

**SAINT MARRY UNIVERSITY
SCHOOL OF GRADUATE STUDIES**



**THE EFFECT OF MARKETING STRATEGY ON A CUSTOMER
FOCUSED PERFORMANCE: IN THE CASE OF SAFARICOM
ETHIOPIA**

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DECLARATION

I, the undersigned, declare that this thesis “**THE EFFECT OF MARKETING STRATEGY ON A CUSTOMER FOCUSED PERFORMANCE IN THE CASE OF SAFARICOM ETHIOPIA**” is my original work, prepared under the guidance of Getie Andualem (Prof.). All sources of materials used for this thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution for the purpose of learning any degree.

Name

St, Mary’s University, Addis Ababa

Signature

June 2023

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a University advisor.

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St, Mary's University, Addis Ababa June 2023

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ABBREVIATION AND ACRONYMS

ANOVA Analysis of Variance

SPSS Statistical Package for the Social Sciences

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Abstract

The main objective of this study was to investigate the effect of marketing strategy on a customer focused performance in the case of safaricom. based on 7p's marketing model. Explanatory research design along with quantitative and qualitative research approach was adopted to test the proposed hypotheses. Customers of safaricom were considered as a study population and a total of 384 sample respondents were selected using judgmental and convenience non-probabilistic sampling technique. Of which 384 valid and usable primary data were collected through self-administered questionnaires and processed via SPSS version 27. Both descriptive and inferential statistics were used to describe responses regarding the study variables and test the seven proposed hypotheses. The results of the findings revealed that price, people, process and place had positive and strong relationship with customer focused performance. Specifically, price had relatively the highest effect ($\beta=.318$) on customer focused performance followed by people ($\beta=.189$) at p -value 0.00. Whereas physical evidence demonstrated an effect ($\beta=.143$), promotion ($\beta=.117$) had relatively low effect on customer focused performance. Thus, based on the results, all proposed hypotheses were supported. It can be concluded that price, people process are determinant facts that predict the variation on customer focused performance of safaricom Ethiopia. Managements of the telecom sector should exert more effort on setting price against this background and charge acceptable and competitive service fees. While also considering service customization and better offer with customers. Finally, it is recommended that safaricom should explore other factors that may be influencing their customer focused performance but were not included in this analysis.

Key words: Marketing strategy, Product, Price, Place, Promotion, People, Process, Physical evidence.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

With the growing competition in the domestic and international markets, more demanding and assertive customers, rapid advancement in technology, and changing government policies and laws, the marketing environment has changed dramatically and is becoming more turbulent. Marketing is a major stakeholder in new product development, customer management, and value/supply chain management, and marketing strategy provides concepts and processes for gaining a competitive advantage by delivering superior value to the business's customers. Therefore, to deal with the current challenges, the businesses must have more distinctive and purposeful marketing strategies and they should be effectively implemented (Subhash, 1997).

Marketing strategy has the fundamental goal of increasing sales and achieving a sustainable competitive advantage (Baker, 2008). Marketing strategy includes all basic, short-term, and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation, and selection of market-oriented strategies, therefore contribute to the goals of the company and its marketing objectives. In other words, marketing strategies are processes through which companies determine where to place effort, which market and market segments they choose to sell. It encompasses those activities which give the firm sense of purpose and direction, provide a measure against which proposed actions can be gained or assessed and ensure firm's competitive advantage in the market to satisfy customer needs (Homburg, Sabine and Harley, 2009). The importance of customers has been highlighted by many researchers and academicians. Customers are the purpose of what we do and rather than them depending on us, we very much depend on them. The customer is not the source of a problem, we shouldn't perhaps make a wish that Customers „should go away“ because our future and our security in the service industry will be put in jeopardy. That is the main reason why organizations today should focus on Customer satisfaction (Zairi, ,2000).

According to Philip Kotler P., Armstrong, G., Saunders, J., and Wong, (1999), marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives. It is an endeavor by a corporation (or any organization) to differentiate itself positively from its competitors, using its relative corporate strengths to better satisfy customer needs in each environmental setting (Subhash, 1999). For an organization, target consumers are at the center of the marketing strategy. The company identifies the total market it wants to serve and divides it into smaller segments. It then selects the most promising segments and focuses on serving them. It designs a marketing mix using mechanisms under its control: product, price, place, and promotion. It also engages in marketing analysis, planning, implementation, and control to find the best marketing mix and to act. The company uses these activities to enable it to watch and adapt to the marketing environment (Kotler et al, 1999).

According to Smith and Saker (1992), the marketing mix elements are considered an essential element of any marketing strategy. They argued that the traditional 4Ps model should be extended to include additional 3Ps (people, process, and physical evidence) as strategic elements, which affect a customer focused performance in the service industry.

Telecommunications like any other services have several unique characteristics that set them apart from products. These unique characteristics create special marketing problems and opportunities to deal with, which calls for the addition of the extended 3Ps.

Nowadays, inexperienced, and ineffectual regulatory oversight, absence of facilities-based competition, inadequate interconnection with the neighboring nation's networks and inability to localize outbound traffics are identified as factors affecting the Ethiopian telecom industry performance. To achieve a better connectivity and a thriving digital ecosystem in Ethiopia, Telecom service providers. need an understanding of the process of marketing and marketing strategies which will aid in improving the performance of the industry.

During the last two years, the telecom service sector has witnessed major developments and tremendous growth. Following the liberalization of the telecom sector, the market which was only occupied by ETHIO TELECOM since its introduction stage 1894-1942 era has seen an influx of new partner. As a starter Safaricom a company which is owned by an international consortium including Vodafone Group a year granted of nationwide full service unified telecommunication

have joined the market (Johnstone Kpilaakaa 2022). After the liberalization of the telecom services with debut competition in a market it previously monopolized by the former telecom, the Ethiopian Telecommunication Industry landscape is departing from less competitive environment as competition between service provider gearing up to maintain its relevance. In view of the intense competition in the market, and the need to stay ahead of the game and meet organizational objectives, performance and factors affecting it are now of great concerns to company and shareholders.

Though there is increasing empirical evidence on the impact of marketing strategies and company performance in developed markets, much attention has not been given and there are few empirical evidence in developing economy such as Ethiopia to examine marketing strategy and its impact on companies' customer focused performance specifically in the telecom service sector. Marketing managers develop and implement strategies with the intention to improve the performance of their company. Marketing academics study the relationships between strategies and performance with the aim of formulating guidelines about the effectiveness of strategies. Both managers and academics try to find out which strategies under which circumstances may improve to what extent the company's performance (Huzingh and Zengerink, 2001). Therefore, it would be of both theoretical and managerial interest to study the impact of marketing strategy and see the relationship between marketing strategy and customer focused performance in the Ethiopian context.

Hence, this study attempts to examine the impact of marketing strategies on firms' customer focused performance in the case of Safaricom.

