate Surveying and Valuation Firms in Kaduna Metropolis of Nigeria. American International Journal of Social Science*, 3(4), pp 202-209.
- Beske, P., Land, A., & Seuring, S. (2014). Sustainable Supply chain Management Practices and Dynamic Capabilities in the food industry: A critical analysis of the literature. *International Journal of Production Economics*.
- Bintu M. (2017). *Journal of Marketing and Consumer Research*, Vol. 31.
- Booms and Bitner (2012), *Extended Marketing Mix*, Continuum Learning PTD LTD
- Borden, N.H. (1964). *The Concept of the Marketing Mix. Journal of Advertising Research*, 2, pp.386-97.
- Burgers, A., Ruyter, K.d., Keen, C. and Streukens, S. (2000). "Customer Expectation Dimensions of voice-to-voice service encounters: A scale-development study". *International Journal of Service Industry Management*, 11(2), pp.142–161.
- Camilleri, M. A. (2018). *Market Segmentation, Targeting and Positioning. In Travel Marketing, Tourism Economics and the Airline Product*, pp. 69-83). Springer, Cham, Switzerland.
- Cavusgil S. Tamer, Zou Shaoming, and Naidu G. M. (1993), "Product and Promotion Adaptation in Export Ventures: An Empirical Investigation," *Journal of International Business Studies*, 24 (3), pp. 479–506.
- Christine T. Ennew and Nigel Waite (2007). *Financial Services Marketing: an international guide to principles and practice a forward* by Ron Sandler.
- Consecutive five years (2017/18-2021/22) Official annual reports of Bank of Abyssinia.
- Creswell, J. (2008), *research design, quantitative, qualitative and mixed approaches* (4<sup>th</sup> Ed.). Thousand Oaks, CA: SAGE Publications.

- Dabholkar P. and Bagozzi, R. (2002). *An attitudinal Model of Technology-based Self Service: Moderating effects of Consumers Traits and Situational Factors*. Journal of Academy of Marketing Science, 30(3), pp.184-201.
- Dibb, S. (2005). *Marketing Concepts and strategies (5<sup>th</sup> Ed.)*. Boston, MA: Houghton.Ferrell, O.C., Michael, D., & Hartline. (2011). *Marketing strategy (5<sup>th</sup> Ed.)*: USA, South-Western Cengage learning.
- Doyle, P. (1999). “*Managing the Marketing Mix*”, in Baker Michael J (ED), The Marketing Book, Fourth Edition, Butterworth-Heinemann: pp.301-313.
- Dutta, S., Zbaracki, M. J., & Bergen, M. (2003) *Pricing process as a capability: A resource-based perspective*. Strategic Management Journal, 24(7), pp 615–630.
- Ennew, C., Banerjee, A. and Li, D. (2000). *Managing Word of Mouth Communication: Empirical Evidence from India*’, International Journal of Bank Marketing 18(2): pp.75-83.
- Fabozze, J. Modigliani, F. and Jones, F. 2005. *Capital Markets, Institutions and Instruments. 3<sup>rd</sup> Ed*. New Delhi: Prentice-Hall of India private limited.
- Grzywacz (2006). *Applications of structural equation modelling in marketing and consumer research: A review of International Journal of Research in Marketing*, 1(13), 139-161.
- Hair, J.F., Anderson, R.E., Tatham, R.L. and Black W.(2006).*Multivariate Data Analysis (7th ed )*,Pearson Education ,Inc,Upper Saddle River ,New Jersey.
- Hitt, M., Ireland, D., & Hoskisson, R. (2017) *Strategic Management Competitiveness and globalization*. Ohio: South-Western Cengage Learning.
- Hooley, G. Piercy, N. F. and Nicoulaud, B. (2008), *Market Strategy and Competitive Positioning, 4th Edition*, Pearson, United Kingdom.
- Hubbert A. R. (1995). “*Customer-co-creation of service outcomes: Effects of locus of causality attributions*”. Doctoral dissertation, Arizona State University, Arizona.
- International Journal of Management and Marketing Systems* ISSN: 2384-537X, Volume 14, Issue 1, (May, 2022) pp 41-52.
- International Journal of Recent Research in Commerce, Economics and Management* Vol. 3, Issue 2, (2016), pp (67-71).

