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# **THE IMPACT OF MARKETING STRATEGY ON ORGANIZATIONAL PERFORMANCE IN THE CASE OF ETHIOPIAN BANKS**

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**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY COLLEGE OF  
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PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE  
OF MASTERS OF SCIENCE INTERNATIONAL BUSINESS**

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
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## CERTIFICATE

This is to certify that the thesis entitled: “The impact of marketing strategy on the organizational performance in case of Ethiopian Banks” submitted to Addis Ababa University for the award of a master ‘s degree in International Business (MSC) is A record of genuine research work carried out by **Yalewayker Mazengiaw** under my guidance and supervision. Therefore, I hereby declare that no part of this thesis has been submitted to any other university or institution for the award of any degree or diploma.

Advisor’s Name

Signature

Date

Tewodros Wuhib (Asst prof)

A handwritten signature in black ink, appearing to read 'Tewodros Wuhib', written over a horizontal line.

9<sup>th</sup> June 2023

## Declarations

I hereby declare that the thesis entitled “**The impact of marketing strategy on the organizational performance in case of Ethiopian Banks**” is my original work and all sources of materials used for the study have been dually acknowledged. Additionally, I approved that the thesis has not been submitted to any other higher education institutions (universities) to fulfill any degree. This paper is submitted in partial fulfillment of the requirement for the award of a master’s degree in International Business.

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Sig \_\_\_\_\_

Date 27/06/2023

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## **ABSTRACT**

*This research aimed to investigate the impact of marketing strategies on the performance of Ethiopian banks. The researcher used both descriptive and explanatory research designs to explain the relationship between marketing mix strategies and the performance of Ethiopian banks. The sample size of 147 employees from all main branches of Ethiopian commercial banks was determined using the census method. The data sources include primary and secondary data. A structured close-ended questionnaire with a five-point Likert scale is used to gather data. The data is analyzed using statistical software, and the results will be presented through tables, graphs, and charts. The study collected demographic data from respondents and analyzed their characteristics to gain insights into how they may influence the study's findings. Based on the responses, and the product and promotion were rated positively, while the price, place, and performance received lower ratings, with some variation in responses for specific aspects.*

*Regression analysis was conducted, and the F-value of 25.519 and a significance level of .000 indicated that the predictors collectively have a significant impact on the overall Performance. The standardized coefficients (Beta) revealed that Promotion and Product were the most important predictors of Performance. The study tested four hypotheses related to the effects of product, price, place, and promotion on performance. The results showed that product and price have significant effects on market performance, while the place had an insignificant effect. The promotion was found to have a significant effect on performance. The R Square value of 0.438 indicated that approximately 44% of the variance in the outcome variable is explained by the predictors in the model. Pearson correlation coefficients and significance levels were used to test for collinearity among predictor variables, and all of the predictor variables had tolerance values greater than 0.1, indicating no significant collinearity among them. Furthermore, all of the VIF values were less than 10, which is a positive sign.*

*In conclusion, this study revealed that not all market strategy dimensions have a positive effect on market performance. Product and promotion were found to have a significant positive effect on performance. Price and location had a positive but insignificant effect on performance. These findings have important implications for Ethiopian banks looking to improve their marketing strategies and overall performance.*

# **UNIT - ONE**

## **1. Introduction**

This chapter provides an overview of the research study. It begins with a brief background of the study, followed by a background of the organizations involved. The statement of the problem is then presented, along with the research questions and specific and general objectives of the study. The significance of the study is also discussed, as well as the research hypothesis, scope, limitations, definitions of significant terms, and organization of the study.

### **1.1 Background of the Study**

To maintain global market competitiveness, businesses must internationalize their operations. Marketing strategy has evolved into a tool that any organization can use to stay competitive in the market. A marketing strategy is a collection of resource allocation decisions made throughout a company. This includes both desired goals and ideas about acceptable and, more importantly, inappropriate methods of achieving them. With the financial industry's growing importance, there is a greater need for more effective financial services marketing management. Frontline sales performance is dependent on effective marketing methods (Aremu& Lawal, 2012).

Marketing decisions have centered on analyzing and selecting target markets, developing products and brands, promoting them, and determining distribution channels (Hunt and Morgan, 2001). on the other hand, Kotler (2003) Marketing is defined as the task of developing, promoting, and delivering goods and services to consumers and businesses. It is widely accepted that acquiring a new customer may prove to be significantly more expensive than building customer loyalty among a company's current clients (Kotler, 2003). This emphasizes the importance of companies focusing more on their customers. Similarly, to short-term performance-based reward systems, a short-term marketing focus may start to work against an organization's longer-term market orientation, market performance, and strategic intentions (Jaakkola, 2006).

Market strategy is broadly defined as the integrated decision-making pattern of the organization that specify its critical decisions regarding markets, products, marketing activities, and marketing resources in the creation, communication, and/or delivery of products that add value to customer interactions with the organization, enhancing the organization to achieve specific objective (Varadarajan R. 2010).

During the strategic planning phase, it is crucial for a company to create a marketing strategy prior to entering a new market. The development of an effective marketing plan is highly valued by company marketers as it offers several advantages such as enhancing the efficiency of product launches, reducing costs, and increasing product quality and market share performance. Therefore, entrepreneurs must ensure that their product is accepted by their target audience and that their marketing strategy is geared towards achieving this objective before initiating product development. (Zelalem, T. and Negi, R. 2009).

According to Dibb (2005), for marketing strategy to be effective, it needs to be seamlessly integrated into the corporate mission, target marketing, marketing mix, and the overall plan for engaging customers, prospects, and competitors in the market.

The marketing mix refers to a set of controllable variables that a company can utilize to influence customer behavior. In this case, the variables that can be controlled are the 4Ps (product, price, place/distribution, and promotion). Businesses must internationalize their operations to stay ahead in the global market. Marketing strategy has evolved into a tool that can be used by any organization to stay competitive in the market. (Barat, 2009).

The study focused on the impact of marketing strategy on organizational performance and how it affects the Ethiopian banks. It is suggested to explore the potential impact of market strategy more comprehensively on Ethiopian banks performance.

## **1.2 Background of the Organizations**

Regarding with organizations, those are Ethiopian banks, In Ethiopia, the introduction of modern banking dates back to 1905 when Emperor Minilik II reached an agreement with Mr. Ma Gillivray, a representative of the British-owned National Bank of Egypt. This agreement led to the establishment of the first bank, Bank of Abyssinia, on February 16, 1906. The bank later became Bank of Ethiopia, which functioned as the primary commercial bank in the country and had 21 branches, including one in Khartoum, Sudan, and a transit office in Djibouti. However, it ceased to exist in December 1963 when the National Bank of Ethiopia took over its commercial activities and became the principal commercial bank in the country.

In 1964, the National Bank of Ethiopia started operating with more power and duties. The Commercial Bank of Ethiopia was later established in 1963 and took over the commercial banking

activities of the former State Bank of Ethiopia. Subsequently, the Monetary and Banking Proclamation No.83/1994 and the Licensing and Supervision of Banking Business No.84/1994 laid down the legal basis for investment in the banking sector.

As a result, private banks started to emerge shortly after the proclamation. The first private bank, Awash International Bank, was established in 1994, followed by Bank of Abyssinia, Wegagen Bank, United Bank, Nib International Bank, Cooperative Bank of Oromia, Lion International Bank, Zemen Bank, and Oromia International Bank.

Since the political changes in 1991, the insurance business has undergone licensing and supervision. As a result, private insurance companies have flourished, with 19 currently in operation alongside a government-owned company. Additionally, there are now 27 commercial banks (one of which is a development bank) and a total of 8,944 branches as of June 30, 2022. This expansion means that there is now one bank branch for every 11,516 people, providing improved accessibility.

According to NBE, the banks have continued to operate in a safe and sound manner, though there is a need for strengthening advanced preparation for opening banking sector to foreign investors was emphasized.

### **1.3 Statement of the Problem**

In Ethiopia, the banking sector has recently faced many competitions. The entry of new commercial banks into the market, as well as competition between them and non-banking financial organizations like ethio-telecom and other e-birr service providers that lead the increasing number of customers those who are previously opened an account in one's bank easily switch their brand preference and going to another bank.

This, in conjunction with other factors, the banks are currently unable to retain their customers and that may lead the banks into failure. Some people complain that Ethiopian banks marketing strategies have received little attention and in tandem with this, marketing strategy is very relevant to the overall success of banks. Therefore, the banking sector is consequently faced with the enormous burden of assess its marketing strategy.

Research conducted in Ethiopia by Yohannes Fekadu in 2018 delved into the perspective of Lion Bank's employees on the impact of Marketing Strategy on market performance. The study revealed that the product, price and promotion strategies had a significant and positive impact on the Bank's performance, while the place strategy had a negative correlation. Based on these findings, the researcher recommended examining other banks in the industry. Consequently, the study focused on exploring the influence of marketing strategy on organizational performance for Ethiopian Banks.

#### **1.4 Research Questions**

This study attempted to assess the problems associated with the impact of marketing strategy on the organizational performance in case of Ethiopian banks. Specifically, the study is designed to address the following basic questions.

1. How does Banks product strategy affect their performance?
2. What is the impact of Banks promotion strategy on their performance?
3. To what extent does Banks pricing strategy affect their performance?
4. What is the impact of place/distribution strategy on their performance?

#### **1.5 Objective of the Study**

The general objective of the study was to assess the impact of marketing strategy on the organizational performance in case of Ethiopian Banks. and to identify whether it is aligned with marketing mix variables to satisfy customer requirements.

The specific objectives of this study were: -

- ✓ To investigate the impact of product strategy on Banks performance.
- ✓ To evaluate the impact of Banks pricing strategy on their performance.
- ✓ To investigate the impact of promotion strategy on the Performance of Banks.
- ✓ To identify the impact of place /distribution strategy on the Performance of Banks.

## **1.6 Significance of the Study**

The primary objective of commercial banking business is to generate profit by providing various banking services. Any bank cannot survive in the industry unless it makes a profit. Having a well-developed marketing strategy is one of the core activities in the banking industry. Having a solid marketing strategy is one of the fundamental components of every commercial organization. Marketing strategies determine a company's eventual success or failure.

Therefore, the study was designed to assist the managements of Ethiopian Banks in refocusing on this vital task. The research was concentrated on how marketing mix 4P's are used to improve, retain, and attract customers, as well as how those tools should affect their marketing strategy. Conducting such a study is critical for any business entity in order to shape its marketing strategy.

The study was worthwhile because it was to assist Banks in looking at its problems, considering alternative solutions, and the study also helped provide basic knowledge about marketing mix strategy and its importance in the banking industry for future studies.

## **1.7 Research Hypothesis**

Hypothesis 1: Product strategy has a significant relation with the performance banks

Hypothesis 2: Price strategy has a significant relation with the performance banks

Hypothesis 3: promotion strategy has a significant relation with the performance banks

Hypothesis 4: Place strategy has a significant relation with the performance banks

## **1.8 Scope of the Study**

The purpose of this study was to examine how marketing strategies impact the performance of Ethiopian banks. Although only the main branches in Addis Ababa were included in the research, the study aimed to investigate the influence of marketing strategies on overall performance within the industry. The study's conceptual framework focused on independent variables like price, product, promotion, and place commitment, which were used to predict how they affect the performance of banks. Due to time and financial constraints, the research was limited to the main branches of each bank within Addis Ababa.

## **1.9 Limitation of the Study**

This study had a few limitations. First, the study focused only on internal factors that affect the performance of banks. External factors, such as the economic environment and the regulatory environment, were not considered. Second, the study was limited to the Ethiopian banking industry. The findings of the study may not be generalizable to other countries.

Despite these limitations, the study provides valuable insights into the factors that affect the performance of banks. The findings of the study can be used by banks to improve their performance.

## **1.10 Definition of Significant Terms**

Marketing Mix:

The marketing mix strategy incorporates all of a company's responses to confirming that the target customers positively influence their demand for products. (Kotler and Armstrong, 2012)

Product:

A product is a tangible object that is sold and has a distinct feature, a complex set of benefits that can be used to meet the needs of customers.

