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**ASSESSMENT OF MARKETING STRATEGY PRACTICES IN
MESFIN INDUSTRIAL ENGINEERING PLC**

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ASSESSMENT OF MARKETING STRATEGY PRACTICE ON MESFIN
INDUSTRIAL ENGINEERING PLC

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ENGINEERING

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ENDORSEMENT

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DECLARATION

I, the undersigned, declare that this thesis is my original work; prepared under the guidance of Dr Mohammed .M. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name

Signature & Date

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List Of Acronyms

MIE: Mesfin industrial engineering

PLC: Private Limited Company

PLC: Product Life Cycle

SD: Standard Deviation

SKD: Semi knocked down

STP: Segmentation, Targeting and Positioning

SPSS: Statistical Software for Social Science

4P: Product, Price, Place and Promotion

TV Ads: Television Advertisement

EBC: Ethiopian Broad Casting Corporation

EBS: Ethiopian Broad Casting Service

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Abstract

The aim of this study was to assess the marketing strategy practice in mesfin industrial engineering. It described how the marketing strategies were practiced in the company to achieve its goals aligned with marketing mix to satisfy customer requirements. The research was carried out through the use of descriptive study design customers by using both qualitative and quantitative approaches. Both primary and secondary data collection instruments were used to collect data. Closed ended questionnaire survey along with interview was used for the purpose of data collection. The selections of the respondents were carried out by using purposive sampling technique. The researcher took all the respondents of customers of Mie as a total population of the study. Out of these, 126 respondents were considered. The findings show that the company has identified its marketing mix element and target market in the marketing strategies. The price of the company products are affordable and easily understandable by customers. The product quality are accepting by the customers'. The company product availability and accessible were not sufficient. The company only use direct channel for distribution. Promotions activities of the company suffer from lack of brand promotion and other promotional mix. In addition there are some major problems that the company faced while implementing it. Including: ineffective distribution system, insufficient promotional activity. Based on these, it is recommended that Mie should investigate its marketing strategy and revisit its current performance against the problem.

Key Words: Strategy, Marketing strategy, Target marketing, Market segmentation, Positioning and marketing mix

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to (KindyeEssa 2011) customers are necessary for the continuous existence of an organization. Since the survival of any business is dependent on customer, the main purpose of every business should be satisfying its existing customers and attract a new customer. Hence, in order to be successful, organizations have to continuously measure satisfaction level of their customers in order to assure their existence in the market.

(ZelalemAnley 2011) stated that company's must choose distribution that reach its customer most effectively and other intermediaries that add value to the distributive process. The company have to do more to expand its local market coverage and increase its market share by selling the products even in rural areas. thus effective management of the distribution system delivers the most customer value and satisfaction the more customers are satisfied with regard to the 4ps of marketing mix, the higher the rewards for the business. Highly satisfied customers buy additional products overtime as the company introduce related product or improvements'.

Dynamic business environment, using appropriate strategy is needed for business companies to be competitive or at least to stay where they are in their field of operation. This is because strategies help firms to guide themselves to the direction they need and to withstand the environmental challenges (Ibid).

The right strategy formulation should emanate from a well-defined organizational vision because for a given firm, such strategy is ultimately a unique construction of itself and it reflects its particular circumstances (Porter, 2000). Thus, what an organization aspires to be in the long run will be directed and scrutinized through strategy formulation.

Marketing managers (marketers) must think about the methods of winning, retaining, in general, satisfying customers from various ways which will lead to organizational success. To do so, the

elements of marketing mix (product, price, promotion and place) serve as the most crucial tools for meeting the company's objective together with satisfying customers through effective utilization of them. These variables are controllable variables by marketers. In addition, marketing managers can use them to attract and retain customers since they can be reshaped by a given marketing managers.(ZelalemT 2011)

Marketing strategy is the process of planning and implementing company policies towards realizing company goals in accordance with the company vision. Marketing strategies include general ones such as price reduction for market share growth, product differentiation, and market segmentation, as well as numerous specific strategies for specific areas of marketing.(Ibid)

Therefore, marketing strategy is most effective when it is an integral component of corporate mission, target marketing, marketing mix and defining how the organization will successfully engage customers, prospects, and competitors in the market arena. (Dibb, S. 2005).

Marketing strategies includes all basic and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives.(Homburg et al. 2009).

Marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources. Marketing strategy encompasses selecting and analyzing the target market(s) and creating and maintaining an appropriate marketing mix that satisfies the target market and company.(Paul Fifield, 1994).

The number of employees during its establishment was about 30 people. MIE currently employs more than 2400 permanent and temporary workers. MIE started its activities by manufacturing of metal windows, doors maintenance of vehicles and the like. Currently MIE's products include passenger vehicles, heavy duty trucker, dry and liquid transport drawbar and trailers, semi-trailers, low beds, fuel storage tanks, sugar process equipment, cement process equipment, hydropower industries, assembly of automobiles and tractors.

MIE company has established partnership with Geely International, China for the SKD assembly, vehicle (GC-7, EC-7, NL-3, GC-2) moreover, it has recently established partnership with Peugeot

Automobile ,France for the SKD assembly of vehicles like(301,208,2008, 3008) with respect to Agriculture tractors and implements MIE also has established partnership with sonalika international, India for SKD assembly of different capacity tractor (20, 50,75,90 and 110HP) .

According to (AbeselomDamtew 2013) research was to assess the marketingstrategy on ethio telecom, the study was designed mainly to deal with how market segmentation , 4ps and target marketing are used in order to enhance, maintain and attractcustomers and to identify how these tools are aligned with marketing strategy of thecompany.

According (KindyeEssa2011)research was to asses either after sale services that are offered to customers just after the sales stage have an effect on customer satisfaction and loyalty in the automotive industry.

However, other researcher conducting on marketing strategy in differentcompany,concerned on with Ps and customer satisfaction. So that it is not enough research depending on the company to maintain. The aim of this study is to assess the marketing strategy concerning the factor that affecting the flow of managerial activity in Mie.

1.2. Statement of the Problem

Nowadays building and implementing a strongmarketing strategy is the core thing in the everycompany. Marketing strategy is a plan for how the organization will use its strengths and capabilities to match the needs and requirements of the market. So that to develop a marketing strategy, an organization must select the right combination of target market(s) and marketing mix (es) in order to create distinct competitive advantages.

Sustainable and continuous survival of an organization mainly depends on its business relationwith its customers. When business firms direct their resources and all their efforts for betteraccomplishment of their intended purposes, growth and profitability is entirely influenced by thequality and reliability of their service. These could be done through delivering a service thatcould increase the acceptance of the organization in the face of the customers.(ShiferaBekele2011)

Mesfin industrial engineering is one of automobile and Agriculture machinery assembler in the country. It has a vision to be a leading engineering company in east Africa in the power,

cement, sugar and automotive industrial subsectors. Recently established a partnership with Peugeot (France) and Sonalika (India) to be more competent on the market. But MIE is currently facing with some unstructured marketing strategy practices. The main problem the company facing is that, accessibility, and it lacks a well-developed promotion. However, the company products have durability and their price is affordable relatively to other competitors. If this continues with this situation the company may lose its market position in automotive industry. Due to this reason the company may face negative impact and the customers' are on the way to lose their trust on the company and being dissatisfied by the company service provision.

So, the main reason that initiated the researcher to conduct on this study is that there are very few researches which are conducted on this topic independently regarding with marketing strategy in mesfin industrial engineering. This study intended to evaluate the marketing strategy of a manufacturing firm considering the MIE as preference is point. It is also assumed that the study is provided basic data and current information on strategically implantation. Besides, the company issues and problems demand that the firm continually assess its internal process and capability in promoting, accessibility of the product.