Safaricom is a purposed-led technology and communication company committed to Ethiopia's digital transformation and inclusion objectives. Since May 2021, after the international consortium named the Global partnership for Ethiopia, comprising Safaricom plc, Vodafone Group, Sumitomo Corporation and British international investment (formerly known as CDC Group) was announced as the winning applicant for a license to operate telecommunication services in Ethiopia.

Safaricom, after granting a nation-wide full service unified telecommunication, It has been registered as Safaricom Telecommunications, have built strong foundations through mutual benefit partnerships to offer adequate services in Ethiopia.

Safaricom Ethiopia has built a wholly owned mobile network and has infrastructure sharing and interconnection agreements in place with Ethio Telecom. For Decades, Safaricom PLC has combined the power of technology and our innovative spirit to solve customer and societal problems. Led by our purpose to transform Lives by deepening digital of the international Finance Corporation. Those reforms aim to increase jobs, reduce poverty, and grow the local economy. Safaricom has rolled out its 2G, 3G and 4G mobile services across 11 Ethiopian cities, including the capital and the country's second largest city Dire Dawa. The Company further revealed plans to expand the launch to a total of 25 cities by April to meet the 25% population coverage obligation in its license.

Safaricom made Ksh 63.3 billion in full year's profit making it the blue-eyed boy of Sub-Saharan Africa's telecommunication world (Njenga Hakeenah). Since its inception, the company has after teething problems continued growing in leaps and bounds ranking in billions in profits. Portfolio of services offered by Safaricom Ethiopia includes.

- ⇒ SMS Package for 5Birr -50 Birr
- ⇒ Voice Package starting 5 Birr-200 Birr.
- ⇒ Data Package for 5 Birr-1000 Birr
- ⇒ Daily Internet Package for 5 Birr- 25 Birr.
- ⇒ Gursha all network Package for 10 Birr -200 Birr.

VISION

Safaricom is a purpose-led technology company that uses innovation to drive social and socio-economic empowerment in society.

MISSION

To accelerate new growth areas delivering superior customer experience to accomplish being a purpose- led technology company by 2025.

VALUES

- Simple -in the way of reaching out Customers.
- Transparent- in what it delivers.
- Honest- in what it is said.
- Fair and transparent pay and benefits.
- Sound compliance and governance systems
- Digital and leadership upskilling and reskilling
- Investment in training and development

1.2.Problem Statement

Recently, the business world has been witnessing a huge revolution in all aspects of business. There are many forces that have emerged as critical challenges facing today's companies. Marketing is considered as a key element for any successful business, irrespective of its size, sector, the nature of its work and even its aims and objectives (Akroush, 2003).

The primary goal of any business is to be successful and remain in business, profitably. And It's a no hidden fact that the success or failure of an organization depends on its marketing strategies. Marketing is also a dynamic lesson, and not just stuck in one point, it's developing from time to time. So, marketers should be able to adjust to changing market condition through the major controllable and tactical elements of marketing mix product, price, place, and promotion (Weldegebriel, 2011).

Literature reveals that, empirical support for the relationship between the marketing strategy and firms' customer focused performance of a business has been provided by several studies. Most of these studies have been based on the Profit and Service quality Impact of Marketing

Strategy and have focused on company performance in USA (Faria and Wellington, 2005; Kyle, 2004). Various researchers in the marketing field (Deshpande et al, 2003; Akroush, 2011) argue that one of the challenges facing the academic marketing research is that the generalizability of the marketing models, theories, and concepts, which have been developed in the U.S and Western environments. Shoham (2002) argued that although companies' strategies may influence performance, the findings so far are not conclusive especially those that deal with the relationships between the marketing mix and customer focused performance. Therefore, there is a need for studying the relationship between marketing strategies and customer focused performance.

The relationship between marketing strategies and company performance in our Country is under researched. The major amount of empirical evidence that exists about the marketing strategy-performance relationship mostly focus on the traditional 4ps of marketing mix model, which are used in the goods marketing, and hence this requires more investigation in the services marketing area.

Telecommunication Service Sector in Ethiopia face numerous challenges from inability to localize outbound traffics to inadequate interconnection with the neighboring nation's networks, from inexperienced and ineffectual Regulatory oversight to absence of facilities- based competition. In the domestic scene, the dull competition, the increasing awareness and change in needs and wants of customers, the ever-rising cost of services provided by the monopolized company and excessive regulatory requirements to enter the market are some of the challenges that are affecting the performance of the telecommunication service. Hence to cope successfully with these challenges, the Company must devise workable marketing strategies that will help them to enhance and beat the competition and enhance their performance.

1.3.Objective of the Study

1.3.1.General Objective

The general objective of the study is to investigate on the impact of marketing strategy on the customer focused performance of firms.

1.3.2.Specific Objective

- To examine the impact of the marketing strategies (specifically the 7ps of service marketing mix) on customer focused performance of the Company.
- To identify the most influential elements of the services marketing mix elements on the customer focused performance.
- To investigate the marketing strategies mostly employed by the Company.

1.4Research Questions

This study therefore aims to answer the following research questions:

1. What is the impact of the marketing strategies (7Ps of service marketing mix) on customer focused performance of the firm?
2. What are the most influential elements of the services marketing mix elements on its customer focused performance?
3. What are the marketing strategies used in the telecom sector?

1.5 Significance of the Study

This study lies in its potential to contribute to the understanding of the impact of marketing strategies on customer-focused performance in the telecom sector. By investigating the specific elements of the services marketing mix and their influence on customer-focused performance, this study will provide valuable insights that can guide firms in developing effective marketing strategies.

Additionally, the identification of the most influential elements of the services marketing mix will help firms to prioritize their marketing efforts and focus on the key drivers of customer-focused performance. The findings of this study can also inform the development of industry-wide marketing best practices, which can benefit the telecom sector as a whole.

Furthermore, the investigation of the marketing strategies mostly employed by the Company will provide insights into the current state of marketing practices in the telecom sector and identify areas for improvement. This can help firms to stay competitive in a rapidly changing market environment and meet the evolving needs and preferences of their customers.

Overall, the findings of this study can have practical implications for the telecom sector and contribute to the development of effective marketing strategies that enhance customer-focused performance and drive business success.

1.6 Scope of the Study

The scope of the study was restricted to investigate effect of the selected marketing mix elements on customer focused performance in the case of Safaricom Ethiopia. In order to come with strong and after careful study of literature review by adopted from (Akroush 2003) which are the elements of marketing elements namely, price, product, place, promotion, people, process and physical evidence were used for measuring their effect on marketing strategy.

The study was limited to safaricom customers in Addis Ababa. The researcher used both descriptive and inferential statistics for analysis purpose. Inferential statistics tools correlation analysis and multiple regressions used to predict the relationship between marketing strategy and the customer focused performance . The demographic data of the respondents was analyzed by descriptive statistical tools frequency and percentage.

1.7 Limitation of the study

This study tries to show the impact of marketing strategies on firm's customer focused performance in the case of Safaricom. The study focused only on employees at a selected city and branches of Safaricom. The outcome of the study entirely depends on the responses of respondents included in the study. Hence, generalization to a wider population should be done with consideration.