Price:

Discounts, list prices, credit, repayment terms, and conditions are all covered. The price is included in the price of the product or service being sold and determines the level of benefits. Price is the only element that does not include costs incurred by customers when purchasing products.

Promotion:

The field of marketing involves various components such as advertising, personal selling, sales promotion, public relations, and direct marketing. One crucial aspect is optimizing the connection between inner and outer distribution channels, which is essential for any organization.

Place:



The considerations involved in this include matters such as the channels used for distribution, the extent of market coverage, product inventory management, and transportation and distribution site logistics.

Performance:

Achievement of a task is evaluated based on predetermined benchmarks such as precision, thoroughness, efficiency, cost-effectiveness, and timeliness.

### **1.10 Organization of the Study**

This research comprises five chapters. The first chapter includes an introduction, background of the study, background of the organizations, and the statement of the problem. objective of the study, significance of the study, scope and limitation, definition of significant terms. The second chapter deals with the review of the related literature, chapter three related with methodology and research design, chapter four states data analysis, presentation and also findings. And the final chapter presented the conclusion and recommendations.

## **UNIT - TWO**

### **2 REVIEWS OF RELATED LITERATURE**

#### **2.1 Introduction**

In this chapter, we will delve into the concept of market strategy, its theories, significance, and its correlation with organizational performance. We will also scrutinize the effects of market strategy on organizational performance, while taking a closer look at empirical research on market strategy and market performance on an international level.

The purpose of conducting those the reviewed literatures were helped the researcher to identify all or most of the previous studies and research conducted in the same area.

#### **2.2 Marketing strategy**

Strategic marketing is the process of analyzing the environmental, competitive, and business factors that affect a corporation and its business units. It also entails identifying market opportunities and threats, forecasting future trends in areas of enterprise interest, and participating in goal setting and strategy formulation for the corporation and its business units. It also includes developing, implementing, and managing marketing program positioning strategies to meet the needs of the target market for each product-market in the business unit, defining marketing objectives, and developing, implementing, and managing marketing program positioning strategies to meet the needs of the target market (Drucker 1973).

“The primary goal of a marketing strategy is to effectively allocate and coordinate marketing resources and activities in order to achieve the firm's goals in a specific product market. As a result, defining the scope of a marketing strategy entails determining the target market segment(s) and product line to be offered. Firms then seek a competitive advantage and synergy by creating a well-integrated marketing mix program.” (Walker, Boyd), Larreché 1992).

The marketing strategy is the method by which the marketing function organizes its activities in order to achieve profitable sales growth at the marketing mix level. The marketing strategy is the method by which the marketing function organizes its activities in order to achieve profitable sales growth at a marketing mix level.

- a) By specifying what resources should be allocated to marketing.
- b) By specifying how these resources should be used to take advantage of opportunities which are expected to arise in the future. "a marketing strategy would consist of the following:
  - a) Identifying markets and the needs of customers in those markets.
  - b) Planning products which will satisfy the needs of these markets.
  - c) Organizing marketing resources in order to match products with customers in the most efficient and effective way possible, i.e., to maximize customer satisfaction while also maximizing the organization's profits or sales revenue (or whatever its objectives are!) at the same time." (Kotler 1997)

## **2.3 Theoretical Review**

### **2.3.1 Marketing Strategy Development**

A comprehensive preliminary marketing plan should be formulated in three parts once a product concept has been tested and selected for development. The first section, market analysis, should provide a detailed understanding of the target market, including its size, structure, behavior, and planned product positioning. It should also define the sales, market share, and profit targets for the first few years. The second section, marketing mix, should outline the specific marketing strategies that will be used to reach the target market, including product, price, place, and promotion strategies. The third section, long-term goals, should define the long-term sales and profit targets for the new product, as well as marketing mix strategy. This plan forms the basis of the business analysis conducted prior to the management's ultimate decision on the new product (Ranchhod A., 2007).

### **2.3.2 Elements of Marketing Strategy**

To accomplish our business goals, we need a strategy that includes a variety of components. In the literature, four major elements are used to explain the details of marketing strategy. Target market, segmentation, positioning, and marketing mix are all examples. (Roger Brooks bank, 1994).

Most people think of the 4Ps when it comes to marketing strategies (Product, Price, Place, and Promotion). Market segmentation and target market identification, on the other hand, are essential components of any marketing strategy. At its most basic level, the term "market segmentation" refers to subdividing a market along some commonality, similarity, or kinship. Members of a

market segment, in other words, have something in common. The goal of segmentation is to focus marketing energy and force on a specific subdivision (or market segment) in order to gain a competitive advantage within that segment. Market segmentation is the conceptual tool for concentrating marketing energy (or force).

Market segmentation is important because product or service buyers are not a homogeneous group. In reality, each buyer has his or her own set of needs, preferences, resources, and behaviors. Because catering to each customer's unique characteristics is nearly impossible, marketers divide customers into market segments based on variables they share. Because of these shared characteristics, it is possible to create a standardized marketing mix for all customers in this segment. (Anderson, Carol H., 2000).

Segmentation Foundations The following customer characteristics can be used to segment consumer markets.

#### A. Demographic Segmentation

This is the most common type of market segmentation, in which businesses focus on a specific geographical area. Corporations, for example, may decide to market their brands in some countries but not others. A brand may only be available in a single market, state, or region. Geographic segmentation can take many different forms (urban versus rural, north versus south, seacoasts versus interior, warm areas versus cold, high-humidity areas versus dry areas, high elevation versus low-elevation areas, and so on). These examples also demonstrate that geographic segmentation can be used in place of (or in addition to) other types of segmentation.

#### B. Behavioral Segmentation

Holidays and other events that encourage purchases Behavioral segmentation is based on actual customer behavior when it comes to products. Among the behavioral variables are: benefits sought, usage rate, brand loyalty, user status (potential, first-time, regular, etc.), and purchase readiness. Holidays and other events that encourage purchases.

#### C. Geographic Segmentation

This is the most common type of market segmentation, in which businesses target a specific geographical area. Corporations, for example, may decide to market their brands only in certain countries. A brand may only be sold in one market, state, or region at a time. Geographic

segmentation can take many forms (urban versus rural, north versus south, seacoasts versus interior, warm areas versus cold, high-humidity areas versus dry areas, high elevation versus low-elevation areas, and so on). These examples also demonstrate that geographic segmentation can be used in place of (or in addition to) other types of segmentation.

#### D. Psychographic or Lifestyle Segmentation.

Finally, psychographic (or lifestyle) segmentation is based on multivariate analyses of consumer attitudes, values, behaviors, emotions, perceptions, beliefs, and interests. If we can identify the appropriate segmentation variables, psychographic segmentation is a legitimate way to segment a market (or lifestyle statements, words, pictures, etc).

#### Target Market Selection

Targeting is the next step in the sequential process, which involves a company deciding which segments to focus its resources on. The segment is actually chosen through targeting. "A group of buyers with similar needs or characteristics who the company decides to serve." Companies use target marketing to tailor their products to specific markets. Undifferentiated, concentrated, and differentiated are the three major targeting strategies. Throughout this process, the company must balance its resources and capabilities against the appeal of different segments (Kotler, P, 2007, pp.360).

#### Positioning

The use of marketing to help people form a mental image of your product is known as positioning (relative to other products). Positioning is the perception of a product or service by a target market in relation to the competition. It responds to the question, "Why should someone in the target market(s) buy my product or service over the competition?" A similar question is, "What should the perceived value of my offering be in comparison to the competition?" (Kotler, P, 2007).

### **2.3.3 Overview of Marketing Mix theory**

Theory of the Marketing Mix Neil H. Borden's 1964 article, The Concept of the Marketing Mix, popularized the term "marketing mix." After James Culliton described the marketing manager as a "mixer of ingredients," Borden began using the term in his teaching in the late 1940s. Product planning, pricing, branding, distribution channels, personal selling, advertising, promotions,

packaging, display, servicing, physical handling, and fact finding and analysis were all components of Borden's marketing mix. E. Jerome McCarthy later classified these components as the four P's of marketing: price, product, promotion, and place. These four Ps are the parameters that the marketing manager has control over, subject to internal and external marketing environment constraints. The goal is to make decisions that focus on the four P's of the target market's customers in order to create perceived value and generate a positive response. When physical products dominated the economy in the early days of marketing, the marketing mix framework was especially useful. With marketing becoming more integrated into organizations and a wider range of products and markets, some authors have attempted to expand its utility by proposing a fifth P, such as packaging, people, and process. Today, however, the four P's continue to dominate the marketing mix. Despite its limitations, and possibly as a result of its simplicity, this framework is still widely used, and many marketing textbooks are organized around it.

### **Product Strategy**

The product is a synthesis of intangible and tangible aspects of the manufacturer's products or services that are made available to customers. It is a collection of a company's customer satisfactions and dissatisfactions at a particular point in time. It is critical to consider their physical characteristics, how they differ from your competitors, what they do and the benefits they provide. Durable or non-durable products, consumer or industrial goods, perishable or nonperishable, finished or semi-finished, and so on.

#### **Product Range and Development Strategy for Banks**

According to Channon (1994:121), The generation of deposits and the subsequent lending of these deposits for interest are the two most important basic services provided by a bank. The vast majority of bank profits are still derived from differentiated interest in these services. Within these fundamental services, however, many specific forms or alternative products can be generated. Individual banks can use it to create custom-tailored lending and deposit-generating products that allow them to stand out from competitors and gain market share in specific market segments. Furthermore, the development of new products and services for banks is an important aspect of marketing.

## Price Strategy

Price indicates that the product's monetary value has been determined for the purpose of exchange. The price is the sum paid for the product by the customer. It is calculated after considering various factors such as market share, competition, material costs, product identity, and customer perceived value. If the product is sold in other stores, the company may raise or lower the price. Price is how a company recovers its business losses. It should be structured in such a way that the company can recover its costs while also profiting. It may be difficult to reach the breakeven point if it is set too low; similarly, if it is set too high.

### Aspects to Consider When Setting Prices

Pricing decisions are influenced by both internal and external company factors..

- Pricing is influenced by internal factors such as the company's marketing objectives, marketing mix strategy, cost, and organization.
- The nature of the market and demand, competition, and other environmental factors all have an impact on pricing (economy, resellers, government) (Tellis, G. (1986).

**Pricing Strategies for New Products** The pricing strategies for new product should be developed so that the desired impact on the market is achieved while the emergence of competition is discouraged. Two basic strategies that may be used in pricing new products are; skimming pricing and penetration pricing strategy.

1). Skimming pricing is the strategy of setting an initial price for a product with the intention of "skimming the cream of the market" at the top of the demand curve. It is accompanied by significant promotional expenditure. When the nature of demand is uncertain, when a company has spent large sums of money on research and development for a new product, when a competitor is expected to develop and market a similar product in the near future, or when the product is so innovative that the market is expected to mature very slowly, a skimming strategy may be recommended. A skimming strategy has several advantages in these circumstances. Another type of price skimming is premium and umbrella pricing. Some products have high (premium) prices.

2). Penetration pricing: The penetration pricing approach is utilized when there is no dominant market and the demand shows elasticity throughout the entire demand curve. The primary motive behind the adoption of this strategy is the high price sensitivity of the consumers. Furthermore, the penetration strategy is employed to discourage new players from entering the market. By adopting the penetration pricing strategy, businesses aim to gain a competitive edge in the long run, even at the cost of compromising short-term profitability. (Paul Fifield, 1994).

### Pricing Strategies for Established Products

An examination of existing prices may lead to one of three strategic alternatives; maintaining the price, reducing the price, or increasing the price.

- Maintaining the prices: In case the market segment that contributes significantly to a company's sales is not influenced by environmental changes, the company may opt to maintain its pricing strategy without initiating any modification.
- Reducing the prices: Lowering prices can be attributed to three primary reasons. Firstly, as a defensive strategy, companies may reduce prices in response to competitors. Secondly, to effectively compete in mature industries, businesses may opt for value pricing by lowering prices. Thirdly, price reduction may be an offensive strategy based on the experience curve concept. As per this concept, costs are lowered by a fixed percentage every time experience doubles, thereby making low-cost production of high-quality electronic equipment possible. Lastly, companies may also cut prices to cater to customer needs.