- Jacoby, J., and Olson, J. C. (1977) “*Consumer response to price: An attitudinal, information processing perspective*. In Y. Wind and P. Greenberg (Eds.)”, Moving ahead with attitude research. Chicago: American Marketing Association. Pp.73-86.
- Jauhari, V. and Dutta, K. (2009) “*Services: Marketing, operations and Management*”, New Delhi: Oxford University Press.
- Jones, S. (2007), *Exploring Corporate Strategy: text & cases*. 8<sup>th</sup> edition.
- Rajan Varadarajan (2010) Article in Journal of the Academy of Marketing Science *Journal of the Acad. Mark. Sci.* 38:119–140.
- Journal of the Academy of Marketing Science* 38(2): pp 119-140 DOI:10.1007/s11747-009-0176-7.
- Kasper, H, Helsdingen, P. and Vries, W. (1999). “*Services Marketing Management: An International Perspective*”, John Wiley & Sons Ltd.
- Keith, T. (2006) Multiple regression and beyond personally & bacon.
- Khoshtaria, T., Datuashvili, D. and Matin, A. (2020). *The impact of Brand Equity Dimensions on university reputation: an empirical study of Georgian higher education*. Journal of Marketing for Higher Education, 30(2), pp.239-255.
- Kothari, C.R. (2004) *Research Methodology: Methods and Techniques*“, 2<sup>nd</sup> edition, New Delhi: New Age International Limited.
- Kotler P. (2007), *Marketing Management*, 12<sup>th</sup> edition, prentice Hall Inc. of India Private Limited, New Delhi.
- Kotler, P., & Keller, K. L. (2016) *Marketing Management* (15<sup>th</sup> ed.) pp 267-290.
- Kotler, P., (2008) *Valuing market strategies*. Journal of Marketing, 52, 45-57.
- Kotler, P., Armstrong, G., Saunders, J., Wrong, V. (2003). *Rinkodaros principai. Kaunas: Poligrafija ir in-formatika*.
- Lenka, U., Suar, D. and Mohapatra, P. K. J. (2009). *Service Quality, Customer Satisfaction, and Customer Loyalty in Indian Commercial Banks*. Journal of Entrepreneurship, 18(1), pp.47-64.
- Lovelock, C. and Gummesson, E. (2004). *Whither services marketing?* In search of a new paradigm and fresh perspectives. Journal of Services Research, 7(1), pp.20.
- Lovelock, C. and Wirtz, J. (2006). “*Services Marketing*”, ND: Pearson Education.
- Marczyk, D., DeMatteo, D. & Festinger, D. (2005). *Essentials of research design and methodology*. New Jersey: John Wiley & Sons, Inc.

- Mark N. Frolick and Thilini R. Ariyachandra (2006), *Article in Information Systems Management*.
- Mihalj BAKATOR, Dejan ĐORĐEVIĆ, Dragan ČOČKALO (2019), *Modelling the Influence of Product Development on Business Performance and Competitiveness in Manufacturing Enterprises*.
- Mittal, Arun and Mittal, Priya (2009). “*Consumer Behavior Aspects and Promotion of Banking Services*”
- Mohammad Anwar and Hossain Md. Zahidul Islam, *Journal of MIS, Bangladesh*, Volume 7, No 1, December 2015.
- Munlbacher, C.L, Daringer, R.L. and Leihs (2006), “*Translating business reengineering into bottom- line results*”, *Industrial Engineering*, Vol.27 No.1, pp.24-27.
- Muthengi, W.K. (2017) *the Effects of Marketing Strategies on Sales Performance of Commercial Banks in Kenya*. Master’s thesis, University of Nairobi.
- O.C. Ferrell, Michael D. Hartline and Bryan W. Hochstein. (2011), pp 16. *Marketing strategy* (5<sup>th</sup> and 8<sup>th</sup> Ed.).
- Osborne, J., & Waters, E. (2002) *Four assumptions of multiple regression should always test: Practical Assessment, Research & Evaluation*, 8(2).
- Pallant, Allen, Unwin, Crows Nest (2005). *SPSS Survival Manual: A Step by Step Guide to Data Analysis Using SPSS for Windows* (Version 15).
- Philip Kotler (2002), *Marketing Management Millennium Edition*, Tenth Edition PP 1, Pearson Custom Publishing.
- Philip Kotler, Gary Armstrong, John Saunders, and Veronica Wong (1999), *Principles of Marketing*, 2<sup>nd</sup> Ed. PP 106, 216.
- Samsudin, Z. Binti, & Ismail, M. D. (2019). *The Concept of Theory of Dynamic Capabilities in Changing Environment*. *International Journal of Academic Research in Business and Social Sciences*, 9(6), 1071–1078.
- Saunders, M., Lewis, P. & Thornhill, A. (2009) *Research Methods for Business Students*, 4<sup>th</sup> ed. Edinburgh Gate, Harlow, Pearson Education Limite.
- Stevens, J. P. (2009) *Applied multivariate statistics for the social sciences* (5th Ed.) New York.
- Suliman I. Shelash Al-Hawary, Anber A,Shlash Mohammad, Bahaà Abdul-Hafez Attallah Al-Nady (2018) *Int. J. Productivity and Quality Management*, Vol. 24, No. 4.