Participants may have provided socially desirable responses or may not have accurately represented their experiences or perceptions of the center's customer focused performance.

Additionally, the study was limited by its reliance on data provided by Safaricom. While efforts were made to ensure the accuracy and completeness of the data, it is possible that some information was not captured or was misrepresented. Despite these limitations, the study provides valuable insights into the factors that influence the effectiveness of marketing programs in the context of safaricom. The findings can inform future research and help ethiotelecom sector optimize their marketing strategies to attract and retain customers.

1.8. Organization of the Paper

Generally, the study was comprised of five Chapters.

Chapter one gave a brief introduction about the study: including background of the study, statement of the problem, objectives, significance, delimitation, and limitation of the study. Chapter two presented review of related literature and gave a comprehensive discussion of marketing strategies and customer focused performance.

Chapter three dealt with the research methodology employed in the execution of the study. Chapter four focused on data analysis, interpretation and discussion of the data collected. Finally, the summary of findings, conclusion and recommendation of the study was presented in Chapter five. It also addressed limitations and future research recommendations.

CHAPTER TWO

LITERATURE REVIEW

This literature review examines the major issues regarding marketing strategy within the telecom sector, what marketing strategy encompasses, how performance of firms is measured and the relationship between marketing strategy and customer focused performance of firms. The literature reviewed in this part, focuses on the objectives stated in Chapter One. The value of studying literature is to provide a meaningful discussion and analysis about the topic. At the end of this section, it is hoped that a critical understanding of key issues is exhibited, that the reader is better informed and that there is a clear justification for the research in this area.

2.1 Theoretical Review

2.1.1. Strategy Overview

Different Scholars have given different definitions to strategy. According to Tony Proctor, a strategy is a plan that integrates an organization's major goals, policies, decisions, and sequences of action into a cohesive whole. It can apply at all levels in an organization and pertain to any of the functional areas of management. Thus, there may be production, financial, marketing, personnel and corporate strategies, just to name a few, if we look specifically at marketing then there may be pricing, product, promotion, distribution, marketing research, sales, advertising, merchandising, etc. strategies. Strategy is concerned with effectiveness rather than efficiency and is the process of analyzing the environment and designing the fit between the organization, its resources and objectives and the environment (Proctor, 2000).

Nickols (2011), asserted that strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals, and defines the range of businesses the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and noneconomic contribution it intends to make to its shareholders, employees, customers, and communities.

Strategy is a coordinated plan that gives the outlines for decisions and activities of a firm and is focused on the application of the resources that a company has at its disposal in such a way that the activities have an additional value to the environment so that the firm can achieve its own goals (P. Gibcus et al, 2003).

All good business performance requires a good strategy; sometimes that strategy is implicit, sometimes explicit; where possible it is always better to make it explicit (White, 2004).

2.1.2. Definition of Marketing Strategy

Marketing strategy refers to an organization's integrated pattern of decisions that specify its crucial choices concerning products, markets, marketing activities and marketing resources in the creation, communication and/or delivery of products that offer value to customers in exchanges with the organization and thereby enables the organization to achieve specific objectives (Varadarajan, 2009).

According to Philip Kotler, marketing strategy is the marketing logic by which the company hopes to create customer value and achieve profitable relationships. The company decides which customer it will serve through segmentation and targeting. And then decides how, by differentiation and positioning. It identifies the total market, divides it into smaller segments, selects the most promising segments and, then focuses on serving and satisfying customers in that segment. It designs a marketing mix using mechanisms under its control: product, price, place, and promotion. It also engages in marketing analysis, planning, implementation, and control to find the best marketing mix and to take action. The company uses these activities to enable it to watch and adapt to the marketing environment (Kotler & Armstrong, 2011).

Subhash (1999) explains that within a given environment, marketing strategy deals essentially with the interplay of three forces known as the strategic three Cs which are: the customer, the competition, and the corporation. If what the customer wants does not match the needs of the corporation, the latter's long-term viability may be at stake.

For a longer lasting good relationship between customers and corporation there should be a positive matching of the needs and objectives of the customer and corporation. Matching the needs between the customer and the corporation should not only be positive but also it must be

better and stronger than the match between the customer and the competitor. If the corporation's approach to the customer is identical to that of the competition, then the customer can't differentiate between them.

Moreover, he states that formation of marketing strategy requires the following three decisions:

1. Where to compete, it requires a definition of the market (for example, competing across an entire market or in one or more segments).
2. How to compete: it requires a means for competing (for example, introducing a new product to meet a customer's need or establishing a new position for an existing product).
3. When to compete, it requires timing of market entry (for example, being first in the market or waiting until primary demand is established).

Thus, marketing strategy is the creation of a unique and valuable position, involving a different set of activities and development of marketing strategy requires choosing activities that are different from rivals (ibid).

Market research and segmentation underlie the market targeting decision. Market targeting implies major commitments to satisfying the needs of different customer groups through the development of specific capabilities and investment in dedicated resources. These capabilities enable the organization to create a value proposition specific to the targeted segment utilizing the elements in the marketing mix (Slater & Olson, 2001).

According to Walker, the primary purpose of a marketing strategy is to effectively allocate and coordinate marketing resources and activities to accomplish the firm's objectives within a specific product market. Therefore, decisions about the scope of a marketing strategy involve specifying the target-market segment(s) to be pursued and the product line to be offered. Then, firms seek a competitive advantage and synergy, planning a well-integrated program of marketing mix elements." (As cited by Boyd et al, 1998)

According to Slater and Olson (2001), marketing strategy is concerned with decisions relating to market segmentation and targeting, and the development of a positioning strategy based on product, price, distribution, and promotion decisions.

2.1.3. Marketing Strategies for Service Firms

Christopher Lovelock (2001) defined service as an act of performance offered by one party to another. Although the process may be tied to physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production.

Until recently, service firms lagged manufacturing firms in their use of marketing. Service businesses are more difficult to manage when using only traditional marketing approaches. In a product business, mass produced products are standardized and sit on shelves waiting for customers. But in a service business, the customer and frontline service employee interact to create the service. Thus, service providers must work to interact effectively with customers to create superior value during service encounters. Effective interaction, in turn, depends on the skills of frontline service staff, and on the service production and support processes backing these employees (Kotler et al, 1999).

According to Akroush (2003), marketing strategies in service businesses are different from those that are being used in goods marketing. The literature on service marketing indicates that the unique characteristic of services creates special marketing problems and challenges, which need special marketing strategies to deal with them. Consequently, the marketing strategy in the services should include the 7Ps of the services marketing mix framework and service quality, which may have a crucial effect on companies' performance (ibid.). The 7Ps of the services marketing mix framework has been advocated the service marketing literature as a generic framework for services marketing management and, the 7Ps components are the major components to formulate a marketing strategy in service (Smith and Saker, 1992).

A company must consider four special service characteristics when designing marketing programs: intangibility, inseparability, variability, and perishability and these major characteristics are defined in the following manner (Kotler and Armstrong, 2006).