Inflationary periods lead to an increase in all types of costs, and to maintain satisfactory profits, companies may need to raise prices. The extent of price increase is dependent on their strategic approach, which varies from case to case (Philip K. & Garry A. (2007)).

### Price Bundling Strategy

Bundling or iceberg pricing is a pricing strategy where an additional margin is included in the product price to cover support services, over and above the price of the product itself. This strategy is commonly used by companies that lease products rather than selling them. By bundling the product and support services, companies can offer a comprehensive solution to their customers,



which may increase customer satisfaction and loyalty. Moreover, it can also provide an additional source of revenue for the company as support services can be charged at a premium.

### Bank Pricing Strategy

Channon, (1994:142) pointed out that; price is the key determinant of revenue while other factors in the marketing mix affect costs. Market pricing strategy in the banking industry is usually badly developed. Prices tend to be set without references to overall marketing strategy and without any real understanding of underlying cost structures. This result from the traditional method adopted by banks of bundling their services offerings in a way which disguises the price of individual services in favor of concentrating on overall profitability, usually based on branch economic. Moreover, the principal source of profitability came from the bank intermediate role of achieving an adequate spread on interest rates between the average cost of deposits and the rates charged for loans. Bank Pricing Methods Selection: different authors that share this school of thought are Channon, (1994:154), Assaek, (1990: 337) and Ferrel, (1985:459) they pointed out the criteria for the selecting of a pricing strategy for the bank is a function of three key determinants, namely: demand, Competitor prices and cost structure.

### Promotion Strategies

Promotion is the process by which organizations communicate with their target audiences in order to inform, direct, remind, update, persuade, persuade, and influence them to respond favorably to an organization and its offerings. Advertising, personal selling, public relations, publicity, sales promotion, direct marketing, and word of mouth are all forms of marketing. (Brenan & Eric, 2011). Promotion is the process whereby organizations reach out to their target customers through a number of media in order to inform, educate, remind, direct, and sensitize them about an organization, its offerings, and its activities in order to persuade and influence them to exhibit positive attitudes and overall behaviors towards the organization (Carter, 2004). Promotion transcends the focus on merely gaining customer patronage, but broadly encompasses the goal of convicting, influencing, persuading and shaping positive attitudes and behaviours towards an organization (Mahmud & Ahmadu, 2010). Promotion is executed using a number of tools, known as promotional tools, and they basically include: advertising, personal selling, public relations, publicity, sales promotion, direct marketing and word of mouth. These tools are strategically

combined, integrated and coordinated to communicate persuasively with target markets with the ultimate goal of eliciting a positive response (Henry, Derrick & Shan, 2014). In marketing, the promotional mix describes a blend of promotional variables chosen by marketers to help a firm reach its goals. It has been identified as a subset of the marketing mix. It is believed that there is an optimal way of allocating budgets for the different elements within the promotional mix to achieve best marketing results, and the challenge for marketers is to find the right mix of them. Activities identified as elements of the promotional mix vary, but typically include the following:

- ✓ Advertising: Advertising is the non-personal presentation and promotion of ideas, goods, or services by an identified sponsor in a mass medium. Examples include print ads, radio, television, billboard, direct mail, brochures and catalogs, signs, in-store displays, posters, mobile apps, motion pictures, web pages, banner ads, emails.
- ✓ Personal selling: Personal selling is the process of helping and persuading one or more prospects to purchase a good or service or to act on any idea through the use of an oral presentation, often in a face-to-face manner or by telephone. Examples include sales presentations, sales meetings, sales training and incentive programs for intermediary salespeople, samples, and telemarketing.
- ✓ Sales promotion: Sales promotion is an incentive-based tool used for a pre-determined limited time to increase consumer demand, stimulate market demand or improve product availability. Examples include coupons, sweepstakes, contests, product samples, rebates, tie-ins, self-liquidating premiums, trade shows, trade-ins, and exhibitions.
- ✓ Public relations: Public relations is a planned and sustained effort to gain goodwill, while building and maintaining mutually beneficial relationships between an organization and its publics. It includes efforts such as employee relations, community relations, media relations, corporate social responsibility, free publicity as well as paid efforts to stimulate discussion and interest in the organization. It can be accomplished by planting a significant news story indirectly in the media, or presenting it favorably through press releases or corporate anniversary parties. Examples include newspaper and magazine articles, television and radio presentations, charitable contributions, speeches, and seminars.
- ✓ Direct marketing: Direct marketing is a channel-agnostic form of advertising that allows businesses and nonprofits to communicate directly to the customer, with methods such as

mobile messaging, email, interactive consumer websites, online display ads, fliers, catalog distribution, promotional letters, and outdoor advertising.

- ✓ Word of mouth: Word-of-mouth refers to the passing of information by verbal means, especially recommendations, and also general information, in an informal, person-to-person manner. Word-of-mouth is typically considered face-to-face spoken communication, although telephone conversations, text messages sent via SMS, and web dialogue, such as online profile pages, blog posts, instant messages, and e-mails are also included in the purview of word-of-mouth communication (Palmer, 2005). It is believed that this form of communication has valuable source credibility i.e. opinion leaders, co-workers, neighbors, friends and relatives that are more likely to influence consumers' choice than any other source of information at little or no cost (Eze & Ozo, 2005). The word-of-mouth testimonial is an extremely important factor in the calculus of the consumers' final purchasing decision. It can even be a more influential factor than mass media communication (Palmer, 2005). Santiago and Lewis (2000) defined word of mouth as a communication in which people share their evaluations and assessments on service providers and service products. Word of mouth communication is a type of referral communication from person to person that tends to rely heavily upon the credibility of the source of that information or referral to the product, service, or company being referred. It has been widely acknowledged as an informal communication source between consumers that has great economic impact (Afton & Ashton, 2012).

#### Distribution or Place Strategies

Place or distribution strategies are concerned with the channels through which a company's goods and services can be delivered to customers. Marketing channel decisions, which assist producers in delivering goods and services to their target markets, are among the most critical that management faces because the channels chosen have a direct impact on all other marketing decisions. For example, whether the company uses a direct Web presence, discount merchants, or high-quality boutiques influences its pricing. Furthermore, the firm's sales force and advertising decisions are influenced by how much training and motivation its dealers require. Another reason for the importance of these decisions is that they involve relatively long-term commitments to other firms. In an era when both buyers and sellers want faster sales transactions, marketing channel technologies (such as automated inventory and storage systems) and the Internet are

adding value by speeding up the flow of physical goods, ownership, payment, information, and promotion. (Rayport, J. and Sviokla, J.1994).

Utility distribution services include:

- Place...where the customers want to purchase the product.
- Time...when the customers want to buy the product.
- Form...occasionally, if changes have been made to the product in the distribution channel, i.e. Pepsi/Coke, concentrate to bottlers.
- Possession... allows the customer to own the product.

Each channel member has distinct responsibilities within the overall structure of the system's distribution; mutual profit/success is achieved through collaboration.

The distribution system:

Determines a product's marketing presence as well as the product's accessibility to buyers.

- ✓ Entail a long-term commitment, easier to change other aspects of the marketing mix.
- ✓ Functions of Intermediaries

Middlemen's primary role is to transform producers' product assortments into consumer-desired product assortments. Producers produce narrow assortments in large quantities, whereas consumers desire broad assortments in small quantities, resulting in a quantity and assortment disparity. Because of specialization in production, economies of scale, and so on, the producer wishes to produce large quantities but with limited product mix. Intermediaries also perform the following functions: risk assumption Pay for goods before they are sold to provide working capital, Information Flow, Financing, Payment and title flow, Negotiation, Contacts, and Promotion. When a producer believes that an intermediary can perform the function(s) more economically and efficiently than the producer, the producer will use the intermediary. "You can get rid of the middle man, but you can't get rid of their functions," as the old adage goes (Littler and Wilson, (1995).

Conflict of Channel

Members of the channel may disagree on the best ways to achieve goals. Individual short-term goals that are incompatible, which can occur between firms at the same level or between firms at

different levels, are inevitable. Channel members belong to different channel systems, which can lead to conflicts. Producers may attempt to avoid using intermediaries.

### Distribution Channels Selection

Focus on marketing! You need to decide what your end buyers want and how best to reach them. as a result:

1. Organizational goals, objectives (same day delivery), resources and skills. Companies with a wide product mix can sell directly to retailers and have more advertising capabilities (P&G)
2. Market characteristics, geography, distance, number of intermediaries, market density, clustering, market size, etc. Consumer, buyer behavior, where?/how?/creativity may be required
3. Product attributes, ie must offer services. Perish features, short channels, memory requirements, space, fashion, size (reduced processing), complexity, standards.
4. Environmental forces, i. H. Competition and technology must determine the number of intermediaries, the breadth of channels, the strength of distribution and the presence in the product market (Philip K. & Gary A, 2007).

### Talent strategy

Services are provided in collaboration with employees and customers. We will be your direct point of contact when it comes to providing services to our customers. From a business perspective, the nature of the people you serve is very important. Talent must be selected, trained and motivated to satisfy customers. People are therefore very important to service marketing. must be managed effectively.

### process strategy

To use the Service, you must perform certain activities. To do so, it is necessary to define the procedures, mechanisms, and flow of activities for providing the service. Without this, the service cannot be provided properly and stably. This maintains a standard format for consuming the service. This is called a process. For example, if you want to open a savings account at a bank, you

must apply for opening an account. After that, savings books, checkbooks and ATM cards will be issued and services will be available.

physical evidence

Mandatory requirements apply to the provision of services. These are the two types. One is internal and the other is external. They create the environment in which the service or product is offered. For example, providing hotel services requires buildings, parking lots, gates and long driveways. Internal evidence such as counters, phones, bankbooks, reservation facilities, and cigarettes are required. Without this hotel service offering, there would be no question. marketing performance

In recent years, more emphasis has been placed on marketing performance in developing countries in Africa. (Appia Addu, 1998). This new empirical evidence suggests that both domestic and foreign organizations perform better in terms of marketing efforts. He attributed the following two factors to the growing interest of academics and practitioners in marketing activities in these economies.

The changes and market opportunities created by the International Monetary Fund's (IMF) Structural Adjustment Program (SAP) in many developing markets and the new integration of the organization into the marketing practices of these countries. (Appia Addu, 1998).

The ultimate goal of marketing performance measurement (MPM) is to improve the financial performance of commercial organizations. However, measuring financial performance alone does not provide sufficient information to guide decisions that lead to improved performance (Woodburn, 2004). Organizations need to measure a variety of factors to truly understand their performance and where to intervene. To achieve market and financial goals in today's competitive environment, businesses must use effective and efficient marketing. As market segmentation creates diversity, customer satisfaction increases, and ROI (return on investment) declines, measuring marketing becomes increasingly important. Today, evaluating marketing practices does not seem to be a luxury, a fad, or even an option (Antonio d Gama, 2011).

Research points to a variety of marketing metrics. Clark (1999) identified about 20 measures, Ambler and Riley (2000) tested a total of 38 measures, Davidson (1999) considered 10 important measures of marketing effectiveness, Meyer (1998) It lists hundreds of scales. However, Clark

(1999) suggests that rather than developing new measures, existing measures should be better utilized. Ambler and Kokkinaki (1997) grouped marketing metrics into six categories.

Finance, Competitive Markets, Consumer Behavior and Customer Intermediation, Direct Customers and Innovation Measures.

## **2.4 Empirical Review**

An observational ponder conducted by Cavusgil and Zou, (2009) approved that item adjustment isn't as it were connected to deals development but monetary execution of companies such as productivity and return on venture. Cavusgil and Zou, (2009) assist include that item adjustment as a worldwide showcase procedure emphatically influences the generally trade execution. In arrange for a company to safely adjust to shifting universal markets, the advertise technique ought to take into thought the inner and outside trade environment that influences a company emphatically to delight in more noteworthy execution (Bainey, 2008).