Tahsina Khan (2013), *International Journal of Business and Management Invention* ISSN.

Teece, D.J. (2009) *Dynamic Capabilities and Strategic Management* American Journal of Industrial and Business Management, Vol.8 No.2.

Michael J. Baker and Robin Wensley (2003) *The Marketing Book*, Fifth edition.

Thornton, J. and White, L. (2001). *Customer Orientations and Usage of Financial Distribution Channels*, Journal of services Marketing, 15(3), pp.168-185.

Tilley, C. (1999). *Built-In Branding: How to Engineer a Leadership Brand*, Journal of Marketing Management, 15: pp.181-191.

Varadarajan, R. (2010) *Strategic marketing and marketing strategy: domain, definition, fundamental issues and foundational premises*. Journal of the Academy of Marketing Science, 38(2), 119-140.

Verma, R. (2000) *An Empirical Analysis of Management Challenges in Service Factories, Service Shops, Mass Services and Professional Services*, International Journal of Service Industry Management, 11. No. (1): pp.8-25.

Walsh, M. & Lipinski J. (2009), *The role of the marketing function in small and medium sized enterprises*; Journal of Small Business and Enterprise Development 16(4): 569 -585.

[www.bankofabyssinia.com](http://www.bankofabyssinia.com)

Yohannes Fekadu (2018), *Effects of Marketing Strategy on Market Performance from Employees perspective of Lion Bank*.

Zeithaml et al., 2009

Zeithaml, V. A. (1988). *Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence* Journal of Marketing, 52(3), pp.2-22.

# Appendix -A

**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF COMMERCE, POST GRADUATE STUDIES**  
**DEPARTMENT OF MARKETING MANAGEMENT**

Questionnaire to be filled by employees of Bank of Abyssinia.

Researcher: Ephrem Mekonnen Mengste

Contact address: +251-911-431968

E-mail: ephmek81@gmail.com

Dear respondent: I the researcher am currently pursuing my Post Graduate Studies at Addis Ababa University, School of Commerce, and Department of Marketing Management. As a partial fulfillment towards the completion of my study, I am undertaking a research under the title “*The effect of Marketing Strategy on Business Performance in the case of Bank of Abyssinia*”.

Hence, I kindly request your assistance and cooperation in responding to the questions listed here below. Any response you provide will be kept utterly confidential and will be used only for academic purpose. Your prompt response is highly appreciated.

Thank you for your kind cooperation and assistance in advance.

## General Instructions

1. No need of writing your proper name
2. Please respond to the questionnaire by circling the number from 1 to 5
3. Please attend all the questions as much as possible
4. If you need further explanations, you may contact the researcher through the address mentioned above.

## PART I: Demographic Information

1. **Sex:** Male  Female
2. **Age:** 20-25  26-30  31-35  36-40  above 40 years of old
3. **Work Experience:** 1-5years  6-10 years  11-15 years  above 15 years
4. **Educational Level:** Diploma  1<sup>st</sup> Degree  Maters Degree  PhD

**PART II:**

Please state your level of agreement for each of the given statement using the following scales:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

Type of Marketing Strategy	Marketing Strategy Measurement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Product Development Strategy	1. Bank of Abyssinia is very innovative in developing new products/services.	1	2	3	4	5
	2. Bank of Abyssinia always reviews the effectiveness of its products and services.	1	2	3	4	5
	3. Bank of Abyssinia has a wide range of products and services.	1	2	3	4	5
Promotion Strategy	4. The overall promotions of Bank of Abyssinia are very informative about its products and services.	1	2	3	4	5
	5. The messages presented to the public on any media by Bank of Abyssinia are easily comprehensible.	1	2	3	4	5
	6. The aim of overall promotion strategy of Bank of Abyssinia is positioning of the brand in the minds of the public, creating high level of awareness about the products/services, and providing information regarding change of the features of its products/services.	1	2	3	4	5