- Service intangibility means that services cannot be seen, tasted, felt, heard, or smelled before they are bought.
- Services inseparability indicates that services are produced and consumed at the same time and cannot be separated from their providers.

- Services variability means that the quality of a service may vary greatly, depending on who provides them and when, Where, and how.
- Services perishability means that services cannot be stored for later use or sale.

Marketing strategy includes market segmentation, positioning, and fully integrated marketing mix strategies. Fully integrated marketing mix strategies outline the major components of the marketing strategy in the service companies (Greenley 1989; Ennew and Watkins 1992; Hooley et al 1998; Menon et al 1999; Baker 2000).

2.1.4.Segmenting, Targeting, and Positioning

It is impossible for companies to be able to serve all consumers in the market due to the difference in consumers' characteristics and in their desire.

For this reason, the heart of modern strategic marketing should be applied to marketing segmentation, target markets (targeting) and market placement (positioning). Market segmentation is an act of identifying and forming groups of buyers or consumers, each with his/her own characteristics, desire, and hence requiring their own marketing mix (Kotler, 2005).

As per Alan Robert's observation, market segmentation is the strategy of dividing markets to conquer them, a continuous policy of looking for differences, geographical or otherwise in the total market and the continuous exploitation of these differences. Market segmentation differentiates customers with similar telecom needs from those with dissimilar needs. In addition to that segmentation provides a solid basis upon which the marketing strategy of a telecom can be designed. Furthermore, segmenting the market also helps to evolve a distinctive marketing package for each segment based on the needs of different customer segment (Muraleedhraham, 2010).

Targeting will be the next step once the company identified its market segment opportunities. The company then evaluates various segments to decide which segment suits the target market. In evaluating different market segments, the company must look at two factors: the overall market attractiveness and the company's objectives and resources (Kotler, 2005). Positioning is the act of designing products and marketing mix to create a certain impression in the mind of consumers.

This act will help consumers to recognize a definite difference between competing products so that they can choose the best one (ibid).

Positioning is an attempt to distinguish telecom from its monopolist competitors along real dimension to be the most preferred telecom company for certain market segment or prospect. A keyway to build a strong competitive position is through management, IT and service quality and differentiation which creates a clear image of the telecom and its products/services in the eyes and minds of customers and can lead to distinctive position in the market (Zineldin, 2002).

If a telecom company can position itself favorably within a particular marketplace, relative to competitors, it can earn high rates of market and retain its customers. Competition and profitability factors mean that telecom service company, in terms of their positions, performances, their internal and external infrastructure and their use of information technology, must be increasingly responsive to marketing consideration (ibid).

2.1.5. Company Performance

The literature on performance revealed that there is neither one single criterion nor a set of criteria approved between marketing strategy scholars for performance assessment (Venkatraman and Ramanujam, 1986). Performance can be determined in various ways such as financial performance, market performance, customer performance or overall performance. Customer performance literally refers to customer focused measures, such as customer satisfaction score, employ engagement and customer retention rate. However, for the purpose of this study, only the customer focused performance of the company will be taken into consideration.

Deshpande' et al (1993) found that performance is a complex, multi-causal matter that depends on internal factors of the organization as well as strategy.

There are several indicators for evaluating customer focused performance of telecom on the base of the customer measures. Usually, customer performance of the institutions has been measured by using a combination ratio analysis, benchmarking, and measure performance against budget or a mix of these methods. (Munir et al, 2012)

The performance indicators of an organization have little meaning unless they are seen in the context of economic and industrial developments and benchmarked against a peer group or past performance (Krishnan, 2009).

According to literature reviews, it is explained that customer performance is represented mainly by quality performance indicators. The literature on the determinants of telecom performance has closely tied its performance on customer centric such as customer satisfaction score, customer retention rate, quality service and the like (Smirlock (1985); Chirwa (2001). Gilbert (1984) in a survey of literatures argued that customer centric is an appropriate measure of telecom performance.

Customer satisfaction score (CSAT) = it is a customer experience metric that measures happiness with a product, service, or customer support interaction through a customer satisfaction survey. Total number of satisfied responses (rating of 4 or 5) divided by total number of responses multiplied by 100. (Fred Reichheld 2013)

Net promoter score (NPS) = is a measure used to gauge customer loyalty, satisfaction, and enthusiasm with a company that's calculated by asking questions one question: on a scale from 1 to 10. It is calculated by subtracting the percentage of customers who answer the NPS question with a 6 or lower known as detractors from the percentage of customers who answer with a 9 or 10 known as promoters. (Fred Reichheld 2013)

Employee Engagement = staff motivation can affect the quality of customer focused performance.

Customer retention rate = it measures the number of customers a company retains over a given period. The percentage of a company's existing customers who remain loyal with in that time frame. $[(E-N)/S] * 100$. (Elaine Atwell 2021)

2.2. Empirical Review

The evidence of the impact of marketing strategy on the performance of corporate ventures is mixed. In some studies, individual elements of the marketing mix are shown to have a significant effect on market share and profitability (Miller and Camp, 1985; MacMillan and Day, 1987; Tsai,

MacMillan and Low, 1991). In another study using the same database, marketing had no significant effect on corporate venture performance (Robinson, 1990). However, in these previous studies, their operationalization of marketing was inconsistent with the very definition of the marketing mix as well as previous research on the marketing strategies of mature firms.

Research conducted in Nigeria by Ojo Oke (2012), revealed an overall significance of the marketing mix variables adopted although not much effect is seen when a marketing variable is compared with telecom performance in isolation of other variables which helped to conclude that the marketing strategies techniques must be adequately combined to bring about improved performance.

Akroush (2012) on his study targeting Jordanian organization's marketing managers and their customers, found that external and internal marketing orientations (IMOs) exerted a positive and significant effect on marketing strategy components, namely: product, price, promotion, and distribution strategies which in turn exerted a positive and significant effect on customer satisfaction. The findings also indicate that product and price strategies are the strongest drivers of customer satisfaction. Customer satisfaction has a positive and significant effect on customer performance. More importantly, customer focused performance has a strong positive contribution to shareholder value measured by market value added and earnings.

Empirical evidence on export marketing strategy and firm export performance reveals that, Marketing strategy is one of the major elements of export performance and one of the key factors impacting export performance. Research on the significance of the marketing showed a strong association between export marketing strategy and export performance; a positive and direct impact of marketing strategy on export performance of the firms in question (Mavrogiannis et al., 2008; Lages and Lages, 2003; Julian and O'Cass, 2003; Cavusgil and Zou, 1994). Salavou and Halikias (2008), in their study, also found that most exporter companies that obtained higher profitability, was due to their marketing-based strategies. In contrast, researchers such as Julian and O'Cass, (2003) concluded that export marketing strategies had no effect onto export performance. Also in the research by Abdul Adis and Md.Sidin,(2010) revealed that there were no direct or significant relationship between export marketing strategy (concluding product adaption, promotion adaption, distribution strategy, design strategy, price competitiveness, support to foreign distributor, target market specification) and export performance of Malaysian

wooden furniture industry. In brief, although a few studies mention there is not any relationship, most of researchers concluded that marketing strategy had significant positive effects on export performance, and it was an important part of studies that had been evaluated many times previously.