1.3. Research Questions

This study was attempt to assess the problems associated with the marketing strategy in Mesfin industrial engineering. Specifically the study was designed to address the following basic questions.

- What promotional strategies are used by the company?
- What distributions channels are used by the company?
- What pricing strategies are used by the company?
- What product strategies are used by the company?

1.4. Objective of the study

1.4.1. General objective

The overall aim of the study is to assess marketing strategy practice on Mesfin industrial engineering plc.

1.4.2. Specific objectives

Specifically the study tries to address the following key research objectives.

- To identify the company's promotional strategies that will demand to the target market.
- To identify the distribution channels considered in marketing strategy.
- To identify the pricing strategy and methods utilized by the company.
- To investigate how the company is implementing product strategy.

1.5. Scope/Delimitation of the Study

This study was delimited in Mesfin industrial engineering in Addis Ababa. Geographically, the head office of Mie is in Mekele. But the researcher delimited the study was only in Addis Ababa branch in automotive sector. The scope of this study was delimited only 3 branches. This study was focusing on marketing strategy. Regarding with implementing the (marketing mix). The focus of the study also delimited to the data acquired from the self-administered questionnaires, interviews and written documents on marketing strategies in Mie. The scope of this study were on potential customers' who are buying company product and the marketing department managers.

1.6. Significance of the Study

These studies may provide current information and basic data about the marketing strategy implementation. So, it is expected that this study may contribute a possible way to improve their marketing strategy to be more competent in the market place. The study may also benefit marketing managers on how to implement strategies that will meet their customers' needs and ultimately win their competition. In addition, the paper can benefit firms in the

automotive manufacturer industry. Moreover, the researcher was provided better solution and recommendation to achieve the company goal.

1.7. Definition of Terms According to (Philipkotler , 1996)

- Marketing Strategy: It is the overall corporate and marketing action program, including all elements of marketing complex, in order to clarify undertaking to set goals and objectives.
- Target Market: is a market segment selected by an organization for marketing attention.
- Marketing: - is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value to each other's.
- Marketing Mix: are those controllable factors that have been chosen to satisfy customer needs. The four controllable factors are product, price, place, promotion, are also known as the 4 Ps'.
- Product:- a product is anything that can be offered to a market for attention, use or consumption that satisfies a want or need.
- Price: - it is probably the single most important decision in marketing and it is the mechanism which ensures that the two forces (demand and supply) are in equilibrium.
- Promotion: - it is a marketing activity that disseminating information about a product, products line, brand, or the company.
- Distribution: - it is the set of firms and individuals that take title or assist in transferring title to a good or service as it moves from the producer to the consume

1.8. Limitation of the study

The study was limited and focused on marketing strategy practices of mesfin industrial engineering. The major limitation of this study was that it is difficult to collect enough data about

the company, which means lack of written document and research about the company. So that it is difficult to maintain or exist on the study.

1.9 Organization of the paper

The thesis is organized into five chapters: chapter one which includes background of the study, statement of the problem, description of research questions, description of the general and specific objectives of the research, Scope/delimitation, significance of the study, definition of terms, and limitation of the study, origination of the paper. The second chapter focuses on literature review. The third chapter is research design and methodology. Chapter four introduces the results and discussion. The fifth chapter, which is the closing chapter, focuses on summary of finding, conclusions and recommendations.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1. Theoretical Approach

2.1.1 Marketing Strategy Overview

Marketing Strategy indicates the specific markets towards which activities are to be targeted and the types of competitive advantage to be exploited (Dibb and Simkin,). Marketing Strategy is the marketing logic by which the business unit expects to achieve its marketing objectives.(PhilipKotler).

Therefore, from the above definitions one can assert that a marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. A marketing strategy should be centered around the key concept that customer satisfaction is the main goal. Fulfillment of wants of the prospects is one the important goals of marketing activities. A prospective buyer is known as a prospect. (Dibb)

Marketing strategy is the process of planning and implementing company policies towards realizing company goals in accordance with the company vision. Marketing strategies include general ones such as price reduction for market share growth, product differentiation, and market segmentation, as well as numerous specific strategies for specific areas of marketing (Zelalem and Negi, 2009)

Marketers have four tools to use to develop an offering to meet the needs of their targeted customers. Collectively they are called as the marketing mix (Product, Price, placement and promotion). The basic idea is first the product of the factory produced, then setting the affordable

price, and then promoting that product on the basis of customer's media habit and finally distributes the product on the targeted customers. (Zelalem 2011)

2.1.2 Elements of Marketing Strategy

In order to achieve the marketing objectives, we need to have a strategy that includes different elements. Here there are four major elements that are used in the literature to explain the detail of marketing strategy. These are the Target market, Segmentation, Positioning and the marketing mixes (Roger Brooks bank, 1994)

2.1.3 Segmentation

Segmentation helps companies to meet customers' expectations in an efficient way. Rarely any company is capable of meeting or fulfilling the needs of the entire market. Therefore, it is essential to categorize customers into different segmentations, and chooses the best segmentation to reach. Market segmentation refers to subdividing a market along some commonality, similarity, or kinship. The purpose of segmentation is the concentration of marketing energy and force on the subdivision (or the market segment) to gain a competitive advantage within the segment. Market segmentation differentiates customers with similar product needs from those with dissimilar needs. (Kebede, 2014)

Market segmentation is not only designed to identify the most profitable segments, but also to develop profiles of key segments in order to better understand their needs and purchase motivations. Insights from segmentation analysis are subsequently used to support marketing strategy development and planning. Many marketers use the S-T-P approach; Segmentation → Targeting → Positioning to provide the framework for marketing planning objectives. (Ibid)

- ❖ Segmentation deals with identifying the market to be segmented: - identification, selection, and application of bases to be used in that segmentation; and development of profiles.

- ❖ Targeting concern with how to evaluation each segment's attractiveness and selection of the segments to betargeted.
- ❖ Positioning comprises identification of optimal position and development of the marketing program. (Ibid)

2.2 Overview of Automobile Manufacturer

In Ethiopia, the history of vehicle traced back to the regime of emperor Minilik II. As the Ethiopian transport authority has shown, currently the total number of vehicles which had got codes in Ethiopia is 344,131.1 Out of which 70 % of them are found in Addis Ababa town and the rest 30% are found out of Addis Ababa.

Eskinder (2007), on his study of the automotive industry and trend analysis in Ethiopia, stated Ethiopia's automotive industry as one of the major contributors to the national economy. In addition as he stated Ethiopia imports all of its automotive (vehicle) needs, it does not manufacture automotive. In Ethiopia the key suppliers of commercial trucks with respective mark of trucks Are Amce (Iveco), Elg (Scania), Ebg (Volvo), Orbis (Mercedes), Nyala Motors (Nissan Diesel), National Motors (Isuzu), Ethio Nippon (Mitsubishi) , Hagbes (Daewoo) And Moenco.

Recently some companies assemble and build bodies for buses and dry and wet cargoes. Companies including Mie, Belaye Abe PLC, Lifan Motors, and Maru Metals PLC are automotive assemblers in Ethiopia. Currently in Ethiopia the competition between those companies is tough.

According to Eskinder (2007), the competition is on many factors including price, dependability and performance, after sales service support, resale value and good will. Ethiopia is characterized with low car penetration and old cars, new car market is estimated at less 4000 units of car penetration among the lowest in the world and the average age of the cars in the country is estimated at 15 years. In Ethiopia Toyota has large market share and clear leadership position (market share around 50%).