Various analysts have centered on the affect of showcase strategy-product center on different measurements, counting genuine and increased item factors-on execution in universal markets. (Kaynak and Kuan, 2008; Cavusgil and Zou, 2009; McGuinness and Small, 2010). The ponder conducted by Albaum Johnson, and McCullough, (2007) which utilized composite trade execution measures, centered on item plan promoting blend component found conducive to execution of companies seeking after worldwide promoting in that it can serve item adjustment as a implies of separation for rival's items and impact abroad client states of mind (client execution) toward a firm's item.

Kotler and Armstrong (2006) characterize A item is characterized as anything that can be advertised to a showcase for thought, securing, utilize, or utilization in arrange to fulfill a desire or require. They encourage characterize a shopper item as the item bought by the ultimate shopper for individual utilization. Shoppers purchase items habitually, with cautious arranging, and by comparing brands based on cost, quality and fashion. Mohammad, Wang and Sunayya (2012) In expansion, consider the physical appearance of the item, bundling, and labeling. Data can moreover impact whether a shopper takes note, analyzes, and buys a item in-store. As clarified by past analysts, item impacts have a noteworthy affect on commerce execution. (Kazem and Heijden,

2006; Kemppainen, Vepsäläinen, and Tinnilä, 2008; Ogunmokun and Esther, 2004; Owomoyela, Oyeniyi and Ola, 2013).

The ability to meet and exceed customer preferences and having value that can be seen as customer performance through consistent and planned activities is in the organization's greatest interest (Cavusgil and Zou, 2009). This customer service is provided by the company regardless of the marketing approach pursued. H. Standardization or adaptation achieved. However, some scholars argue that companies pursuing a strategy of product customization in global markets can lead to significant revenue increases (Leonidou, Hult, & Tomas, 2002).

In general, the study by Albaum Johnson, and McCullough, (2007) found item quality and firm execution to have a critical positive impact on firm execution. Whereas other research inquired about the relationship between item quality and firm execution in universal markets in which the relationship is found to be emphatically related (Terpstra and Sarathy, 2007). The arrangement of high-quality items to clients has been hypothesized to expand the esteem related with client execution. Earlier research uncovers two perceptions with respect to quality of item in line with the showcase methodology that are vital. To begin with, the positive impact of item quality on deals execution was pushed more in research conducted in Europe. Moment, the observational information demonstrated a solid affiliation between item quality and client execution (Terpstra & Sarathy, 2007).

The linkage between item quality and client execution can balance the reservations that outside clients see with respect to item showcase procedure execution and minimize their hazard discernments relating to the buy of such products, in this way having an impact on deals and monetary execution (Terpstra & Sarathy, 2007). So distant, the component of item adjustment has demonstrated to be particularly critical when a company enters a unused abroad showcase or targets geologically far off markets. Leonidou, Hult, and Thomas, (2002) set that an opportunity to extend deals execution can be accomplished by serving more client sections and promoting, authoritative, and other trading costs can be spread over a number of items which is known as item adjustment (Beamish and Munro, 2009). In any case, the trade item promoting blend for companies is as a rule of a smaller extend than that advertised locally, since of money related limitations and operational troubles related with worldwide showcasing exercises (Albaum Johnson, and McCullough, 2007). The meta-analysis comes about of the think about by Leonidou, Hult, &



Tomas, (2002) uncovered a critical positive relationship between item advertising and generally firm execution in trade markets. The connection between item adjustment and firm execution in international markets is the foremost broadly investigated issue within the extant writing, and most of the earlier thinks about we surveyed inspected this relationship.

Item adjustment alludes to the degree to which a firm's existing and increased item components are able to oblige contrasts in modern natural strengths, diverse buyer behavior, utilize reason designs, and competitive circumstances in such worldwide markets. Item adjustment methodology, on the other hand, has three focal points. To begin with, it reflects a customer-oriented pose since a firm locked in in worldwide promoting assesses customer and buyer behavior as well as host market characteristics that make strides the firm's by and large execution. (Douglas & Wind, 2009).

Moment, item adjustment procedure can lead to more noteworthy budgetary execution such as benefit, as a quality product–market coordinate can result in more noteworthy client fulfillment in this way moving forward client execution that's one of the results in our inquire about show, which thus permits for more prominent estimating flexibility for the firm. Third, weights related with assembly a incredible degree of particular advertise prerequisites on worldwide level frequently request imaginative and inventive showcase methodology, which may bring approximately extra items for a firm's residential and worldwide markets (Czinkota & Ronkainen, 2009). Hence, item adjustment was found to be significantly correlated with prevalent firm performance, especially profoundly related with deals execution in the consider conducted by (Czinkota and Ronkainen, 2009).

A firms item advertising and procedure constitute to its life saver to the commercial center. In this manner, item procedure is the way a firm competes within the showcase and progresses its add up to execution (Aaker 2009; Day and Wensley 2010). Agreeing to Samiee (2010) item technique is the single most imperative component of advertise procedure item and is respected as a diagram for showcasing assets allotment toward realizing the targets of the firm, which is deals, monetary and client execution (Rosa and Spanjol 2005; Hughes & Morgan 2007; Yarbrough et al. 2011).

To keep steady execution, firms routinely adjust their showcasing techniques to comply to changes within the trade markets with the point of persevering responsiveness to their operating market put

(Ye et al. 2007). Thus far, item adjustment could be a reasonable procedure toward market responsiveness because it offers the improvement of new items that meet the requirements of a changing commercial center. Development may be a better approach of doing something or "unused stuff that's made useful"(McKeown 2008). It may allude to incremental and rising or radical and progressive changes in considering, items, forms, or organizations. Taking after Schumpeter (2004), supporters to the academic writing on advancement ordinarily recognize between development, an thought made show, and development, thoughts connected effectively in hone. In numerous areas, 25

To be inventive, something unused must be essentially distinctive, not just a minor alters, as within the expressions, financial matters, trade, and government approach. In financial matters, a alter must increment esteem, whether it is client esteem or maker esteem. The goal of advancement is to form positive alter, to improve someone or something. The basic source of expanding riches in an economy is advancement driving to expanded efficiency.

Advancement is an imperative topic within the consider of economics, business, plan, innovation, sociology, and building. Colloquially, the word "advancement" is frequently synonymous with the yield of the method. Be that as it may, financial specialists tend to center on the method itself, from the origination of an thought to its transformation into something valuable, to its execution; and on the system inside which the method of development unfurls. Since development is additionally considered a major driver of the economy, particularly when it leads to expanding efficiency, the components that lead to development are too considered to be basic to arrangement producers. In specific, supporters of advancement financial matters push utilizing open arrangement to goad development and development.

In spite of the fact that individual characteristics have been recognized as critical indicators of shoppers ,,adoption of an advancement a few analysts have appeared that it is the seen traits of the innovation itself instead of the characteristics of the trend-setters that are more grounded indicators of the appropriation choice (Dark et al 2001, Polatoglu, Ekin 2001).

Kotler (2007) defines price as the cost charged by an organization to manufacture, supply, and promote a product, and Zeithaml (2008) considers that monetary cost is the factor that influences consumers' perceived value of a product. claims to be one of Prices may be stated as actual prices

or face value for products of redeemable value. In addition to the amount paid for the product, further explanations are provided (Kotler, Ang, Leong, Jan, 2005). In another study by Colpan (2006). Dooleet, Grimes & Demack (2006) and Owomoyela et al. (2013) argued that there is an important relationship between price and performance. The price you set for your product or service plays a big role in its marketability. This is further explained by (Jones, 2007). Pricing for products or services generally available in the market is more elastic, meaning that units sold increase or decrease more rapidly in response to price changes. The impact of pricing strategies on performance has been examined in a previous study reported by Louter et al. (2008) present results demonstrating the relationship between pricing strategy and firm performance, and show that there is a strong positive relationship between pricing strategy and overall performance. Pricing strategies may vary from market to market due to many reasons related to the PESTEL model, including political, economic, social, technological, environmental and legal factors. Therefore, it is these forces that influence marketing, distribution and transportation costs and influence the pricing element of market strategies. Consideration of market structure and demand. Tariffs, taxes and other economic barriers to trade in various countries also affect pricing strategies. Competitor pricing practices. Channel costs and profit margins all have a significant impact on your pricing strategy. Empirical results confirm the association between pricing strategy and firm performance, showing a strong positive association between pricing strategy and overall performance.

(Christensen, Johansson, and Perona, 2009) explored the potential impacts of firms' export performance on pricing methodologies, pricing strategies, terms of sale, credit policies, exchange strategies, and price adjustments. Two price-related decisions were identified. . According to the study, pricing methods were limited to marketing pricing strategies in which companies exercise power by setting prices in various international markets according to market demand and competitive practices. The approach of adopting these practices is consistent with price adjustments to ensure resilience to changes in foreign market conditions, competitiveness and other environmental impacts, and to improve prospects for export performance (Christensen, Johansson , Perona, 2009). However, the argument is valid in that the success of a pricing strategy is measured in terms of export share of sales, profit levels, and customer satisfaction.

When consumers purchase consumer goods, price is an important external indicator and indicator of product quality and utility. Customers often perceive higher-priced brands to be of higher

quality and less susceptible to price cuts by competitors than lower-priced brands. (Dodd, Monroe, Guruwal, 2001). Prahalad (2010) argues that companies operating in the base pyramid segment should consider developing affordable products for these consumers. His point is that companies should develop products and services that consumers can pay for based on the pyramid.

Prahalad (2010) This incorporates not as it were working on cost decreases, but too making installment more available to these buyers, who regularly get their pay on a every day premise. Prahalad (2010) includes that, in expansion to reasonableness, firms ought to consider other vital components. They are as takes after:

mindfulness, get to, and accessibility. The call rates accessible would be communicated to through Cell Broadcast Benefit (CBS).The base duty would be Ksh 8.00 per diminutive. The rebates run from 0% to 90% meaning the least calling charge would be 80 cents, on supa ongea taxes (Njihia, 2009). Right now the costs have decreased to Ksh 4 and Ksh 3 within the Uwezo tax and the taken a toll of sending cash has altogether diminished to as moo as Ksh 1 and Ksh 2.(Okuttah, 2010).

Zeithamlet, Valerie, Berry, Leonard, and Parasuraman (2005) depict advancement as portion of particular exertion to empower clients to tell others almost their administrations. Agreeing to Duncan (2005), advancement is the key to the showcase trade handle that communicates with show and potential partners, and the common open. Each firm or store must cast itself into the part of communicator and promoter. Hakansson (2005) moreover reports that advancement shows up as an issue of how to form an ideal blend of marketing communication apparatuses in arrange to urge a product's message and brand from the maker to the customer. Borden, (2004) characterizes advancement as deals advancement, publicizing, individual offering, open relations and coordinate showcasing.

Kotler, (2007) finds that advancements have gotten to be a basic figure within the item showcasing blend which comprises of the particular mix of promoting, individual offering, deals advancement, open relations and coordinate promoting devices that the company employments to seek after its publicizing and showcasing objective. Past investigates (Amine and Cavusgil, 2001; Francis and Collins-Dodd, 2004) have set up noteworthy relationship between advancement and trade execution.

Numerous analysts have emphasized the esteem of special blend in send out markets as a important apparatus for execution. Deals, financial, and client execution are accomplished through a limited time blend that incorporates picking up involvement within the openings and issues that emerge in particular send out markets, making strides communication, personalizing relationships, and developing a group soul with clients overseas, and giving convenient reaction and quick bolster to the requirements of the send out wander. (Kaynak and Kothari, 2004). The consider by Styles & Ambler, (2009) inspected six promotion-related factors that's , promoting, deals advancement, individual offering, exchange fairs, individual visits, and promotion adjustment, for their impacts on trade execution. Most of the promotional related factors were found to be emphatically connected to firm execution.