Empirical support for the relationship between the marketing strategy and customer performance of a business has been provided by several studies. Most of these studies have been based on the Profit Impact of Marketing Strategy and have focused on company performance in USA (Faria and Wellington, 2005; Kyle, 2004). Various studies, Shim et al., (2004) and Patterson and Smith (2001), have suggested that overall business performance is influenced by the marketing strategy.

However, there are a few reasons that the results of the studies are inconclusive (Chiliya, 2009).

Research conducted by Adewale et al (2013) on SME's in Nigeria found that marketing strategies (product, place, price, packaging, and after sales service) were significantly independent and joint predictors of business performance. The study however, discovered that promotion has no positive significant effect on business performance. The study conforms to the positions of Sajuyigbe et al (2013); Francis & Collins-Dodd, (2004); Shamsuddoha and Ali (2006); Chiliya et al (2009) and Owomoyela et al (2013) except the result of promotion which has contrary opinion to the previous research. All these researchers agreed that marketing mix strategy is the blood of business organization.

2.2.1 7Ps of Service Marketing

Brodrechtova (2008) explained that marketing strategy is a roadmap of how a firm assigns its resource and relates to its environment and achieves a corporate objective to generate economic value and keep the firm ahead of its competitors. The marketing strategies have a major impact upon the efficiency and cost structure of an enterprise.

The marketing mix has had a considerable support in the marketing literature either as its elements together or individually. The marketing mix elements have been used as the main components of marketing strategy in the marketing literature. This is supported by several studies that have been conducted in different markets (Akroush, 2003).

2.2.2 Product/Service

The first one among the services marketing mix is the product or the service offered to satisfy the needs of consumers. Like any other services, telecom services are also intangible.

The service product is the central component of any marketing mix strategy. Kotler defines a product as ‘anything that can be offered to a market to satisfy a want or need.’ A product can include physical goods, services, experiences, persons, or ideas. Products can be tangible or intangible (Akroush, 2003).

The unique characteristics of services that determine what constitutes components of the service product are generally a difficult task. When organizations move through levels, they are trying to differentiate themselves. This can be achieved by having a range of products or services, high quality of service, means of branding, new service development, after sales service, and customer service (Ennew and Watkins, 1992; Ennew, 1998; Baker, 2000).

Lovelock (2001) discusses the core service product, the core service delivery process, and supplementary services, which enhance and facilitate the use of the core service. Supplementary services add value to the core service (Lovelock 2001).

In the case of telecom products, the products can be categorized into three groups. They are Core products, Formal products, and augmented products. Core products are those products, which define the business. For telecom serving companies, some of the core products are Mobile data, Internet data, SMS data, G.S.M related products and mobile money transfer, and the like. This has two basic characteristics. These are the fact that core products define the business of any telecom company and that they do not have strong marketing content, i.e., the product must be specifically designed in view of the needs of customers in well-defined homogeneous market segment (Seth, 1997).

Since core products, are used as basic tools of telecom company and serve the full range of customer segments or at least many them, their marketing content cannot be rated as very high. But these core products are indispensable to any business. Furthermore, these products provide a basis for the development of more sophisticated and marketing-oriented products (ibid).

The next type of product is Formal product. Formal product is usually a combination of two or more core products, and they have strong marketing content as they cater to some specific customer needs. Formal product will give right product with specific names as according to the requirements of customers to boost the telecom business (Seth, 1997).

Augmented product is a further modification of formal product through value addition. The main advantage of an augmented product comes from its strong marketing content (Muraleedhahan, 2010). Tele Birr mobile money transfer: of Ethio Telecom, Terek Be Gursha Package; of Safaricom Ethiopia are some of the examples of augmented products.

According to Seth (1997), Customer needs are varied, complex and multidimensional needs. Telecom companies should offer multidimensional products also called product packages. Instead of offering one or two or several products to the customers, it is through understanding all of telecom related needs of customers and then providing a comprehensive package which can take care of this entire spectrum of needs. Hence, once the telecom service company gives a tailor-made product/service it will definitely cultivate a psychological ownership on the customers' mind.

2.2.3 Price

Pricing decisions are of major significance in services marketing strategy. The price of a service should achieve several marketing and organizational objectives and should be appropriate for the service company's marketing program. Price is one of the central elements of the services marketing mix. It is a very complicated issue in which many variables have a significant role to play in a service price setting (Akroush, 2003).

Price is the value or sum of money at which a supplier of a product or service and a buyer agree to carry out an exchange transaction. Price represents a controllable variable which earns revenue for all other variables, and this distinguishes price from all other variables (Ayanda & Tunbosum, 2012).

There are many variables that have important effects on service price setting which many of them are not seen under a service business control. These variables, which are exclusive rather than inclusive, are the unique characteristics of services, the supply and demand patterns in the market

place, understanding the costs structure in the company, the ability of the company to have some elements (e. g. superior customer service) that differentiate itself from its rivals, competitors pricing strategies, and different environmental forces in the service business environment in which it operates (Akroush, 2003).

According to Wruuck (2013), pricing is currently more relevant for new entrant telecom company than ever before. Price plays a central role for telecom companies in that it impacts customer satisfaction and profitability. Telecom' clients have become more demanding and customers' willingness to switch to other providers has risen. It is against this background they need to set prices for their products and services at present. Analyses suggest that prices for telecom products and services play a central role in the consideration to switch Telecom. In recent surveys, roughly half of respondents' state dissatisfaction with Data charges and partly also quality service as a factor which influences their decision to switch. Furthermore, customers identify pricing as an area where they wish to see improvements and regard these as a suitable means of increasing satisfaction with their telecom serving company.

In the Telecom service industry, price is the amount of money that will determine the exchange rate of telecom product or services between the telecom and customers. Price determination of telecom products or services in Ethiopia is subject to regulations from the regulatory body ECA. The main strategic pricing objective is maximization of profit, increasing rate of return on investment and obtaining large market share. (Solomon, 2013).

2.2.4 Place

Distribution is another fundamental element in telecom services marketing mix by which the companies can cover target markets and gain access and deliver services to customers (Akroush, 2003).

Friars et al (1985) argued that when telecom services companies formulate their distribution strategies, they should choose distribution alternatives that are marketing focused and profitbased. Moreover, they argued that distribution strategy is a new strategic weapon to attract and retain customers and to generate revenue in today's competitive business environment.

Howcroft (1993) argued that telecom service companies must consider four broad considerations in formulating the optimum mix of distribution channels; (a) Maintaining a strong market position through attracting and retaining a large, profitable customer base. (b) Introducing new distribution channels to counteract the cost-benefit characteristics of the branch network. (c) Building a distribution channel mix that can respond flexibly to changes in competition and the marketplace. (d) Exploiting fully the benefits inherent in the existing infrastructure.