According to Foss and Stone (2010), increasing competition in the automotive market combined with rapid development of new customer service technologies has increased the focus on enhancing the customer relationship. In addition, as the nature of the products (vehicles) in the automotive industry is highly vulnerable to technical and mechanical problems, effective after sale service is very essential.

2.3 Marketing Mix Strategies

Marketing Mix basically is combination of various elements, which in their totality, constitute marketing system of firm. These elements are often described as four P's: Product, Price, Promotion and Place. The marketer needs to study these developing marketing strategies for enhancing the use of solar four P's in order to draft a marketing program to achieve its marketing goal. (Kotler, Armstrong, Brown & Adam.2006).

- Ps' are describe on below are indicated as under (Kotler, Armstrong, Brown & Adam.2006).

2.3.1Product Strategy

Product strategy specifies market needs that may be served by different product offerings. It is a company's product strategies,deals with manage the product includes product planning, product development, product design, product mix, product innovation, standardization and branding.

Product Positioning Strategy

Positioning is an important aspect which helps the people to categorize the product, "how organizations want their consumers to see their product".as a matter of strategy, therefore, a product should be matched with that segment of the market in which it is most likely to succeed. Positioning tells what the product stands for, what it is, and how customers should evaluate it.

Positioning Strategies

There are seven positioning strategies that can be pursued:

1: Product Attributes: What are the specific products characteristics?

- 2: Benefits: What are the gains to the customers?
- 3: Usage Occasions: When / how the products are utilized?
- 4: Users: Identify the class of customers.
- 5: Against a Competitor: Positioned directly against the rival companies.
- 6: Away from a Competitor: Positioned away from the rival companies.
- 7: Product Classes: Compared to different categories of products.

New Product Development Strategy

New product development is an essential activity for companies seeking growth. By adopting a new product strategy as their posture, companies are better able to sustain competitive production on their existing products and make headway. The implementation of this strategy has become easier because of technological innovations and the willingness of customers to accept new ways of doing things. The term new product is used in different senses. For our purpose, the new product strategy will be split into three alternatives; product improvement/modification, product limitation and innovation.

Product Mix Strategy

A product mix (also called product assortment) is the set of all products and items that a particular marketer offers for sale. The product mix of an individual company can be described in terms of width, length, depth, and consistency. The width refers to how many different product lines the company carries. The length refers to the total number of items in the mix. The depth of a product mix refers to how many variants of each product are offered. The consistency of the product mix refers to how closely related the various product lines are in end use, production requirements, distribution channels, or some other way. (Aaker, D.A. and Keller, K.L. 1990).

Marketing strategies and product life cycle

As human beings have various stages in their life, similarly a product also goes through various stages in its life span. Product Life Cycle (PLC) is a crucial aspect which has to be studied by the firm for its survival and growth in the market. So that it helps a developing marketing strategies for enhancing the Use of firm to manage the risk of launching a new product more effectively and further to understand the various stages in the life of a product and accordingly frame strategies to achieve the marketing goal.

2.3.2 Pricing Strategies

The management is required to determine the basis for fixing the price of the product and then establish policies for dealing with discounts, subsidies, freight payments and price related situation. A large number of internal and external variables must be studied systematically before price can be set.(Kotler 2007)

❖ Factors to be Considered When Setting Prices

A company's pricing decision are affected both by internal and external company factors.

- Internal factors affecting pricing includes company's marketing objectives, marketing mix strategy, cost and organization.
- External factors affecting pricing includes nature of the market and demand, competition and other environmental factors (government, economy, resellers,) (Tellis, G 1986).

Pricing Strategies for New Products

There are two basic strategies that may be used in pricing new products are; skimming pricing and penetration pricing strategy.

- 1). Skimming pricing:- Here the product is introduced throughout the market at a lower cost. Penetration pricing is the pricing technique of setting a relatively low initial entry price, usually lower than the intended established price, to attract new customers. The strategy aims to encourage customers to switch to the new product because of the lower price. . (Kotler, 2007).
- 2). Skimming Pricing Strategy: Skimming pricing strategy emphasizes on launching the product at a high price. High price elasticity of demand is probably the most important reason for

adopting a penetration strategy. The penetration strategy is also used to discourage competitors from entering the market this strategy is effective when the potential market size is limited, buyers are willing to pay high price and potential competition is limited. (Kotler, 2007).

2.3.3 Promotion Strategies

Promotion strategies are concerned with the planning, implementing and control of persuasive communication with customers. Modern marketing calls for more than developing a good product, pricing it attractively and making it accessible. Companies must also communicate with present and potential stakeholders as well as the general public.(ChalachewAdege 2010)

Promotional Mixes

Promotion is when a business decides which forms of communication it wants to use in their marketing plan. And also promotions encompasses the five forms of promotional mix- advertising, personal selling, sales promotion, publicity and public relations, which are available to marketing managers who are trying to influence the behavior and attitudes of existing and potential customers towards the marketer's company product and brands. .(ZelalemAnley 2011)

In addition to that to attracting a new customer can also be used to maintain customers and satisfy them on the purchase decision that they have made (Palmer, 2000:414). So that this implies promotion are interdependent. This means that the success of the promotion is dependent up on the success of each form of promotion. Advertising will not succeed unless good personnel selling and sales promotion support it.

Marketers must work hard to communicate openly and honestly with consumers and resellers. Consumers base their expectations on information they receive from marketers, friends and any other sources. If the marketer exaggerates the product performance through its promotional tools, consumer expectations will not be met, and dissatisfaction will result. .(ZelalemAnley 2011)

A). Advertising strategy

Advertising is the process whereby you actually communicate to the target market. a campaign developed by a business to encourage potential customers to purchase a good or service. An advertising strategy is generally tailored to a target audience perceived to be most likely out of

the population to purchase the product. Advertising strategies include elements such as geographic location, perceived demographics of the audience, price points, special offers, and what advertising media, such as billboards, websites, or television, will be used to present the product. (Ibid)

B). Sales Promotion Strategy

Sales promotion, a key ingredient in many marketing campaigns, consists of a diverse collection of incentive tools, mostly short term, designed to stimulate trial, or quicker or greater purchase, of particular products or services by consumers or the trade. Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy. (Kotler and Keller, 2012).

Sales promotion includes tools:-

- ✓ Consumer promotion (samples, coupons, cash refund offers, prices off, premiums, prizes, patronage rewards, free trials, warranties, cross promotions)
- ✓ trade promotion (prices off, advertising and display allowances, and free goods)
- ✓ sales force promotion (trade shows and conventions, contests for salesperson, and specialty advertising).

Sales promotions offer three distinctive benefits: According (Ranchhod, A., and Gurau, C, 2007).

(1) Communication:- They gain attention and usually provide information that may lead the consumer to the product.

(2) Incentive: - They incorporate some concession or inducement that gives value to the consumer.

(3) Invitation: - They include a distinct invitation to engage in the transaction now. Sales promotion can be used for short run effects such as dramatizing product offers and boosting sales.