Audit of writing appears that the utilize of exchange fairs to advance sends out has been inspected in a few ponders (Bello & Barksdale, 2009; Rosson & Seringhaus, 2009; Seringhaus & Rosson, 2009). In any case, a few observational thinks about (Karafakioglu, 2009; Styles and Ambler, 2009) connected exchange fairs to trade execution. Most of the considers shows bolster on the affect of exchange reasonable interest on trade extent of deals and other measures of send out execution. Eminently, promoting was the foremost broadly inquired about variable of special blend, based on the idea that with sound promoting strategies the firm can communicate data, continually remind, and convince remote clients to buy the items and, thus, produce more deals. The ponder comes about by Cateora and Graham, (2009) confirmed that publicizing emphatically impact trade deals execution and other execution.

Gupta (2007) It ought to be famous that the objectives of advancements are to draw in modern clients, hold existing clients, remunerate faithful clients, and increase showcase estimate by empowering the utilize of a complete item category and fortifying other communication instruments. Directors tend to apportion more budgets to deals advancement as a item advances through its life cycle. The same is genuine for lower-priced brands; also, retailers have a expansive impact on the ultimate price and advancement utilize. Within the fight for showcase share, about all businesses must utilize advancements as either hostile or cautious devices. As a result, deals advancement campaigns have an effect on shopper brand determination.

Earlier to making a choice, the commonplace shoppers would take into consideration whether or not a advancement exists. They may too buy something they had not arranged to purchase or

purchase in bigger amounts since of a advancement. When a require is made or uncovered in store, deals advancement can in reality produce an impulse buy. Hartley and Cross (2009) famous that deals advancements cover a wide scope of promoting action extending from exchange, deals drive and shopper programs. Particularly, deals advancement includes such exercises as rebates, motivation plans, coupons, sweepstakes and value-added advancements. These programs have ceaselessly been examined in terms of their affect upon brand dependability. Showcasing managers are getting to be more concerned around the beneficial utilize of limited time stores and controlling investing on exchange advancement. As a result, trade-offs among promoting, shopper advancement and exchange advancement are an imperative, in spite of the fact that puzzling perspective of the budgeting prepare.

They may moreover purchase something they did not expected to purchase or purchase in larger amounts since of a promotion. When a require is made or uncovered in store, deals advancement can in truth make an drive buy. Tull (2005) watched that deals advancement is only concerned with a prize or blessing given to shoppers. Usually steady with a number of deals advancement exercises for brands. When the sort of deals advancement could be a prize, the relationship between impact to require a brand and sales promotion gets to be clearer. An unrestricted jolt, such as a premium or prize, can elicit energy or feeling. There's a relationship with impact when the sort of deals advancement is a prize or a blessing. Connections have appeared that people who have gotten a blessing that has inspired a positive recognition of a brand are more likely to be risk-taking when the likelihood of profiting from the buy of a brand is tall, but risk-averse when the likelihood of profiting is moo. Such investigate is basic in creating an understanding of how promoting and special procedures can be utilized to impact shoppers „brand recognition and determination behavior.

Kotler (2003) observed that organizations should concern themselves with sales promotion campaigns because of factors such as competitive pressures from their counterparts, leading to the need of differentiation of their products and services. Buyers have become expectant in that the consumers are promotion oriented and are demanding more deals. There is also a requirement for organizations to increase customer loyalty, so adding value to a product or service is critical. Organizations have a desire for quick results, and the use of sales promotion produces quicker and more measurable results. (Hartley and Cross, 2004).

Over the years there has been a need to increase sales volume especially in the short run thus use of sales promotion compared to the other tools of promotion. According to Kotler (2003), decades ago, advertising to sales volume ratio was about 60:40. Today in many consumers packaged goods companies, sales promotion accounts for 65% to 75% of the combined budget. Sales promotion expenditures have been increasing as a percentage of budget expenditure annually for the last two decades and the fast growth rate is expected to continue. Top management is now more accepting of sales promotion as an effective sales tool, and product managers are widely using it to increase current sales. Some of the companies are concerned with increasing the sales in the short-run; therefore, sales promotion is often the resort. Companies use sales promotion to create a stronger and quicker response, it is used to dramatize product offers and to boost sagging sales (Kotler, 2007).

Whereas the conveyance of the markets message through tv media is certainly labeled as publicizing, what is contained within the message, specifically the challenge, is considered a deals advancement. The variables that recognize between the two limited time approaches are:

whether the advancement includes a short-term esteem suggestion for illustration the challenge is as it were advertised for a constrained period of time and the client must perform a few actions in order to be qualified to get the esteem recommendation. For illustration, client must enter a challenge. The consideration of a timing limitation and an action prerequisite are trademarks of deals advancement.

A company's deals advertisement and brand technique must be exceptionally compelling, engaging, and particular from competitors' offerings. The suggestion must moreover be reliably fortified all through an organization's life cycle. Kimball (2002), expressed that compelling deals advancement campaign empowers a business organization to effectively out-brand its competitors may be a persistent fight for the hearts and minds of the showcase share and clients.

Innovation progressions in later years have empowered an increment in two-way communication channels, such as social media showcasing, which might be seen as an advancement of the previous one-way communication. (Parment, 2008). Promoting campaigns by versatile administrator Safaricom ruled this long-time promoting grant, scooping three prizes for the different campaigns it run through the year. The company campaigns Bring Zack Back Domestic and Kenyans for

Kenya won the leading private segment product/services campaign and best corporate campaign on social media (Kamau, 2012). It positioned 2nd put on Twitter and 4th put on Facebook. Safaricom was the as it were African brand to create it on the best 10 on both criteria over the globe.

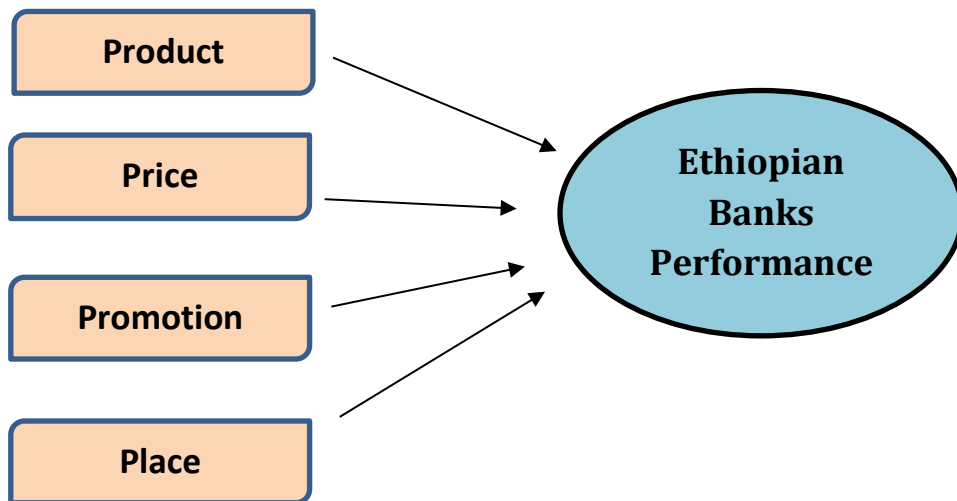
## 2.5 Conceptual Framework

In this think about 4Ps of showcasing are the autonomous variable. It incorporates item advancement a such as M-Pesa, M-Swhari, Okoa Jahazi administrations and web administrations. On the other hand, estimating component involves on-net estimating and off-net estimating. Deals advancement comprises of advancements through tv, twitter, confront book and charge sheets and recovering of Bonga focuses to induce phones and resources.

At last dispersion channels envelop discount retail, warehouse-wholesale-retail and coordinate offering. Successful utilization of these 4Ps of marketing would lead to execution that's characterized by moved forward deals volume, item income, expanded benefit margin and expansive advertise share

As surveyed within the audit of related writing area, the linkage between chosen free factors and the subordinate variable is displayed in Figure 2.1.

Figure 2.1: Conceptual Framework



Source: Adapted from Kotler and Armstrong (2006)



## **UNIT - THREE**

### **3 RESEARCH DESIGN AND METHODOLOGIES**

This chapter discusses the research methodology and data collection instruments that were used in this study. The following topics are covered; the Research Approach, Research Design, Sampling Design, Sources of Data, Method of Data Collection, Data Analysis Methods, and Reliability issues were addressed.

#### **3.1 Research Design**

According to Kothari (2004), study design is the provision of conditions for collecting and analyzing data in a manner intended to combine relevance to research objectives and economic procedures. In fact, research design is the conceptual structure in which research is conducted. A blueprint for collecting, measuring, and analyzing data. The purpose of this study was to investigate the impact of marketing strategies on the performance of Ethiopian banks.

Therefore, researchers choose both descriptive and explanatory research designs that use theory and hypotheses to explain the relationship between two or more variables, and are used to assess marketing-mix strategy practices and firm profitability. tested for impact. Data is recorded only once. Dependent and independent variables were measured at the same time points using a single questionnaire.

#### **3.2 Research Approach**

For this study, a quantitative research approach was chosen. This was because the researcher wanted to test the hypothesis that there is a relationship between marketing strategy and the performance of banks. A quantitative research approach was also chosen because it allows for the collection of large amounts of data, which can be used to test the hypothesis.

The data for this study was collected through a survey of bank managers, assistant managers and supervisors. The survey asked the managers about their banks marketing strategies and the performance of their banks. The data was analyzed using different statistical methods.

### **3.3 Sampling and Sampling Techniques**

The targeted population for this study were branch managers, assistant managers and supervisors of all Ethiopian Banks main branches located in head office area at Addis Ababa city. According to the official website report of National Bank of Ethiopia, and the researcher own census, the number of Ethiopian Banks reached 27 and all each single main branches of the banks have managerial and supervisory position staffs namely Branch manager, CSM/Operation Manager/Chief Cashier, Business Manager/CRM, Sr. Accountant/SCSO, and Auditor. This study was conducted by taking 147 employees the main branches of all Ethiopian commercial Banks. there are about 147 total employees within 27 branches. From these employees the researcher selected the representatives by using judgment sampling which is non probability sampling.

Therefore, deciding the optimal sample size is the most critical step of research projects. If the population size is smaller than 300, everyone should be surveyed and included in the population (Kohatri, 2004). Stated that statistical investigation in which data is collected for each and every element/unit of the population is termed a "census method." It is also known as a complete enumeration, or 100% enumeration, or complete survey. Therefore, in this study, the researcher employed the census method to determine study respondents. Therefore, the researcher had 147 total sample size.

Table 3.1. Population and Sample Size from each bank

<b>Population and Sample Size from each bank</b>		
<u>No</u>	Bank Name	Target Population (N) & Sample Size
1	Commercial Bank of Ethiopia	9
2	Nib International Bank	6
3	Abay Bank	5
4	Addis International Bank	5
5	Awash International Bank	7
6	Bank of Abyssinia	7
7	Berhan International Bank	5
8	Bunna International Bank	6
9	Cooperative Bank of Oromia	5
10	Dashen Bank	6
11	Debub Global Bank	5
12	Enat Bank	5
13	Lion International Bank	6
14	Oromia International Bank	6
15	Hibret Bank	5
16	Wegagen Bank	5
17	Zemen Bank	6
18	Development Bank of Ethiopia	6
19	Zamzam Bank	5
20	Hijra Bank	4
21	Siinqee Bank	5
22	Shabelle Bank	5
23	Amhara Bank	6
24	Ahadu Bank	5
25	Goh-Betoch Bank SC	3
26	Tsedey Bank	5
27	Tsehay Bank	4
	<b>Total</b>	<b><u>147</u></b>

Source: Own census, 2023

### 3.4 Data Source

Both primary and secondary data collection tools are used to collect data from relevant sources. Primary data were distributed to the branches in the form of closed-ended questionnaires with branch managers and deputy managers. As secondary data, we used documents related to corporate strategies and marketing strategies, various reference books, magazine articles, Internet websites,

and NBE reports. Information obtained through the use of both instruments was integrated during the data presentation and analysis stages.