According to Devlin (1995), superior distribution strategies can provide telecom institutions with a competitive advantage in the marketplace. Distribution provides the basis of differentiation rather than the core service itself. Devlin argues that with increasing competitive pressures in telecom service environment, the issue of distribution will remain an important competitive variable that should focus on customer orientation.

Using multiple channels provide access to multiple market segments (Storey & Easingwood, 1996). When telecom uses branch and non-branch channels, the important point is to use them in a way that each one complements the other one.

2.2.5 Promotion

The benefits of a product or service should be clearly communicated to the target market. Therefore, when companies are choosing their media strategy, they have to consider who their target customers are and what their general behavior is (Kotler & Armstrong, 1996).

Kotler and Armstrong (1996) argued that when the target group is defined, an effective message should be formulated. This message should start with getting the customers attention, further making them interested and making them feel that they want this product and finally make them buy. An organizations promotional strategy can consist of: Advertising; any nonpersonal paid form of communication using any form of mass media, Sales Promotion; personal selling and developing relations with the organization media public to be able to get positive publicity and handle negative attention in a good way, and finally Direct Mail; sending publicity material to a named person, this allows the company to use their resources more effectively.

Promotion is the avenue by which telecom service businesses provide information about services, prices, and different delivery channels to a wide range of audiences. Promotion can provide an opportunity to companies to differentiate themselves at corporate and brand levels (Thwaites, 1998). The concept of promotion is to inform and remind individuals and persuade them to accept, recommend or use of a product service or ideas. Promotion is a demand stimulating aid through communication. Any marketing promotion campaign has two objectives. They are to inform the prospective customer and then to persuade him. Due to the inherent intangible nature of services, the customer of telecom service relies more on subjective impression rather than concrete evidence (Seth, 1997). It may be in various forms such as press advertisement, sales campaign, word of mouth and so on. The fundamental objective of a promotion campaign next to informing is to persuade the customer to buy the product in preference to other similar products available in the market (ibid).

Telecom service company should try to understand the real needs and aspirations of the society and provide such product or services which will satisfy their needs. Marketing strategy should be designed to suit not only the present marketing but also the potential future market (Muraleedhahan, 2010).

2.2.6 People

People have a central role to play in service businesses especially during the service delivery proves when people have interactions with customers. Customers view people (employees) as a key part of the service or even the service itself in service companies. It is argued that people are seen as a distinctive dimension in the telecom services marketing mix and must be an integral part of any marketing strategy, by which the company can gain a competitive advantage and distinguish itself (Akroush, 2003).

People, involves employees of the organization with whom customers encounter. Courteous employees with a mix of skills to handle customer complaints and give long term solutions are key resource to any competitive organization (Woodward, 2004).

Berry (1981) argued that one of the principal opportunities for a telecom company to distinguish itself, to be different and better than its competitors, lies in the quality of people. Like any other service industry, Telecom is a labor-intensive industry. The human factor plays a pivotal role in the running of the businessmen unlike machines have varying attitudes, moods, heterogeneous cultures, feelings and above all, different aspirations. With the presence of strong human content in the business, no idea would even get implemented unless it is taken up wholeheartedly (Muraleedhraham, 2010)

People are very important to the success of any business. It is far more so in a service-oriented industry like telecom. The point here is not simply the need for human approach or involvement in telecom service. Moreover, it is also not only about making available necessary knowledge and skill for serving the customer better, but the central point here is that there is a need to market telecom products to own grass-root level people (also known as internal marketing) before marketing these products effectively to customers (ibid).

According to Seth (1997), each employee in a telecom service irrespective of his or her position in the company hierarchy is both a recipient and provider of service. Unless each employee extends support to his colleagues and receives support from them, workflow will get obstructed, and the victim will be the customer. In other words, to satisfy a customer, people who participate in the provision of service must be the right and apt ones.

2.2.7 Process

Process is one of the crucial elements of the expanded services marketing mix framework that should be a distinct strategic element. This is because process may influence the initial customer decision to purchase a service and affect the level of customer satisfaction (Akroush, 2003).

Service delivery system is concerned with where, when, and how the service is delivered to the customer. Speed convenience, flexibility, quality, and customer satisfaction of the service delivery system are all crucial factors for competitive advantage (Lovelock 2001).

Zairi (2001) argues that using the service delivery process strategy may enable telecom service companies to provide value for the customers. This value can be provided through achieving

speed, quality, low cost, and customer satisfaction through the service delivery process which should start and finish with the customer standpoint.

The responsibility of creating and delivering services to customers does not lie within the marketing department, but rather it is a shared responsibility between marketing management, operations management, and human resources management which should integrate to deliver the service to the customer (Lovelock 2001). Shostack (1984) argues that better service design provides the key to market success and growth. Due to the involvement of the human element in the service delivery process, service companies need to recognize the importance of the management and control of the service delivery process. Shostack suggested a blueprint in designing services, which should be customer oriented. A service blueprint allows a company to explore all issues inherent in creating or managing a service.

According to (Seth, 1997), the process is crucial to telecom marketing strategy. It gives value to the buyer and an element of uniqueness to the product. It is very significant because it provides competitive advantage to the company. The importance of process in telecom marketing strategy is based on 'value chain concept' given by Michael Porter. The value chain concept basically stresses close attention to all the organizational activities which go into marketing the final product to the customer.

In telecom context, a typical value chain encompasses all activities right from the product conceptive stage down to its marketing at branch level. All of which ultimately leads to the customer's satisfaction with the product or service s/he has purchased. The value chain concept emphasizes that all these organizational activities must be closely monitored and reviewed as an ongoing basis and all those activities which do not add value to the product have to be reviewed and modified. It is also useful in focusing attention on those organizational activities or processes which give uniqueness to the product. And the element of uniqueness in the product is a basic condition for acquiring competitive advantage (ibid).

2.2.8 Physical Evidence

Physical evidence is one of the central components of the new expanded service marketing mix and is a vital element in the service marketing strategy. Service businesses can use physical evidence to provide tangible clues to service quality, send consistent messages, and improve their images (Akroush, 2003). It involves elements within the store, the store front, the uniforms employees wear, and sign boards that assure customers about quality services provided by the organization. The physical layout and appearance of employees of an organization service as evidence to potential prospects of goods and services in a market (Woodward, 2004).

Berry (1980) identified that the intangibility of services prompts the customer to be attentive to tangibles associated with the service for clues of the service's nature and quality. The prime responsibility of the service marketer is to manage these tangibles to convey signals about the service. There are ways by which the service business can manage the physical element; (a) service physical environment, (b) appearance of the service provider, and (c) making the service tangible.

Kotler (1973) argued that one of the important features of the total product is the place where it is bought or consumed. In some cases, the atmosphere is more influential than the product itself in the purchasing decision. He put forward some propositions in which he argued that the atmospherics are important (a) Atmospherics is a relevant marketing tool mainly where the product is produced or consumed. (b) Atmospherics becomes a more relevant marketing tool as the number of competitive outlets increases. (c) Atmospherics becomes a more relevant marketing tool where product and /or price differences are small.