C). Public Relations Strategy

Public relations deals with a management function which can be evaluate the public attitudes, identifies the policies and procedures of an individual or an organization with the public interest,

and plans and executes a program of action to earn public understanding and patience. In other word public relation can influence behavior to achieve objectives through the effective management of relationships and communications. So that it can also possible that the best way to solve a public relations problem might be through the disciplined orientation that marketing provides. (Ibid)

D).Direct Mail Marketing

Direct mail is a popular medium because it permits target market selectivity, can be personalized, flexible, and allows early testing and response measurement. Although the cost per thousand is higher than for mass media, the people reached are much better prospects. The success of direct mail, however, has also become its liability so many marketers are sending out direct-mail pieces that mailboxes are becoming stuffed; leading some consumers to disregard the blizzard of solicitations they receive. In constructing an effective direct-mail campaign, direct marketers must choose their objectives, target markets and prospects, offer elements, means of testing the campaign, and measures of campaign success. (Kotler& Keller, 2012).

E). Personal selling strategy

Personal selling is an effective way to manage personal customer relationships. The salesperson acts on behalf of the organization. They tend to be well trained in the approaches and techniques of personal selling. Personal selling is highly persuasive and is often used in markets where personal choice figures strongly in the purchase. (Ibid).

According to (kundandutta 2014) personal selling is an important element of promotion mix and an effective promotional tool. The importance of personal selling can be shown briefly below.

1)- Personal selling important as a flexible message:- they can observe the customer's reaction to a particular sales approach and thus makes necessary adjustments right on the spot. Face- to – face contacts with customers is the most effective means of communication.

2)- Personal selling helps in minimum wastage of the goods:- a salesman can select the target market and concentrate on the customers. Therefore, personal selling involves minimum wastage of effort.

3)- Personal selling also acts as a complement to advertising :-In most situations, there is a need for explaining the quality uses and price of the product. Advertising can attract customers but their doubts and questions about the product are answered by salesmen. In this way, personal selling supports advertising. Salesmen educate the consumers about new products and about new uses of existing products.

4)- Personal selling helps to educate the consumers about the products :-Salesmanship is not simply a tool of convincing people to buy certain products. It assists customers in satisfying their wants. A salesman provides information, education, and guidance to customers. They can handle their complaints and assist them in getting value for their money. It is important to educate the consumers about the product.

5)-Personal selling also creates employment opportunity to the people: - It helps to increase aggregate sales and production in the country thereby increasing employment opportunities. They help to maintain equilibrium between demand and supply.

2.3.4 Distribution System

It is one of the four marketing mix elements. It can be described as a set of interdependent organizations involved in the process of making a product or service available for consumption (Anderson and Vince, 2004:7). As Engle, (2009, pp.: 189) states that the marketer must choose distributors that reach its customers most effectively and other intermediaries that add value to the distributive process

To support the above-concepts, it is the fact that the objectives of distribution channel is to make the products effectively available to the greatest possible number of users at the lowest possible distribution and selling cost.

The field of distribution is made up of two distinct branches: channel of distribution and physical distribution that will be discussed as follow.

Channel of Distribution

Channel of distribution consists of a network of intermediaries those managers that manage the flow of goods and services from the producer to the final customer. The distribution system consists of channel intermediaries that provide a link between producers and final consumers. The idea that marketing system uses channels that maximizes efficiency and effectiveness, minimizes costs, and delivers the greatest customer satisfaction (Kotler and Armstrong, 2010:pp.: 87).

- **Merchant middlemen:** include merchant wholesalers and retailers who take title to and resell the goods.
- **Agent middlemen:** include agents, brokers and manufacturer's sales branches and offices who do not take title to the goods involved. They rather negotiate purchase, sales or both.

The longest most indirect channel includes producer, one or more wholesalers or agents, retailers and consumers. This channel is the most appropriate when the producer's objective is to achieve maximum market penetration with intensive distribution.

The shortest channel, from producer to consumers, offers the most direct and quickest distribution route because no intermediaries are involved. It is easiest to manage and control (Anderson and Vince, 2000:280-282).

Selecting Channel of Distribution

Some basic criteria must be established for selecting each channel intermediary. According to Engle (2009:190), four factors dominate the criteria including a channel member in to the company's distribution structure:

- **Market Coverage** -channel intermediaries should be selected for their ability to achieve the company's distribution objective of reaching the greatest number of potential customers with the fewest transaction.

- **Degree of control desired-** there is a potential loss of control when channel intermediaries are used. Thus, the marketer must make decisions concerning the degree of control desired over the marketing of the firm's products.
- **Costs and other economic criteria-** the cost of achieving desired market coverage must be consistent with distribution strategy objectives and should not be greater than the benefits to the company and its customers.
- **Flexibility/Adaptability-** the manufacturer must be able to respond to change in the market or the company.

So a channel of distribution involves an agreement of exchange relationships that create value for buyers and sellers through the acquisition of goods and services.

Physical Distribution

Physical distribution involves planning, implementing, and controlling the physical flows of materials and final goods from points of origin to points of use to meet customer needs at a profit (Engle, 2009: pp. 196).

The starting point for designing the physical distribution system is to study what customers want and what competitors are offering.

There are a number of decisions that should be undertaken by the marketing executives of an organization concerning physical distribution that affect customer satisfaction. They are described by Palmer (2000) as follows:

Order processing

Physical distribution begins with a customer order. The order department prepares multiple copies of the invoice and dispatches them to various departments. Items out of stock are back ordered. Shipped items are accompanied by shipping and billing documents with copies going to various departments.

Ware Housing

It involves the physical facilities used primarily for storage of goods held in anticipation of sales and transfers within a distribution channel. Every company has to store its goods while they wait to be sold. A storage function is necessary because production and consumption cycles rarely match. The company must decide on a desirable number of stocking locations.

Inventory

Inventory level represents another physical-distribution decision affecting customer satisfaction. Marketers would like their companies to carry enough stock to fill all customer orders immediately. The intent of inventory management is to provide a continuous flow of goods and to match the quantity of goods in inventory as closely as possible with sales demand.

Transportation

Marketers need to take an interest in their company's transportation decisions. The choice of transportation carrier will affect the pricing of the products, on-time delivery performance and the conditions of the goods when they arrive all of which affect customer satisfaction (Palmer, 2000:405-410).

2.4 Empirical Literature

2.4.1 Marketing strategy

The Influence of product on marketing program

The studies of (Zelalem Anley, 2011) found that enterprises should be keen enough to keep their customers satisfied through their product strategy. Because the most important asset for the organization is the buyers themselves. However, the strategy should focus on keeping customers happy with the products they purchased and with the ways they are sold to them. Good product strategy can build good brand image which keeps loyal customers happy.

The Influence of price on marketing program

(Zelalem Anley, 2011) the study implies that basic principle in pricing is that the relationship between the price of a product and the value it gives to customers has to be fair and proper. So,

prices of the product will affect customer perception .the pricing decision of the company must be coordinated with product design, distribution and promotion decisions to form a consistent and effective marketing program.

These views show that the objective of the pricing strategy of the company is to sale the products with a price that could be affordable to thecustomers and to keep a healthily profit margin

The Influence of promotion onmarketing program

(Chen Yi-xiu et al., 2005) found that different categories of promotional products in different ways under the willingness to buy there are differences, positive effects on cognitive value. For different products or different customers need different promotional strategies which have a significant impact on customer satisfaction. Differentiation throughout the marketing campaign, promotion strategy must be differentiated. Differentiated itself has driven the role of product value, if this differentiation that allows investors satisfied, which are more conducive to enhance product value.