### **3.5 Data Gathering Tools**

Data were collected using a structured closed-end questionnaire with a 5-point Likert scale. Closed surveys are used because they are cheaper and less time consuming than other measurement tools. The structure of the questionnaire is based on a literature survey. The questionnaire elements are adapted from research from various sources.

The questionnaire consists of three parts. The first section describes self-administered questions designed to gather background information from respondents relevant to the study. Respondents are asked to provide information about their gender, age, level of education, work experience, and relationship with the bank.

The second part of the questionnaire consists of questions about the market strategy independent variables, namely pricing strategy, product strategy, promotion strategy, and placement strategy, respectively, and the dependent variable, market performance. Responses to each item are rated using his 5-point Likert scale developed by (Frone et al., 1992). This scale includes Strongly Disagree (1), Disagree (2), and Neutral (3). “I agree” (4) and “I completely agree”. Five).

The third part of the questionnaire consists of questions as to whether the respondent has any further comments.

### **3.6 Data Analysis and Presentation**

Utilizing figures, tables and inferential factual apparatuses, the collected information was analyzed and translated. The statistic information was inspected utilizing recurrence and rate. Expressive insights were utilized to display quantitative portrayals of respondents' reactions to each address utilizing cruel and standard deviation, and inferential insights were utilized to analyze the relationship between factors and explore the impact of marketing mix strategies on the performance of organization in Ethiopian banks case, Pearson relationship and numerous relapse investigation utilizing measurable bundling for social science (SPSS) form 26.

### 3.7 Reliability Test

Reliability refers to how consistently a method measures something. A measurement is considered reliable if it always gives the same result using the same method and under the same circumstances. And the reliability of the survey tool depends on the extent to which its results accurately represent the total population surveyed, are consistent over time, and whether similar methodologies can be used to reproduce the findings. It is possible (Joppe, 2000).

Since all components used different factors, internal consistency (reliability of marketing mix practice and firm revenue performance) was assessed using Cronbach's alpha, randomly selected from each variable Confidence in all five question and answer values increased. 0.70 is considered acceptable. This means that the targeted questions asked in the questionnaire are suitable for achieving the research objectives. Therefore, the reliability test showed test scores higher than 0.7, as shown in the table, indicating that all items in the pilot questionnaire were reliable.

The generally accepted rule is that  $\alpha$  between 0.6 and 0.7 indicates an acceptable level of confidence, and 0.8 or greater indicates very good confidence. However, values above 0.95 are not always good as they may indicate redundancy (Hulin, Netemeyer, Cudeck, 2001).

Table 3.2. Cronbach 's Alpha value

<b>Reliability Statistics</b>		
<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>N of Items</b>
Product	0.720	6
Price	0.703	7
Promotion	0.712	6
Place	0.727	5
Performance	0.771	6
<b>Average</b>	<b>0.7268</b>	<b>30</b>

Source: SPSS result by own research survey, 2023

## **UNIT - FOUR**

### **4 DATA ANALYSIS, INTERPRETATION, AND PRESENTATION**

#### **4.1 Descriptive Analysis**

This part of the data analysis and interpretation consists of various data and information collected through employee opinion surveys. Data were collected using a closed questionnaire constructed on a 5-point scale from 1 to 5. 1 strongly disagree, 2 strongly disagree, 3 somewhat yes, 4 agree, 5 strongly agree.

Based on the determined sample size, 147 questionnaires were distributed to respondents and 136 were duly completed and returned. Therefore, 136 questionnaires are available for analysis using a 5-point Likert scale. The overall response rate was 92.51%. Therefore, the analysis of this study is based on the number of questionnaires collected.

##### **4.1.1 Descriptive Analysis on Demographic Data**

This descriptive analysis is used to validate the demographic data collected and explain the data collected in the questionnaire. For clarity, it is used to describe demographic factors. Among other things, general observations about the data collected are important for general demographic questions. Researchers collected demographic information about gender, age, education level, work history, and the respondent's relationship and position with the organization or bank.

Therefore, the analysis and interpretation of the data obtained from the respondents are presented and discussed as follows.

Table 4.1. Demographic characteristics of Respondents

<b>Descriptions of Respondents</b>		
<b>Gender of respondents</b>	<b>Frequency</b>	<b>Percent</b>
Male	78	57.35%
Female	58	42.65%
Total	136	100.00%
<b>Age of respondents</b>		
18-27	2	1.47%
28-37	88	64.71%
38-47	37	27.21%
48-57	9	6.62%
58 and above	-	-
Total	136	100.00%
<b>Working experience of respondents</b>	<b>Frequency</b>	<b>Percent</b>
1 - 4 years	4	2.94%
5 - 8 years	49	36.02%
9 - 12 years	72	52.94%
13 years and above	11	8.09%
Total	136	100.00%
<b>Educational background of respondents</b>	<b>Frequency</b>	<b>Percent</b>
Diploma	-	0%
Degree	107	78.68%
Masters	29	21.32%
PhD and above	-	0%
Total	136	100%
<b>Role in the Bank /Position</b>	<b>Frequency</b>	<b>Percent</b>
Branch Manager	60	44.1%
CSM/OM/BM	68	50%
SCSO	8	5.9%
Total	136	100%

Based on the demographic data provided, here are some observations:

- ✓ The sample includes 136 managerial position employees from all Ethiopian banks' main branches.
- ✓ There are more male respondents (57.35%) than female respondents (42.65%).
- ✓ Most of the respondents (64.71%) are between the ages of 28-37 years old, followed by 27.21% between the ages of 38-47 years old.
- ✓ The majority of respondents (52.94%) have 9-12 years of working experience, followed by 36.02% with 5-8 years of experience.
- ✓ Most respondents (78.68%) have a degree, while 21.32% have a master's degree.
- ✓ The majority of respondents (50%) are in CSM/OM/BM roles, followed by 44.1% who are Branch Managers.
- ✓ Overall, these demographic data can provide important insights into the characteristics of the respondents and their potential impact on the study's findings regarding the impact of marketing strategy on organizational performance in case of Ethiopian banks.

#### **4.1.2 Descriptive Analysis of the Variables**

The purpose of this section of the questionnaire was to collect information from respondents on the impact of marketing strategies on bank performance and to interpret the results using descriptive statistics. Descriptive statistics are used to present quantitative descriptions in an easy-to-understand format and help rationally simplify large amounts of data. In this study, mean and standard deviation were used to describe the results. Average represents the average level of recognition of the data item. The greater the average, the greater the expectation or agreement about the statement, and vice versa. The standard deviation, on the other hand, represents the variance, the spread of the data observed for that variable. is about its average value. A low standard deviation indicates that the data are reliable. The minimum and maximum responses for each of these studies range from 1 to 5 for all variables used in descriptive statistics. The average response of all representatives in a particular dimension is represented by mean. Average score: 4.51 to 5.00 very good or very good, 3.51 to 4.50 good, 2.51 to 3.50 average or fair, 1.51 to 2.50 fair, 1.00 to 1, 50 poor (Poonlar Btawee:1987).



Table 4.2. Mean result of Product Strategy

<b>Product</b>			
	N	Mean	Std. Deviation
The bank provides an excellent service.	136	4.1029	.71263
There is consistency in the service quality provided by the bank	136	3.9926	.75519
The service provided by the bank is highly reliable.	136	4.0882	.70417
The visual appearance of the products the bank offers is attractive	136	3.5000	.50185
The label and the package used for the products are highly attractive.	136	3.6691	.63310
The bank offers several service options for one has to choose from	136	3.6471	.65012
Valid N (listwise)	136		

Source: SPSS result by own research survey, 2023

According to the table, the variable with the highest mean score is "The bank provides an excellent service" with a mean of 4.1029, indicating that the respondents generally agree that the bank provides excellent service. The variable with the second-highest mean score is "The service provided by the bank is highly reliable" with a mean of 4.0882, suggesting that respondents also consider the bank's service to be highly reliable.

The variable with the lowest mean score is "The visual appearance of the products the bank offers is attractive" with a mean of 3.5000, indicating that respondents are relatively less convinced that the bank's products are visually attractive. The standard deviation of this variable is also relatively low, which suggests that the respondents' opinions are relatively consistent.

Overall, the mean scores for all variables are above 3, suggesting that respondents generally have positive perceptions of the bank's product and service quality. However, the variability in scores, as indicated by the standard deviations, suggests that there are some differences in opinion among respondents.

Table 4.3. Mean Result of Pricing Strategy

<b>Price</b>			
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
The bank offers fair interest rates for borrowers	136	3.3382	.68009
The interest rates the bank offers attract depositors	136	2.3309	.63310
The offers for various sectors' interest rate of the bank are reasonable	136	3.0956	.76863
The bank consistently provides the best values for customers	136	3.5368	.56971
The service charges of the bank encourage customers to ask for more services.	136	3.1250	.81138
The banking service is fair enough as compared to the service rendered by the bank.	136	2.5074	.84324
The customers are very satisfied with the overall pricing set by the bank.	136	2.3603	.73709
Valid N (listwise)	136		

Source: SPSS result by own research survey, 2023

This table represents the descriptive statistics for seven variables related to the interest rates and pricing offered by a bank.

According to the table, the variable with the highest mean score is "The bank consistently provides the best values for customers" with a mean of 3.5368, indicating that respondents generally agree that the bank provides good value for customers. The variable with the second-highest mean score

is "The bank offers fair interest rates for borrowers" with a mean of 3.3382, suggesting that respondents also consider the bank's interest rates to be fair.

The variable with the lowest mean score is "The interest rates the bank offers attract depositors" with a mean of 2.3309, indicating that respondents are relatively less convinced that the bank's interest rates are attractive to depositors. The standard deviation of this variable is also relatively low, which suggests that the respondents' opinions are relatively consistent.

Overall, the mean scores for all variables are above 2, suggesting that respondents generally have positive perceptions of the bank's interest rates and pricing. However, the variability in scores, as indicated by the standard deviations, suggests that there are some differences in opinion among respondents. For example, the variable "The banking service is fair enough as compared to the service rendered by the bank." has a relatively high standard deviation of 0.84324, which suggests that there is a wide range of opinions among respondents regarding this variable.

Table 4.4. Mean Result of Promotion Strategy

<b>Promotion</b>			
	N	Mean	Std. Deviation
The bank advertises its offer frequently to customers.	136	4.2353	.73268
The bank offers incentives to attract customers	136	4.1029	.79143
The bank sponsors special events to meet its social responsibility	136	3.1471	.76526
The bank promotions are more effective as compared to the competitors.	136	3.5441	.74900
The customers are well aware of the bank's services.	136	3.5882	.78382
The overall promotions of the banks are more satisfying and meet their intended objectives.	136	3.8162	.77174
Valid N (listwise)	136		

Source: SPSS result by own research survey, 2023

This table represents the descriptive statistics for six items related to the bank's advertising and promotions. According to the table, the variable with the highest mean score is "The bank advertises its offer frequently to customers" with a mean of 4.2353, indicating that respondents generally agree that the bank advertises frequently. The variable with the second-highest mean score is "The bank offers incentives to attract customers" with a mean of 4.1029, suggesting that respondents also consider the bank's incentives to be effective in attracting customers.

The variable with the lowest mean score is "The bank sponsors special events to meet its social responsibility" with a mean of 3.1471, indicating that respondents are relatively less convinced that the bank's sponsorship of special events meet its social responsibility. The standard deviation of this variable is also relatively high, which suggests that the respondents' opinions are more diverse for this variable.

Overall, the mean scores for all variables are above 3, suggesting that respondents generally have positive perceptions of the bank's advertising and promotions. However, the variability in scores, as indicated by the standard deviations, suggests that there are some differences in opinion among respondents. For example, the variable "The overall promotions of the banks are more satisfying and meet their intended objectives" has a relatively high standard deviation of 0.77174, which suggests that there is a wide range of opinions among respondents regarding this variable.