The intangibility of service products makes it difficult for consumers to evaluate service offerings, particularly quality and value for money, prior to purchase. In view of this, marketers often need to create tangibility of the service offering through the way they manage the physical evidence that accompanies the service. Physical evidence includes aspects such as the service provider's building/facilities and staff appearance; other aspects are personal hygiene and uniforms. In addition, promotional materials and branding strategies are all elements of physical evidence that serve to tangible a service offering to a customer. These physical evidence cues are what potential customers use to evaluate accurately or inaccurately things like service quality (Asiegbu I.F et al, 2012).

The physical evidence includes many aspects; employees' appearance, décor design, internal layout, furniture, friendly atmosphere, and creating tangible issues (such as brochures). All these aspects have an influential role on company's performance through their crucial effect on delivery process and promotion during the service provision (Akroush, 2003). Due to the intangible nature of telecom products, they pose a major challenge to telecom marketers.

2.3. Research Framework and Hypothesis Development

This part provides an explanation for building the research framework and developing hypothesis.

It's primarily based on key findings from the literature review of the marketing strategy research. Marketing strategies are concerned with taking decisions on a number of variables to influence mutually satisfying exchange transactions and relationships. In the middle of 1990s, Day (1994) stated that it is almost an article of faith within marketing that superior business performance is the result of superior skills in understanding and satisfying customers.

The research framework includes two interrelated parts, which are marketing strategy and company's customer focused performance measurement. The marketing strategy components are investigated within the domain of the services marketing mix (7Ps) framework. According to Akroush (2003), the development of marketing strategy components is based on the marketing mix which outlines the major components of the marketing strategy in different businesses. The unique characteristics of services create special problems and challenges that require special marketing strategies to cope with them. Consequently, the 7Ps of the service marketing mix framework should formulate the major components of the marketing strategy in services companies. This statement has been supported by many marketing scholars including Greenley (1989), Ennew and Watkins (1992), Hooley et al (1998) and Menon et al (1999).

Moreover, Slater et al., (2010); Brodrechtova, (2008); Mavrogiannis, et al., (2008); Lee and Griffith (2004; Leonidou, et al., (2002); Thirkell and Dau, (1998) explained that generally, the concept of marketing strategy extensively embraces marketing mix elements. Building on the company performance literature review, this study used Quality criteria for measuring company performance.

Based on the marketing strategy components and performance literature review, the following hypothesis has been stated.

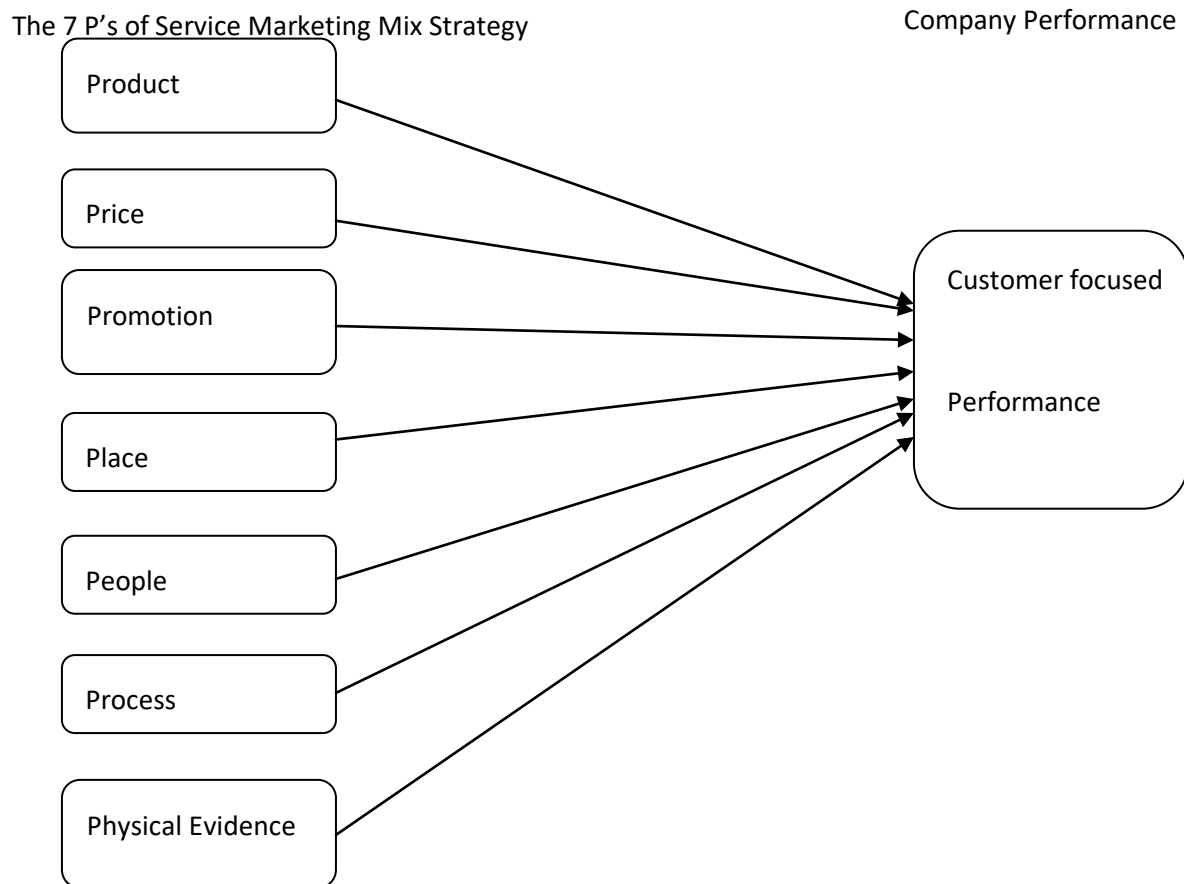


Figure 1: Conceptual Framework designed by the researcher.

The general form of the model is as follows: $FP = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7$ Where, FP = Customer Performance, X_1 = Product, X_2 = Price, X_3 = Promotion, X_4 = Place, X_5 = People, X_6 = Process, X_7 =Physical evidence. And α is constant, β_1 , β_2 , β_3 , β_4 , β_5 , β_6 and β_7 are coefficient to estimate.

2.3.1.Hypothesis Development

Product

Service product is defined as the extent to which a service organization develops a comprehensive service offer to meet customers' needs and requirements in highly competitive

markets (Doyle, 1999). Past researchers have clearly suggested that product influences have a significant impact on business performance (Kazem and Heijden, 2006; Owomoyela *et al*, 2013). Cavusgil and Zou, (1994) and Lee and Griffith, (2004) noted that better firm performance can be obtained via adapting the product to meet requirements of export customers. Thirkell and Dau, (1998) also found that service had significant and positive correlation with firm performance.

H1: Product strategy adopted by the company has a positive and significant effect on a customer focused performance of the company.