Chen Jingdong, HanWei (2010) found out that marketing strategy (4P) to enhance the value product has significantly positive effect. The existing marketing strategy is more than to satisfy customers differentiated interest needs, and the commerce society's marketing strategy is for investors to create more product value. The results show that the marketing strategy to the product value's upgrading has significant positive impact. The results also revealed the impact mechanism of marketing strategy to product value. The differentiation and satisfaction as the driving factors to enhance product value, it proves of driver factors ' intermediary role, and strengthens their role as a link

The Influence of Distribution onmarketing program

According to (Bearden, Richard, and Mary, 1993), inconvenience to the customer leads to dissatisfaction among the customers which further influence the organization in negative way. So, to keep the customers in their comfort zone and provide them goods on the more relevant place suits to them and create satisfaction among them as one of the main methods to reduce the risk of consumption, the place to bring customer value for customers. The customer is always used to choose more convenient locations to receive services, so customers can reduce costs and increase customer value. Into the commerce society, place, although there were significant changes in the content, but the differentiation is still running through them, but also to enable investors satisfaction is to create more product value.

through them, but also to enable investors satisfaction is to create more product value.

2.5 Conceptual Framework

The conceptual framework indicates the crucial process, which is useful to show the direction of the study. In order to achieve the marketing objectives, companies need to have a strategy that includes different elements. There are major elements that are used in the detail of marketing strategy. These are the Marketing standardization adaption, marketing mix performance

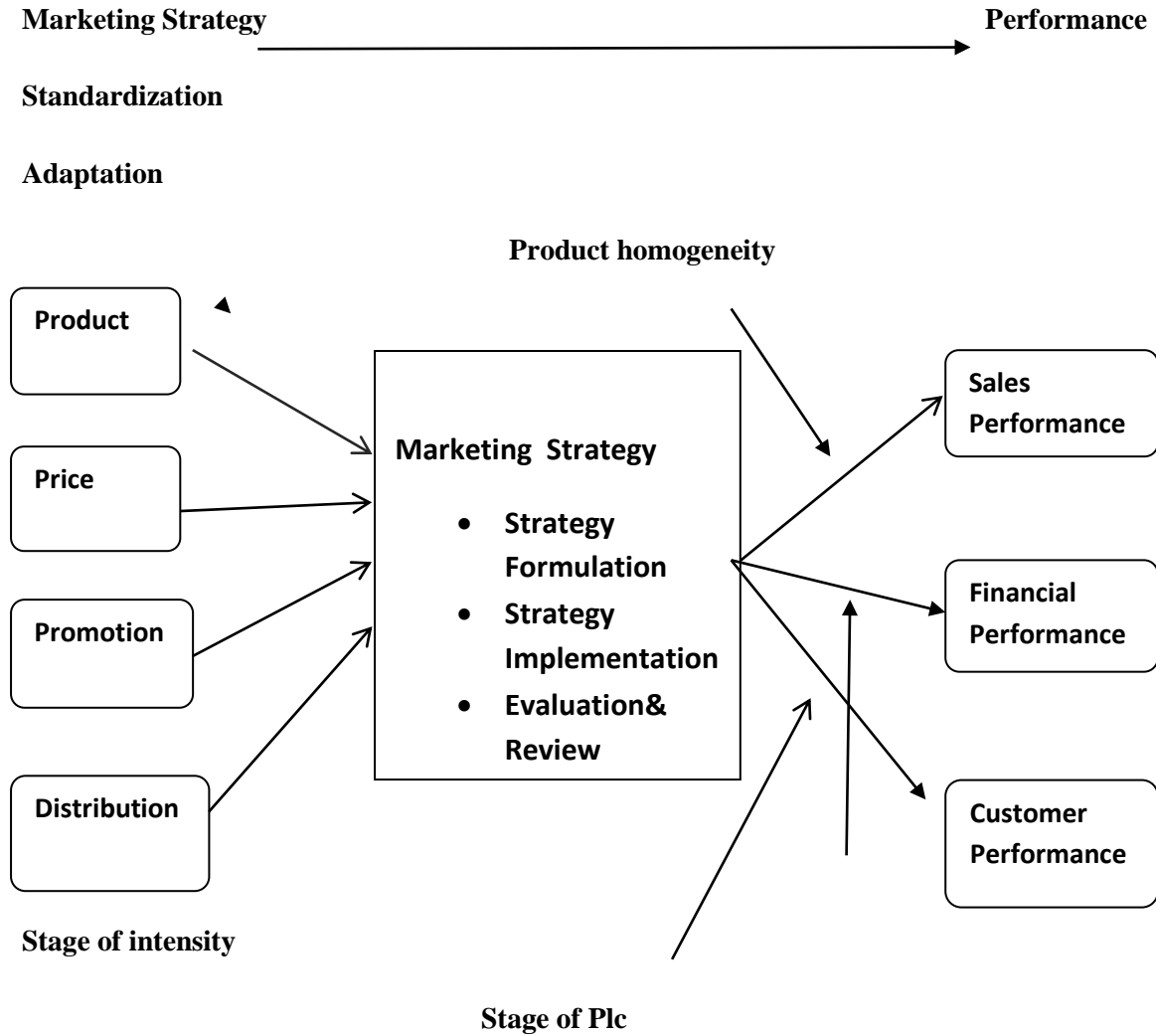


Figure 1:-Framework of Marketing Strategy

Source: Own Designed

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design & Approach

The primary aim of this study was to assess the marketing strategy practices in MIE, the research method was descriptive studies. And to explore detailed evidence about the problem. According to (Yin R.K, 1994) descriptive studies are the characteristics used to describe the situation or population are usually some kind of categorical scheme. The researcher were uses descriptive studies.

These case studies were design on customers by using both qualitative and quantitative approach in order to obtain the desired results of the company .Quantitative research is a means for testing objective theories by examining the Relationship between variables (Creswell, 2009). qualitative research approach is a means for investigating and understanding the meaning individuals or groups attribute to a social or human problem with intent of developing a theory or pattern inductively. In this study, the qualitative method were primarily used. However, the qualitative method is supplemented by the quantitative method of inquiry to have a better insight and gain a well understanding about the research problem

3.2 Target Population and Sample (Sampling Size and Sampling Design)

3.2.1. Target population

This study target on 3 branch located n Addis Ababa. The total number customers in this branch are 600. There fore this figure the target population from which sample size was determined. The target populations of this study were potential customers' and marketing department managers from the company. To obtain representative samples, systematic random sampling is used to select customers who are willing to complete the questionnaire. In systematic random sampling each member of population were equally likely to be chosen as part of the sample. (Gravetter, &Forzano, 2011)

The sampling procedure was probability sampling and the selections of the respondents were determined by using purposive sampling. In order to get access, it is important to have a list of existing customers of the company. The total numbers of customers listed by the company were 600 in Addis Ababa. To select sample respondents from the total no. of population first the respondents from the company potential customers'. Then 126 respondents were selected randomly using systematic random sampling technique from 3 branches.

3.2.2 Sample Size and Determination

The target populations for this study were potential customers. 126 respondents were selected from the company. The researcher believes that the data gathered from the sample size is sufficient to supplement the data's collected from secondary resources to make sound conclusion about the research area.

3.2.3 Data sources

Based on the target population determined above, the sample size was determined using a formula for definite population given by (Yemane Tarow, 1967)

The primary source of data collecting from sample respondents relating to the components of potential customers, marketing managers, regarding with how the company service is offered on 4 Ps, challenges faced in implementing the marketing strategy and the satisfaction of customers in the company. The secondary source of data were collecting from literatures found related to the topic and from both company profiles and documents.

3.3 Data collection Instruments

In order to gather the data from relevant sources, both primary and secondary data collection instruments were used. To achieve this goal, questionnaires, interviews and document reviews are going to be the main tools. In order to generate the primary data, personal interviews were conducted with marketing managers of the company and closed ended questionnaires were distributed to customers'. On the part of secondary data, the researcher referred to strategic marketing document, different reference books and web sites.