Table 4.5. Mean Result of Place Strategy

<b>Place</b>			
	N	Mean	Std. Deviation
The bank's service delivery is relatively fast as compared to competitors.	136	3.8824	.66732
The bank locates its offices near its customer to closely serve them.	136	3.8971	.75306
The bank's alliances provide an excellent service to the bank's customers.	136	2.7500	.73786
The bank's layout is more attractive and appealing to receiving the service	136	3.0588	.85864
There is convenient transport available to get the service from the bank.	136	3.9559	.76853
Valid N (listwise)	136		

Source: SPSS result by own research survey, 2023

This table represents the descriptive statistics for five variables related to the bank's service delivery and accessibility.

According to the table, the variable with the highest mean score is "There is convenient transport available to get the service from the bank" with a mean of 3.9559, indicating that respondents generally agree that there is convenient transport available to access the bank's services. The variable with the second-highest mean score is "The bank locates its offices near its customer to closely serve them" with a mean of 3.8971, suggesting that respondents also consider the bank's location strategy to be effective in serving customers.

The variable with the lowest mean score is "The bank's alliances provide an excellent service to the bank's customers" with a mean of 2.7500, indicating that respondents are relatively less convinced that the bank's alliances provide excellent service. The standard deviation of this

variable is also relatively high, which suggests that the respondents' opinions are more diverse for this variable.

Overall, the mean scores for all variables are above 2.75, suggesting that respondents generally have positive perceptions of the bank's service delivery and accessibility. However, the variability in scores, as indicated by the standard deviations, suggests that there are some differences in opinion among respondents. For example, the variable "The bank's layout is more attractive and appealing to receiving the service" has a relatively high standard deviation of 0.85864, which suggests that there is a wide range of opinions among respondents regarding this variable.

Table 4.6. Mean Result of Performance of banks

<b>Performance</b>			
	N	Mean	Std. Deviation
The bank's market strategy is effective in promoting and attracting new customers.	136	3.0515	.79181
The bank's profitability is relatively higher as compared to other banks	136	2.9191	.86970
The bank's strategy attracting contributes a great deal to attracting customers	136	3.1912	.82115
The strategy set by the bank helps to retain its customers	136	2.6324	.73846
The bank's strategy helps to attain a relatively higher market share as compared to other banks.	136	2.6618	.94454
The strategy set by the banks helps in increasing customer satisfaction.	136	2.8382	.88795
Valid N (listwise)	136		

Source: SPSS result by own research survey, 2023

Based on the given data, the bank's market strategy is effective in promoting and attracting new customers, as indicated by a mean score of 3.0515 and a standard deviation of 0.79181. Additionally, the bank's strategy for attracting customers contributes a great deal to customer attraction, with a mean score of 3.1912 and a standard deviation of 0.82115.

However, the bank's profitability, as compared to other banks, is only relatively higher, with a mean score of 2.9191 and a standard deviation of 0.86970. The strategy set by the bank for customer retention also appears to have room for improvement, with a mean score of 2.6324 and a standard deviation of 0.73846.

The bank's strategy for attaining a relatively higher market share, as compared to other banks, also appears to be somewhat lacking, with a mean score of 2.6618 and a standard deviation of 0.94454. Finally, the strategy set by the bank for increasing customer satisfaction has a mean score of 2.8382 and a standard deviation of 0.88795, indicating that there may also be room for improvement in this area.

Overall, while the bank's market strategy appears to be effective in attracting new customers, there are areas for improvement in terms of profitability, customer retention, market share, and customer satisfaction.

#### **4.1.2.1 Summary of the perception of the Respondents about Marketing mix Strategy and Performance of the Banks**

Table 4.7. Mean Result of Summary of the perception of the respondents about marketing strategy and performance of banks

	Mean	Std. Deviation	N
Product	23.0000	2.06559	136
Price	20.2941	2.94673	136
Promotion	22.4338	2.32125	136
Place	17.5441	2.63837	136
Performance	17.2941	3.37994	136

Source: SPSS result by own research survey, 2023

Based on the provided statistics, we can observe the following:

- ✓ The mean score for Product is 23.0000 out of 136, indicating that on average, the respondents rated the product positively.
- ✓ The standard deviation for Product is 2.06559, suggesting that there is not much variability in the responses for this item.
- ✓ The mean score for Price is 20.2941 out of 136, indicating that on average, the respondents rated the price lower than the product and promotion.
- ✓ The standard deviation for Price is 2.94673, suggesting that there is some variability in the responses for this item.
- ✓ The mean score for Promotion is 22.4338 out of 136, indicating that on average, the respondents rated the promotion higher than the price and place.
- ✓ The standard deviation for Promotion is 2.32125, suggesting that there is not much variability in the responses for this item.
- ✓ The mean score for Place is 17.5441 out of 136, indicating that on average, the respondents rated the place lower than the product, price, and promotion.
- ✓ The standard deviation for Place is 2.63837, suggesting that there is some variability in the responses for this item.
- ✓ The mean score for Performance is 17.2941 out of 136, indicating that on average, the respondents rated the performance lower than all other items.
- ✓ The standard deviation for Performance is 3.37994, suggesting that there is a significant amount of variability in the responses for this item.

Overall, the respondents rated the product and promotion positively, while the price, place, and performance were rated lower. However, it is important to note that there is some variability in the responses for certain items, indicating that there may be differing opinions among the respondents.



## 4.2 Inferential Statistics Analysis Result

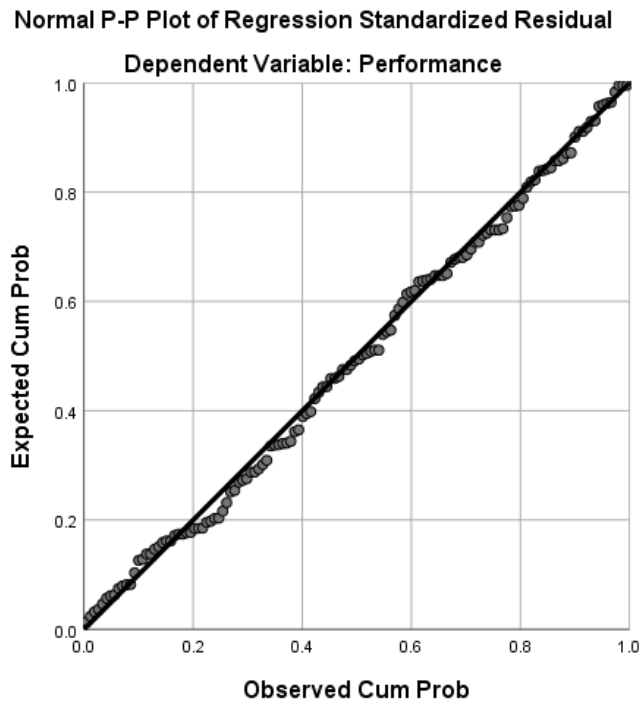
### 4.2.1 Assumptions Testing in Multiple Regressions

This study has conducted the assumption tests of normality and multicollinearity. The results of the tests showed that the residuals of the regression model are normally distributed and that the independent variables are not highly correlated with each other. This suggests that the basic assumptions of multiple regression have been satisfied, and that the regressed results of the study are valid and robust.

#### 4.2.1.1 Normality Test

This assumption determines whether or not the information is well represented by normal distribution. The graphical (dot plot) method of testing could be used to check this normal distribution test. A normal probability plot was used to put the assumption to the test (NPP). The selection rule states that a variable of interest is normally distributed if the fitted line in the NPP is close to a straight line. (Gujarat, 2004). The fitted line at the nuclear power plant was approximately straight, so the model residuals were approximately normally distributed.

Fig. 4.1. Normality



Source: SPSS result by own research survey, 2023

### 4.2.1.2 Multi Collinearity

Collinearity diagnosis of variables as part of multiple regression method (VIF). Tolerance measures the extent to which variation in the specified independent variable is not explained by other independent variables in the model. If this value is very low (less than 0.10), it indicates a strong multiple correlation with other variables, indicating possible multicollinearity. Additionally, VIF is provided which is the simple reciprocal of the tolerance (1 divided by the tolerance). VIF values above 10 are problematic and exhibit multicollinearity (Pallant, 2010).

Table 4.8. Tolerance and VIF values for each predictor variable in the model

Collinearity Statistics		
	Tolerance	VIF
Product	.853	1.069
Price	.578	1.685
Promotion	.652	1.578
Place	.764	1.436

Source: SPSS result by own research survey, 2023

The table shows the Tolerance and VIF values for each predictor variable in the model, In this model, the dependent variable is "Performance" and the predictor variables are "Product", "Price", "Promotion", and "Place".

Looking at the Tolerance values, all of the predictor variables have values greater than 0.1, indicating that there is no significant collinearity issue among them. Additionally, all of the VIF values are less than 10, which is also a good sign.

Overall, the Collinearity Statistics table provides useful information on the degree of collinearity among predictor variables in a regression model. In this particular model, the results suggest that multicollinearity is not a significant issue and that three of the predictor variables are important for predicting performance.

## 4.2.2 Correlation Analysis

Table 4.9. Correlation analysis

Correlations						
		Product	Price	Promotion	Place	Performance
Product	Pearson Correlation	1	.419**	.111	.593**	.407**
	Sig. (2-tailed)		.000	.197	.000	.000
	N	136	136	136	136	136
Price	Pearson Correlation	.419**	1	.269**	.107	.121
	Sig. (2-tailed)	.000		.002	.215	.159
	N	136	136	136	136	136
Promotion	Pearson Correlation	.111	.269**	1	.244**	.519**
	Sig. (2-tailed)	.197	.002		.004	.000
	N	136	136	136	136	136
Place	Pearson Correlation	.593**	.107	.244**	1	.451**
	Sig. (2-tailed)	.000	.215	.004		.000
	N	136	136	136	136	136
Performance	Pearson Correlation	.407**	.121	.519**	.451**	1
	Sig. (2-tailed)	.000	.159	.000	.000	
	N	136	136	136	136	136
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: SPSS result by own research survey, 2023

The table above shows the results of a correlation analysis of five variables: Product, Price, Promotion, Place, and Performance.

The table presents Pearson correlation coefficients, significance levels, and sample sizes for each pairwise combination of variables. Pearson correlation coefficient is a measure of the strength and direction of the linear relationship between two variables.

In this case, the results show that there are significant correlations between some of the variables. For example, there is a significant positive correlation between Performance and Product ( $r = .407$ ,

$p < .01$ ) and between Performance and Promotion ( $r = .519, p < .01$ ). There is also a significant positive correlation between Place and Performance ( $r = .451, p < .01$ ).

Additionally, there is a significant positive correlation between Product and Place ( $r = .593, p < .01$ ). However, there is no significant correlation between Price and any of the other variables.

### 4.2.3 Multiple Regression Analysis

Regression analysis is a statistical method that is used to analyze the relationship between two or more variables. In market research, regression analysis is often used to understand how different marketing activities affect customer behavior. For example, a market researcher might use regression analysis to determine how the price of a product, the amount of advertising, and the level of customer service affect sales. In its simplest form, regression analysis is a linear model that can be used to predict the value of a dependent variable based on the values of one or more independent variables. The dependent variable is the variable that we are trying to predict, and the independent variables are the variables that we think might influence the value of the dependent variable. Regression analysis can be used to make predictions about the future, but it is important to remember that these predictions are only estimates. The accuracy of the predictions will depend on the quality of the data that is used to train the regression model (Mooi and Sarstedt, 2011).

#### 4.2.3.1 Regression Analysis between Marketing Strategy and Performance of the Banks

Table 4.10. Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.662 <sup>a</sup>	.438	.421	2.57233
a. Predictors: (Constant), Place, Price, Promotion, Product				

Source: SPSS result by own research survey, 2023

The Model Summary provided shows the following regression statistics:

- ✓ R: The correlation coefficient between the predicted values and the actual values. In this case, R is 0.662a which indicates a moderate positive correlation between the variables.

- ✓ R Square: The proportion of variance in the dependent variable (outcome) that can be explained by the independent variables (predictors). In this case, the R Square value is 0.438, which means that approximately 44% of the variance in the outcome variable is explained by the predictors in the model.
- ✓ Adjusted R Square: The R Square value adjusted for the number of predictors in the model. In this case, the Adjusted R Square value is 0.421, which means that the model explains less variance in the outcome variable than the R Square value, due to the number of predictors in the model.
- ✓ Std. Error of the Estimate: The standard deviation of the residuals (the differences between the predicted values and the actual values). In this case, the Std. Error of the Estimate is 2.57233 which suggests that the model's predictions are likely to be off by approximately 2.57 units.