Placing/Branch networking Strategy	7. Branch locations of Bank of Abyssinia are very convenient and easily accessible.	1	2	3	4	5
	8. Bank of Abyssinia Banking Services are easily accessible in different outlets such as Branches, PoS, ITM Centres, ATMs, and the like.	1	2	3	4	5
	9. The Branches, ATMs, PoS machines, ITM centres of Bank of Abyssinia are fairly distributed in the country.	1	2	3	4	5
Pricing Strategy	10. The bank's interest charges on loans & advances, commissions and charges are based on the cost of fund.	1	2	3	4	5
	11. In setting the prices for services, bank of Abyssinia reviews the competitors' price.	1	2	3	4	5
	12. The pricing strategy of Bank of Abyssinia in line with the corporate strategic objective of the Bank.	1	2	3	4	5
People Strategy	13. Employees of the Bank of Abyssinia are knowledgeable about the products/services of the Bank.	1	2	3	4	5
	14. Employees of the Bank of Abyssinia are knowledgeable about the key strategies of the Bank.	1	2	3	4	5
	15. Employees of the Bank of Abyssinia are highly disciplined and are motivated.	1	2	3	4	5
	16. Bank of Abyssinia provides fast and efficient services to its customers.	1	2	3	4	5

Process Strategy	17. The Digital Banking services such as Mobile Banking and ATM services of Bank of Abyssinia are user friendly and easy to perform without support.	1	2	3	4	5
	18. The customer service delivery at the counter area at Bank of Abyssinia is within the SDT developed by the bank.	1	2	3	4	5
Physical Evidence Strategy	19. The standard Branch office layout (Branding) of Bank of Abyssinia is very attractive.	1	2	3	4	5
	20. The standard Branch office design (counter area) or customer service area of Bank of Abyssinia is very convenient for customers.	1	2	3	4	5
	21. The Interactive Teller Machine as well as the ATM centres physical layout of Bank of Abyssinia are designed in an attractive way.	1	2	3	4	5
	22. The mass marketing strategy that is applied by Abyssinia Bank has positively impacted the profitability of the Bank.	1	2	3	4	5
	23. The mass marketing strategy that is adopted by Bank of Abyssinia has positively impacted the customer base (market share) of the Bank.	1	2	3	4	5
	24. The mass marketing strategy that is adopted by Bank of Abyssinia has positively impacted the deposit (resource) mobilization of the Bank.	1	2	3	4	5

Mass Marketing Strategy	25. The mass marketing strategy that is adopted by Bank of Abyssinia has positively impacted the overall business growth and performance of the Bank.	1	2	3	4	5
STP (Segmentation , Target Marketing and Positioning ) Strategy	26. Bank of Abyssinia uses geographic location as bases for segmentation.	1	2	3	4	5
	27. Bank of Abyssinia uses demography as bases for market segmentation.	1	2	3	4	5
	28. Bank of Abyssinia uses Behavioural segmentation as bases for market segmentation.	1	2	3	4	5
	29. In addition to the Mass Marketing practice, Bank of Abyssinia does have targeted groups of customers.	1	2	3	4	5
	30. Bank of Abyssinia has special services for special target customers.	1	2	3	4	5
	31. Bank of Abyssinia has special offers for special target customers.	1	2	3	4	5
	32. Bank of Abyssinia has positioned itself in the minds of its customers due to quality service it provides.	1	2	3	4	5
	33. Bank of Abyssinia has positioned itself in the minds of its customers due to its special products.	1	2	3	4	5
	34. Bank of Abyssinia has positioned itself in the minds of its customers due to the technology that it has adopted.	1	2	3	4	5

Business Performance, that is Profitability, Deposit growth, and Customer Base or market share	35. The profitability of Bank of Abyssinia has increased significantly in the past few years.	1	2	3	4	5
	36. The deposit (resource mobilization) of Bank of Abyssinia has increased significantly in the past few years.	1	2	3	4	5
	37. The customer base (Market Share) of Bank of Abyssinia has increased significantly in the past few years.	1	2	3	4	5
	38. The overall business performance of Bank of Abyssinia has increased significantly in the past few years time.	1	2	3	4	5

*Thank you!*