The questionnaire part consists of 2 sections. The first one is the general information section contains the overall information of the respondents; such as, the respondents gender, age, educational background of the respondents on the company. The second part is the essential information section that covered the research questions on marketing mix strategy of the company. The designed questionnaire and interview questions were adopted from different sources getting from internet websites on the same topic entitled in different service organization and from the researcher itself. The variables used in this study are:-Marketing mix that consists of 4Ps:- product, price, place and promotion.

3.4 Reliability Test

Reliability tests measure the consistency and stability of a measurement instrument (punch, 2003). In the quantitative research component of this research, reliability issues were addressed by carrying out a major elements analysis and calculating the coefficients of Cronbach's Alpha. The result of Cronbach alpha coefficient is portrayed in the following table.

Table 3.1: Reliability Statistics of Cronbach's Alpha

Reliability Statistics

Cronbach's Alpha	N of Items
0.712	31

Source: Spss Reliability Result Output, 2018

There are different methods of reliability test, for this study Cronbach's alpha is considered to be suitable. According to reliability statistics, Cronbach's Alpha coefficient is 0.712, which is acceptable based on different literatures. As described by Andy (2006) the values of Cronbach's Alpha around 0.8 is good. The Alpha value in this study is around 0.712 and therefore it is good.

3.5 Methods of Data Analysis

The collected data were analyzed and interpreted by using both qualitative and quantitative techniques. The data collected by open ended interview questionnaires were analyzed qualitatively. Closed ended questionnaires were analyzed quantitatively. In this study descriptive

statistical tool was used in the analysis part to measure the variables. In analyzing the data the researcher used SPSS version 20 software packages. The descriptive statistics utilized based on frequency & mean able to provide information on demographic variables as well as the research question variable. Accordingly the results of the analysis were interpreted.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter contains brief description of the assessment of marketing strategy on mesfin industrial engineering with regard to the 4p's of marketing mix namely: Product, price, promotion and place (distribution). The information presented in this chapter is obtained through both primary and secondary sources of data. For the primary data both interview and questionnaires distributed to some selected customers of the company.

4.1. Results of Demographic Data

In the study 126 questionnaires were distributed to customers' and out of which 105 were returned.

Table 4.1: Frequency Distribution of Respondents with Respect to their Gender, Age and Educational background.

sex	Age category				
	Frequency	Percentage		Frequency	Percentage
Male	68	64.8	18-28	31	29.5
Female	35	33.3	29-39	27	25.7
missing	2	1.9	40-50	24	22.9
Total	105	100	Over 50	21	20
			Missing	2	1.9
			Total	105	100.00
Educational background					

	Frequency	Percentage
Diploma	17	16.2
Bachelor degree	68	64.8
MSc/MBA	17	16.2
PHD	1	1
Total	103	98.1
Missing	2	1.9
Total	105	100.00

From the above information about 64.8% customers were male and 35% customers were females. The customers were between 18 and 28 years old that accounts 25.7%. The age of majority customers who were between 29 to 39 years are 29.5 % and from 40 to 50 years old were 22.9% and customer who were over 50 year old are 20%. This indicates that there is a greater level of middle age customers on the company.

When we see the level of education, 64.8% of the respondents were first degree holders and 16.2% were diploma whereas 12.2 % were second degree holders. Here, we can conclude that all the respondents are educated and more than Diploma holder and 1% were PhD holders.

This implies that the respondents have good educational background to understand the questionnaire and to respond their perception. In addition to, all respondents were expected to perceive the questionnaire and respond correctly.

4.2. Marketing Mix's

Under this chapter the results of the data obtained on the 4p's of marketing mix (product, price, promotion and place/distribution) will be presented in the following way.

4.2.1. Product

Customers were asked with regard to products quality of company in the following way.

Table 4.2: Customers response regarding products.

Descriptive Statistics					
	N	Min	Max	Mean	SD
The company products are qualified product relatively other local manufactured product.	102	2	5	4.37	.757
The company product allows customization.	98	1	5	3.88	.955
The company product feature has good image in the eyes of the customers	102	1	5	3.92	1.050
Our products accepted by the customers .	102	1	5	4.05	.860
Our products are satisfying your need	102	1	5	3.83	1.186
The company products offer new modification on the market	102	1	5	3.75	1.158
I am satisfied with the quality of the product	102	2	5	3.95	.709
Grand mean				3.96	

Source: questionnaires analysis, 2018

Rating from the scale of 2 to 5 that is from strongly agree to disagree, the mean values result shows that on the item number 1, quality of the products, relative quality to other local company's has the highest mean value of 4.37. This is interpreted as quality of the product has good perception by the customers'.

From item number 4, the minimum and maximum scale of respondents responded 1 to 5, the mean values result 4.05, this show that the second greater value on the table. This result show that the company product accepted by the customers.

From item number 3, on this item the mean value 3.92. This result show that the company product have good image on the customers, which means customers have positive attitude on the company product.

From item number 5, 3.83 is the mean value which means the customers are satisfied with quality of the product.

As depicted from reference item number 2, the lowest mean value which is 3.8 belongs to allows customization on the company product.

Finally, the researcher is able to find out that the customer’s response regarding with quality, customization, feature, acceptance, satisfaction of the product. The result indicates that the company products have good acceptance by thecustomer. The respondents have favored it. The analysis implies that M.I.E provides quality product. The result also implies the company can satisfy their customer requirement.

4.2.2 Price

The basic principle in pricing is that the relationship between the price of a product and the value it gives to customers has to be fair and proper. Also, the pricing decision of a company must be coordinated with product design, distribution and promotion decisions to form a consistent and effective marketing program.

Customer’s responses with regard to the company’s products prices have been summarized **bellow**

Table 4.3: Customers response regarding price

Descriptive Statistics					
	N	Min	Max	Mean	SD
The price of our products are affordable relatively to other competitors company	102	2	5	4.17	.868
The prices of	102	1	5	4.04	.943

company's product are reasonable as per the quality					
Our pricing of technique accepted by the customers	102	1	55	4.89	7.196
The price of our products motivate the customers to buy	102	1	5	3.84	1.051
I am satisfied with the price of the product	102	2	5	4.25	.763
Grand Mean				4.23	

Source: questionnaires analysis, 2018

According to item number 3, the mean values result shows that the price of the company product has the highest mean value of 4.89, which is close to 5. This is interpreted as customers are motivated to purchase the company product. Customers are comfortable with the price of the company product. So that it is good way for creating significance ability on the customer purchasing power.

From item number 5, customer were asked whether they satisfied with price of the company. The mean result 4.23 that they agree with the price of the company. It show that customer are satisfied with price of the company product.

As depicted from item number 1, the mean result 4.17 it show that the customer agree with the price of the company products affordability relatively to other.

From the above table item number 2, the lowest mean value which is 4.04 belongs to price of company products reasonable as per the quality, even if the mean value is lowest than other item's but the customer are agree with the statement

From item number 4, the mean value show that that 3.84. This interpreted as Mie price technique is acceptable to the customers.

The response implies that the price of the company can motivate to purchase. From the above discussion what it implies that the company's pricing strategy is reasonable and affordable, so that most customers can Accepts the pricing method (set up) of the company.

4.2.3. Promotion

Promotion, in recent times, has become the life birth of the modern business. It is a device for gaining and maintaining a competitive advantage in the market by communicating the benefits of products of a factory to a large number of people, which in turn facilitates sales to achieve long run profitability performance. The promotional message should be carefully designed in such a way that it can easily be understood to the potential and target customers.