Table 4.11. ANOVA analysis

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	675.422	4	168.855	25.519	.000 <sup>b</sup>
	Residual	866.814	131	6.617		
	Total	1542.235	135			
a. Dependent Variable: Performance						
b. Predictors: (Constant), Place, Price, Promotion, Product						

Source: SPSS result by own research survey, 2023

The ANOVA table above indicates the results of an analysis of variance (ANOVA) for a regression model with Performance as the dependent variable and Place, Price, Promotion, and Product as predictors.

The table is divided into three main sections: Model, Residual, and Total. The Model section shows the sum of squares, degrees of freedom (df), mean square, F-value, and significance level (Sig.) for the regression model. The Residual section shows the sum of squares and df for the error or residual term, and the Total section shows the sum of squares and df for the entire model.

In this case, the regression model is significant, with a F-value of 25.519 and a significance level of .000. This indicates that the predictors (Place, Price, Promotion, and Product) as a group are significantly related to Performance.

Table 4.12. Regression Model

<b>Regression Model</b>								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-10.755	3.134		-3.432	.001		
	Product	.543	.151	.332	3.597	.000	.853	1.069
	Price	-.190	.088	-.166	-2.146	.034	.578	1.685
	Promotion	.712	.103	.489	6.897	.000	.652	1.578
	Place	.196	.111	.153	1.769	.079	.764	1.436
a. Dependent Variable: Performance								

Source: SPSS result by own research survey, 2023

The table represents the results of a multiple regression analysis where Performance is the dependent variable and Product, Price, Promotion, and Place are the independent variables.

The standardized coefficients (Beta) indicate the strength and direction of the relationship between each independent variable and the dependent variable while controlling for the other independent variables in the model. A Beta value greater than 0 indicates a positive relationship between the independent variable and the dependent variable, while a Beta value less than 0 indicates a negative relationship.

In this model, the standardized coefficients (Beta) show that Promotion has the strongest positive relationship with Performance (Beta = 0.489), followed by Product (Beta = 0.332). Price has a weak negative relationship with Performance (Beta = -0.166), and Place has positive relationship with Performance (Beta = 0.153).

Overall, the standardized coefficients (Beta) provide valuable information about the unique contribution of each independent variable to the dependent variable while controlling for other variables in the model. Based on the results of this regression analysis, it appears that Promotion and Product are the most important predictors of Performance.

### **4.3 Hypothesis Test**

From the above analysis, the following hypotheses are tested as follows:

H1: product has a significant effect on performance.

As shown in the table, performance is impacted by products with a beta value of 0.0332. This effect is statistically significant because  $P < 0.05$ , reported in the table as P-value 0.000. Therefore, the hypothesis that the product has a significant impact on market performance is accepted.

H2: Price has a significant effect on performance.

In the table, performance is affected by price, with a beta value of -0.166. This effect is statistically significant because  $P < 0.05$ , reported in the table as P-value 0.034. Therefore, the hypothesis that price has a significant impact on market performance is accepted.

H3: Place has a significant effect on performance.

In the table, performance is impacted by orders of magnitude with a beta value of 0.153. This effect is statically insignificant as  $P > 0.05$  (shown in the table as P-value 0.079). Therefore, the hypothesis that location has little impact on market performance is rejected.

H4: Promotion has a significant effect on market performance.

In table, Performance metrics are subject to promotion with a beta value of 0.489. This effect is statistically significant because  $P < 0.05$ , reported in the table as P-value 0.000. Therefore, the hypothesis that advertising has a significant impact on market performance is accepted.

## **UNIT - FIVE**

### **5 SUMMARY, CONCLUSION, AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter provides an overview of the results, conclusions and recommendations. The primary objective of this study was to assess the impact of market strategies on the organizational performance of Ethiopian banks. To achieve the study objectives, relevant literature was reviewed and quantitative data were collected through questionnaires completed by bankers. To achieve the study objectives, relevant literature was reviewed and quantitative data were collected through questionnaires completed by interviewed bankers. Questionnaire data were presented, analyzed, interpreted and discussed using a version of the statistical package (SPSS 26.0). Therefore, on the basis of the analysis, the following insights, conclusions and recommendations have been made for market strategists of all Ethiopian banks and those interested in detailed study of these issues within the same or other organizations. distributed to researchers. Sectors of the country in general.

#### **5.2 Summaries of findings**

To investigate the impact of marketing strategy on bank performance, the study focused on how much marketing mix strategy (product, price, promotion, and place) influences bank performance. The following summarizes the major findings.

- ✓ The data related to the demographics of the respondents is crucial as it gives valuable insights into their characteristics and how they may influence the study's findings on the impact of marketing strategies on the performance of Ethiopian banks.
- ✓ Based on the responses, the product and promotion were rated positively. However, the price, place, and performance received lower ratings. It's worth noting that there was some variation in the responses for specific aspects, suggesting that opinions among respondents may differ.
- ✓ Based on the regression analysis conducted, it appears that the model is noteworthy, as evidenced by the F-value of 25.519 and a significance level of .000. This suggests that the predictors (Place, Price, Promotion, and Product) collectively have a significant impact on the overall Performance.



- ✓ The standardized coefficients (Beta) provide useful information about each independent variable's unique contribution to the dependent variable while controlling for other variables in the model. According to the findings of this regression analysis, Promotion, and Product appear to be the most important predictors of Performance.
- ✓ The analysis tested four hypotheses related to the effects of product, price, place, and promotion on market performance. The results showed that product and price have significant effects on market performance, while the place had an insignificant effect. The promotion was found to have a significant effect on market performance. These conclusions were based on statistical analysis and P values, with the specific beta values and P values provided in the table.
- ✓ The proportion of variance in the dependent variable (outcome) that can be explained by the independent variables (predictors). In this case, the R Square value is 0.438, which means that approximately 44% of the variance in the outcome variable is explained by the predictors in the model.
- ✓ There is no significant correlation between Price and any of the other variables in Pearson correlation coefficients, significance levels. All of the predictor variables have tolerance values greater than 0.1, indicating that there is no significant collinearity among them. Furthermore, all of the VIF values are less than 10, which is a positive sign.
- ✓ Furthermore, based on the findings of this study, researchers discovered that not all market strategy dimensions have a positive effect on market performance. Two market strategy dimensions (product and promotion) have a positive and significant effect on performance. Price and location, on the other hand, have a positive but insignificant effect on performance.

### 5.3 Conclusions

- ✓ Based on the research findings, it can be concluded that the demographics of the respondents are crucial to gain insights into how they may influence the study's findings on the impact of marketing strategies on the performance of Ethiopian banks. The product and promotion were rated positively, while the price, place, and performance received lower ratings, with some variation in responses for specific aspects.
- ✓ The regression analysis conducted revealed that the predictors collectively have a significant impact on the overall performance of the banks. The standardized coefficients (Beta) indicated that Promotion and Product were the most important predictors of Performance. The analysis tested four hypotheses and concluded that product and price have significant effects on market performance, while the place had an insignificant effect. The promotion was found to have a significant effect on market performance.
- ✓ The R Square value of 0.438 suggested that approximately 44% of the variance in the outcome variable is explained by the predictors in the model. There was no significant collinearity among the predictor variables, and all the VIF values were less than 10, indicating a positive sign.
- ✓ In conclusion, not all market strategy dimensions have a positive effect on market performance. Two market strategy dimensions (product and promotion) have a positive and significant effect on performance. Price and location have a positive but insignificant effect on performance. These findings have important implications for Ethiopian banks looking to improve their marketing strategies and overall performance.

### 5.3 Recommendations

Based on the research findings, the following recommendations can be made:

- ✓ Banks should focus on improving the pricing and performance aspects of their marketing strategies based on the lower ratings received in these areas. This can be achieved by conducting research on customer preferences and behavior and adjusting pricing strategies accordingly. Improving customer service and operational efficiency can also enhance the performance of banks.
- ✓ Banks should prioritize their promotion and product strategies as they were found to be the most important predictors of performance. Developing effective promotional campaigns that target the right audience and showcase the unique features of their products can lead to increased market share and profitability.
- ✓ The insignificant effect of place on market performance suggests that banks should focus on other aspects of their marketing strategies rather than relying solely on location. Enhancing online and digital banking services can help banks reach a wider audience and improve customer satisfaction.
- ✓ Finally, banks should continue to monitor the impact of their marketing strategies on performance and adjust them accordingly based on the findings. This can involve conducting regular surveys and data analysis to identify areas for improvement and implementing changes to enhance the effectiveness of their marketing strategies.

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# **APPENDIX I**

# **Questionnaire**

**Addis Ababa University**  
**College of Business & Economics**  
**Department of Management**  
**MSc in International Business**  
**Questionnaire to be filled by Banks Employees**

**Dear Respondent,**

This questionnaire is designed by the final year postgraduate students of Addis Ababa University under the title: "The Impact of Marketing Strategy on Organization Performance" for the partial fulfillment of the course MSC Thesis. The information provided by you will be held strictly confidential and be used for the academic purpose. You will not be held responsible for anything arising thereof.

Therefore, I kindly request you to duly fill out and return the questionnaire promptly. Thank you in advance for your cooperation. For further inquiry, I will be available at the following address:

**Yalewayker Mazengiaw**

**Mobile: +251929293322**

**E-mail: yal.getu2014@gmail.com**

**General Instructions**

1. No need of writing your name.
2. Please fill in the answer by putting the “√” mark.

**PART I: Demographic Information**

1. Sex: Male  Female
2. Age: 18-27 years  28-37 years  38-47 years  48-57 years   
58 years and above
3. Work Experience: 1- 4 years  5-8 years  9- 12 years  13 years and above
4. Education Level: Diploma  Degree  Masters  PhD and above



5. Relation with the Banks: Branch Manager  Customer Service Manager  CSO/Other

**PART II:**

Please state your level of agreement with the questions stated below using a Five Points Likert scale, where: 1= Strongly Disagree; 2 = Disagree; 3 = Neutral; 4= Agree and 5= Strongly Agree.

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
<b>PRODUCT</b>					
The bank provides an excellent service.					
There is consistency in the service quality provided by the bank					
The service provided by the bank is highly reliable.					
The visual appearance of the products the bank offers is attractive					
The label and the package used for the products are highly attractive.					
The bank offers several service options for one has to choose from					
<b>PRICE</b>					
The bank offers fair interest rates for borrowers					
The interest rates the bank offers attract depositors					
The offers for various sectors' interest rate of the bank are reasonable					
The bank consistently provides the best values for customers					

The service charges of the bank encourage customers to ask for more services.					
The commissions for guarantees and other banking service is fair enough as compared to the service rendered by the bank.					
The customers are very satisfied with the overall pricing set by the bank.					

**PROMOTION**

The bank advertises its offer frequently to customers.					
The bank offers incentives to attract customers					
The bank sponsors special events to meet its social responsibility					
The bank promotions are more effective as compared to the competitors.					
The customers are well aware of the bank's services.					
The overall promotions of the banks are more satisfying and meet their intended objectives.					

**PLACE**

The bank's service delivery is relatively fast as compared to competitors.					
The bank locates its offices near its customer to closely serve them.					
The bank's alliances provide an excellent service to the bank's customers.					
The bank's layout is more attractive and appealing to receiving the service					

There is convenient transport available to get the service from the bank.					
<b>PERFORMANCE</b>					
The bank's market strategy is effective in promoting and attracting new customers.					
The bank's profitability is relatively higher as compared to other banks					
The bank's strategy attracting contributes a great deal to attracting customers					
The strategy set by the bank helps to retain its customers					
The bank's strategy helps to attain a relatively higher market share as compared to other banks.					
The strategy set by the banks helps in increasing customer satisfaction.					

**PART III:**

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

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