Customers were inquired to give their opinion about the company promotional activity.

Table 4.4: Customer's response regarding promotion

Descriptive Statistics					
	N	Min	Maxi	Mean	SD
The company promotion are credible for the customer	103	1	5	2.41	1.124
The promotion made by the company initiated towards purchasing	103	1	5	2.48	1.008
The promotion addressed the ultimate user	102	1	4	2.23	.922
Mie promoting their product in effective way	103	1	4	2.17	.868

Products are promoted adequately	103	1	4	2.05	.901
I am satisfied with promotional activity	103	1	4	2.18	.776
Grand mean				2.25	

Source: questionnaires analysis, 2018

From the result of the mean scores, all of mean value is below on average. Which show that Mie promotional activity is not adequate for the customers’.

The above analysis indicates that the company’s promotional mix strategy is not effective and capable for creating awareness, customer loyalty on the customer mind. So that it may create a negative impact on the company. This implies that M.I.E provides insignificant promotional activity.

The result also implies the company can’t satisfy their customer’s requirement and it needs to examine in order to understand how they affect the ultimate success of their marketing and sales program.

4.2.4 Distribution (Place)

The distribution is the most important marketing decision in a company can make. The Design of an organization’s distribution system is a key factor in creating customer value and in Differentiating one company’s offering from that of another.

Customers were requested about the distribution practice using questionnaires and their responses have been listed below in the following table.

Table 4.3: Customers Response Regarding distribution (place)

Descriptive Statistics					
	N	Min	Maxi	Mean	SD

The product are available any time	102	1	4	2.01	.850
The product spare part are accessible any where	102	1	4	1.73	.662
The company's product deliveries are fast reliable and convenient	101	1	5	2.01	1.100
The company products are available the required place	100	1	4	2.16	.873
The company distribution its product using appropriate channel	100	1	4	2.15	.869
I am satisfied with the distribution system of the company	102	1	4	2.07	.761
<i>Grand Mean</i>				2.02	

Source: questionnaire analysis, 2018

From the above table all item numbers, customers were asked whether they satisfied with the distribution system regarding with deliveries, availability, and accessibility are using appropriate channel on the market place. All mean results are similarly, under 3.00 so that the result show that the customers are dissatisfied with the distribution system.

The result of the analysis indicate that according to the data, Mie product and spare parts are not accessible for the customers' at anywhere, at the same time customer forward their ideas on according with products deliveries are not available at required place. So that the company didn't conduct a well-structured distribution system. It is impossible to perform effectively on the market business. This will create not to accomplish the marketing practices effectively.

4.3 Analysis of Interview Data

To gather more information about marketing strategy in M.I.E, interview questions were forwarded to the marketing managers of the company. And this interview response are presented and analyzed as supportive of customers' questions. Accordingly the interviewee's responses to the questions are depicted as follows. And these interview responses were organized in one analysis.

Interviewee's Response regarding the General Information of the Company

They responded that the company, MIE is a non-governmental owned company that provides manufacturing automotive and agricultural products to its customer.

The Company's Product and Service Strategy

According to the interviewee replied regarding the product and service strategy. Mie plays a significant role in the manufacturer business activities of customers. Even though functionality of the product and service shows a progressive sign, according to the manager interviewee they believe that quality of the product were accepted by the customers and satisfying their need.

The company also implementing the marketing strategies effectively on product quality to maintain in a better level.

Regarding the future plan to expand the company's product and service, the interviewees replied as the following:

- **Concerning production capacity:** The company plan to maximize the production level to cover the demand. To make every assessable the company product for the customers, regarding with to be more competent on the market share.

- **Concerning product quality:**The company plan to upgrade the product and to be more comfortable for the customers. Which means to be more customers based production by applying customizations on the assemblies.
- **Concerning product assembly :** according to the manager interviewee the company plan to Bring a new model , new brand, new modern technology automobile for the customer to allows customization.

The above expansion and improvement will make to better meet customer needs. Regarding the above analysis both questionnaire and interview finding shows that the company product quality could satisfy the customers.

Pricing Strategy of the Company

According to the interview made with the marketing manager, the objective of the pricing strategy of the company is to sale the products with a price that could be affordable to the customers and to keep a healthily profit margin. The company has considers some factors in setting pricing strategy such as cost, customer perception of price and comparators. (After setting affordable price to the customers the company achieves a profit in the long run).

Concerning the price of the company product and service both questionnaire and interview result depicts that the price is affordable and customers can easily understand it.

Distribution Strategy of the Company

What distribution objectives and strategies are the company pursued and What is the process for selling your products?

As per the interviewees responded that, The company's distribution objectives and strategies is trying to reach accessible and available to all customers or providing the company's product to cover the demand through direct channels. But the manager believe that to make the product available for the customer at anywhere using only direct channel is not enough for the distribution. The company has been following the strategy of selling their product through direct channel (through their own office (shop). So that the manager said that they plan to work with indirect channel (through dealers or partnership) to make accessible the company product. Regarding the above analysis both questionnaire and interview finding shows that the company

products are not available and accessible for customer because the company only uses direct channel for the distribution. So that the distribution strategy of the company couldn't satisfy the customers.

Promotion Strategy of the Company

What promotional tools do the company used

Promotion includes the various ways of communicating to the customers of what the company has to offer. It is about communicating the benefits of using a particular product or service rather than just talking about its features. It basically deals with advertising, public relation and sales promotion

According to the manager interviewee, the company promotional strategy is weak on the recent past few year. but the company give publicity, participating in bazaars , brochure. donate orphan organization this could be an example.so that its is not enough promotional strategy to create awareness on customer mind and to increases the sale force.

Questionnaire and interview analysis shows that the company has been practicing promotional mix strategies but the company is not successful in promotional activity.

4.4. Data Discussion

Based on the findings the researcher evaluated and interpreted the implications of the findings. Thus by examining, interpreting and qualifying the results drawn from the findings the discussions are done below

Regarding the elements of marketing mix for the company, the first can be products. A product mix is the set of all products and items that a particular marketer offers for sale. According to the marketing managers interview the products quality were acceptable and comfortable for the customers.so that the perception of customers towards the product of the company were very good relatively other local manufacturer.In this case we can see that customers are satisfied with quality of the company product.

The discussion regarding pricing of the company product implied that the company follows pricing strategy by considering: - cost, competition, customers' perception and their price

technique were affordable for the customer. According the respondents'believe thatthe price of the company product are affordable.

Concerning the promotional mixitstone of thebasic mix in on company,According with interview we can see the company promotional activity is not in good being. Due to lack of brand competition, notconcerned with promotional mix. The respondents' were not satisfiedwith the company promotional activity.

As regards to place,according to interviewee point of view the objective of distribution strategy of the company was trying to provide accessibleavailability to all customer and to cover all demand , but the respondents were no happy with all distribution system on the company . we can see that their were not crediblestrategy on the marketing department.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter begins with a summary of findings for each questionnaire survey and interview questions. Then conclusions and recommendations were presented respectively.

5.1. Summary of Findings

The main objective of the study was to assess the marketing strategy practices of Mie. The study was designed mainly to deal with how marketing mix, and target marketing are used in order to enhance, maintain and attract customers and to identify how these tools are aligned with marketing strategy of the company.

The study uses descriptive research and findings from the quantitative data collected through self-administered questionnaires. Findings from the qualitative data gathered through in depth interview questions. From 126 questionnaires 105 usable questionnaires were collected and interview questions were forwarded to marketing manager of the company and used for analysis of the paper.

- ✓ The company's product and service quality were rated as above average.
- ✓ The price of company's product were affordable.
- ✓ The key factor considered in setting pricing strategy is cost.
- ✓ The company's advertising strategy below average.
- ✓ Customers' were dissatisfied with distribution strategy.
- ✓ According to customers' response the promotional strategy of the company is not comfortable and reliable.

Based on the findings of interview analysis, the following findings were obtained:

- ✓ Quality of the company product is accepting by customers.
- ✓ The pricing strategy of the company is reasonable, easily understandable and affordable. The company has considered cost, competitors' and customer value in

setting a pricing strategy .

- ✓ The distribution strategy of the company is using only direct channel. So that the accessibility and availability of the company product can't cover the demand of customers. The customer are dissatisfied with the distribution system
- ✓ M.I.E promotional activities are being now poor and suffer from lack of brand promotion, lack of giving attention on promotional strategy. So the customer are not comfortable with promotional system.

5.2. Conclusions

Based on the findings of the study variety of outcome were drawn considering the research questions.

M.I.E exploits all the 4Ps of marketing mix elements to achieve its target. These marketing mix elements are product, price, promotion and place. These are vital to implement the marketing strategy effectively inseparable because each mix affects the other. Therefore all the mixes are essential for the company to achieve its customer requirements. The company has positioned its customers by providing local manufacturing automobile and agricultural machineries'.

- ❖ The study showed that Mie provides quality products to their customers', regarding with acceptance, reliability, durability customers are comfortable and loyal on the product. The product can satisfy their customer requirement.
- ❖ In terms of pricing strategy Mie sets affordable price and easily understandable by customers. The price of the product and service are setting depends on some factors such as cost, perceived value of customers and competitors'. The company pricing technique is accepting by the customers and satisfied. This implies that from the company point of view, if price is considered as a competitive issue, Mie are likely to have better competitive position.
- ❖ Promotion strategy is also an essential tool for the practice of the marketing strategy of the

company. The company promotion is relating with public relation and printing Adv., but it suffers from other brand promotion. The study show that the company promotional activity is not sufficient for the customers' to create awareness , building loyalty, transferring message for different group of audience. This implies that from marketing point of view, the promotion is considered as affecting the marketing activity on the market share.

Distribution strategies are concerned with the channels to make its goods and services available to customers. The distribution system of the company is not comfortable for the customers'. The product availability and accessibility can't cover the demand. Because of the company uses only direct channel for distribution. This implies that company point of view ,the distribution is considered as brand loyalty, Mie products are not likely to have better place in brand loyalty on the customer mine.

Even though the marketing strategies of the company are effective, but there are some problems that the company faced. These are; accessibility and availability , promotional activity.

5.3. Recommendations

In order to alleviate the problems that were identified by the study, the following recommendations were forwarded:

- ❖ The company should invest, from time to time on marketing research. This is because effective marketing strategies are products of marketing research. Thus, good and adequate marketing mix is a product of effective marketing research too. Marketing research will bring about innovation, better services for customer and better method of production and processing.
- ❖ A business to be successful, should not only have good products with attractive prices to generate sales and profit, but should also be able to effectively communicate the details of the products to the customers. From the result, Mie promotion activities are not effective to create awareness, build customer loyalty and increase a sale force on the market.. Therefore the company should create awareness to customers in brand promotion by means of TV Ads; sponsoring different radio (Sheger, Fana radio), tv program (EBC, EBS)

and Print Ads, Bill boards and exhibitions in order to increase product awareness, increase sales, and retain customers and overall company value.

- ❖ The company must working on indirect channel and choosing distributors that reach its customers most effectively and other intermediaries that add value to the distributive process. The company has to do more to expand its local market coverage and increase its market share. (e.g. working with intermediaries or agents who address the products from the company to the consumers.
- ❖ The company should revisit their current performance against the aforementioned problems be evaluating on a regular basis of their strategy, So that improved distribution system, well structure, effective communication with customers (promotion) can provide the power needed to gain new customers and increase profits.

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Appendix A

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MARKETING MANAGEMENT

QUESTIONNAIRE SURVEY

Dear Respondent

This questionnaire is designed to gather data on the overall **the assessment on the marketing Strategy in Mesfin Industry Engineering** to achieve this purpose and to deeply investigate the case, your response to the questions given below has a crucial value. Therefore, you are kindly requested to read the questions carefully and give accurate and real data which exists on the ground. The response that you reply will not be used for any other than this research work. So be free and give your honest and genuine response.

Thank you in advance for your cooperation!

Instruction: circle the latter of your choice of fill the blank spaces for the following questions

Part One:-General Information

1. Gender

A. Male

B. Female

2. Age

A. 18-28

B. 29-39

C. 40-50

D. Over 50

3. Educational Background

A. high school

B. Diploma

C. Bachelor degree (BA)

D. MSC/MBA

E. PHD

Part two: Survey on Service Quality Items

Close ended Questionnaire

Direction: This part of the questionnaire intends to find your perception (Opinion) towards the marketing strategy in mesfinindustrial engineering.

Please circle the number which reflects your perception.

1= strongly disagree, 2=Disagree, 3= Neutral, 4= Agree and

		Strongly Disagree	Disagree	Neutral	Agree	S
i	Product					A
1	The company products are qualified product relatively other local manufacturing product.					
2	The company product allows customization.					
3	The company product feature has good image in the eyes of the customers.					
4	Mie products accepted by the customer loyalty.					
	Mie products are satisfying your need.					

	Mie products are offer's new modification on the market.					
	I am satisfied with the quality of the					

ii	Price	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
8	The prices of Mie product are affordable relatively to other					
9	The prices of company's product are reasonable as per the quality.					
10	Mie pricing technique accepted by the customer.					
11	The price of Mie product motivates the customers to buy.					
12	I am satisfied with the price of the product.					

iii	Distribution	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	The company's products are available any time.					
14	The product spare part are accessible anywhere					
15	The company's Products deliveries are fast,					
16	The company product are available the required place.					

17	The company distribution its product using appropriate channel.					
18	I am satisfied with the distribution system of the company.					

iv	Promotion	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
19	. The company promotions are credible for the customer.					
20	The promotion made by the company initiated towards purchasing.					
21	Mie promotion addressed the ultimate user.					
22	Mie promoting their product in effective way.					
23	Mie products are promoted adequately.					
24	I am satisfied with the promotional activity.					

Appendix B

Interview Questions with marketing manager of Mie

Dear Interviewee;

This questionnaire is designed to gather data on the overall **The assessment on the marketing Strategy in Mesfin Industry Engineering** to achieve this purpose and to deeply investigate the case, your response to the questions given below has a crucial value. Therefore, you are kindly requested to read the questions carefully and give accurate and real data which exists on the ground. The response that you reply will not be used for any other than this research work. So be free and give your honest and genuine response.

Thank you in advance for your cooperation!

Interview Questions

This interview aims at the assessment of marketing strategy in M.I.E and focus on the following points.

I. General Information

1- Describe your company (What is your responsible) in general.

II. Products

3. How do you rate the company's product and service quality?

4. What is your future plan to expand your products or to increase your market share? And

What improvements can you make to your offering to better meet customer needs?

III. Pricing

5. What is your current pricing strategy?

Do your customers understand it?

6. What factors do you consider in setting pricing strategy?

VI. Place/Distribution

7. What distribution objectives and strategies are the company pursued?
8. What is the process for selling your products?

V. Key Messages/Promotion

9. What promotional tools do the company used?