Price

Service Price is operationally defined as the extent to which a service organization practices pricing policies and activities in setting a service price (Zeithaml, 1988).

Kotler (2007) defines price as a cost of producing, delivering, and promoting the product charged by the organization. Zeithaml (1988) is of the view that monetary cost is one of the factors that influence consumer's perception of a product's value. In the studies of Colpan, (2006) and Owomoyela *et al*, (2013) they establish significant relationship between price and business performance. The price you set for your product or service plays a large role in its marketability.

H2: Pricing strategy adopted by company has a positive and significant effect on customer focused performance of the company.

Promotion

Promotion is defined as the extent to which a service organization uses the components of promotion activities and elements in formulating a service promotion strategy (Akroush, 2011).

Hakansson (2005), reports that promotion appears as an issue of how to create an optimal mix of marketing communication tools to get a product's message and brand from the producer to the consumer. Kotler, (2007) discovers that Promotions have become a critical factor in the product

marketing mix which consists of the specific blend of advertising, personal selling, sales promotion, public relations, and direct marketing tools that the company uses to pursue its advertising and marketing objective. Previous research (Amine and Cavusgil, 2001; Francis and Collins-Dodd, 2004) have established positive and significant relationship between promotion and business performance. On the contrary, Adewale et al (2013) discovered that promotion has negative but significant impact on business performance which has contrary opinion to previous research.

From all dimensions of the marketing mix, the most widely researched was advertising that examined advertising procedure the company can inform, introduce, remind, or encourage consumer and, therefore, generated more sale and enhance profit (Leonidou et al., 2002).

H3: Promotion strategy adopted by company has a positive and significant effect on a customer focused performance of the company.

Place

Place, also known as distribution, is defined as the extent to which a service organization uses distribution channels and activities in setting a service distribution strategy (Friars et al., 1985; Easingwood & Storey, 1996). The place where customers buy a product and the means of distributing the product to that place must be appropriate and convenient for the customer. The product/service should be available in the right place and at the right time.

Jones, (2007) defines place as any way that the customer can obtain a product or receive a service. Kotler and Armstrong (2006), also define place or distribution as a set of interdependent organizations involved in the process of making a product available for use or consumption by consumers. Owomoyela et al, (2013); Amine and Cavusgil, (2001); and McNaughton,(2002) agree that place has significant effect on business performance.

In a competitive environment in market and similarity of the firm in services, the place strategy is a good strategy for differentiation. Lages et al., (2003) also revealed that distribution

network/availability was important variable in place marketing strategy. This result previously obtained by Ambler, (2000) that found distribution channel relationship had a positive effect on market share and performance.

H4: Place strategy adopted by company has a positive and significant effect on customer focused performance of the company.

People

People (the service providers) is defined as the extent to which a service organization is customer oriented in practicing its business; putting the customer at the heart of business activities (Zeithaml et al., 1985; Doyle, 1999). Lovelock (2001) argues that customer service program should be well planned and executed as well as people should be effectively trained, informed, and supported to deliver excellent service. Human resources can be developed through education and training. Even incentives can inject efficiency and can motivate people for productive and qualitative work.

Akroush (2003) stated that carefully recruiting personnel who are customer oriented and motivated to perform jobs and training the personnel who interact with customers are important factors in internal marketing.

Anyone who is into contact with customers will make an impression, and that can have a profound effect, positive or negative, on customer satisfaction. The reputation of a service brand rests in people's hands. They must therefore be appropriately trained, well-motivated and have the right attitude (The Chartered Institute of Marketing, 2009).

H5: People strategy adopted by company has a positive and significant effect on the customer focused performance of the company.

Process

Process is the extent to which a service organization has set a customer oriented and systematic procedure for a successful service delivery process. The process dimension refers to the actual procedures, mechanisms, and flow of activities by which the offering is delivered (Akroush, 2011).

Service delivery system is concerned with where, when, and how the service is delivered to the customer. Speed convenience, flexibility, quality, and customer satisfaction of the service delivery system are all crucial factors for competitive advantage (Lovelock 2001).

The process of giving a service and the behavior of those who deliver are crucial to customer satisfaction. Process is one of the 'P's that is frequently overlooked. There is no value in making the rest of the company run perfectly if this part is faulty. Hence, the process of a service organization could be a great source of competitive advantage if used wisely (The Chartered Institute of Marketing, 2009).

H6: Process strategy adopted by company has a negative and insignificant effect on the customer focused performance of the company.

Physical evidence

Physical evidence is the extent to which a service organization is interested in creating a customer friendly atmosphere in their working environment. The services cape (physical evidence) is defined herein as everything that is physically present around the consumer during the service encounter transaction (Hightower, 1997).

The physical evidence includes many aspects; employees' appearance, décor design, internal layout, furniture, friendly atmosphere, and creating tangible issues (such as brochures). All of these aspects have an influential role on company performance through their crucial effect on delivery process and promotion during the service provision (Akroush, 2003).

H7: Physical evidence strategy adopted by company has a positive and significant effect on the customer focused performance of the company.

CHAPTER THREE

METHODOLOGY

In this chapter the methods to be used in this thesis paper are discussed. The chapter describes the detailed research methodology adopted to address issues identified earlier, together with the means of collecting data for analysis, and the analysis approach.

3.1. Research Approach

In order to analyze and comprehend the marketing mix elements influencing the effectiveness of marketing strategies in the case of Safaricom, a quantitative research approach was utilized in this study. Quantitative research involves collecting and analyzing numerical data to test hypotheses or answer research questions. This approach typically involves the use of statistical methods to analyze data and draw conclusions. A quantitative research is a method for evaluating the relationships between variables in order to test objective theories (Creswell, 2009).

In the case of this study, quantitative research was used to evaluate the relationships between various predicate variables and their impact on customer focused performance. This approach involved collecting numerical data on variables such as customer demographics. Statistical analyses were then used to test hypotheses and draw conclusions about the relationships between these variables.

3.2 Research Design

The goal of this study was to investigate the variables that influence how well Safaricom's customer focused performance works. Explanatory design is a type of research design that aims to identify the cause-and-effect relationship between variables. Its primary purpose is to determine how events occur and which ones may influence particular outcomes (Kothari, 2004).

The goal was to investigate the variables that influence the performance of customer focused activities. The study used quantitative research methods to collect data and the data was then analyzed using statistical methods to determine which variables were most strongly associated with customer focused performance.

By identifying the factors that influence customer focused performance, the study provides insights that can inform future marketing decisions and help Safaricom optimize its marketing strategies.

3.3 Target Population

According to Hair *et al.* (2010), target population is said to be a specified group of people or object for which questions can be asked or observed made to develop required data structures and information. Therefore, for this study, the target populations were customers of Safaricom in Addis Ababa from 15 Brand Shop in Addis Ababa which have been operating for 1 year and at Head Office were selected. The branded shop considered in this study included Garad Mall, Meskel Flower, Jemo, Bole (Infront of Selam city mall and CMC (beside Gast Mall) and all branded souks. All in all, 384 questionnaires were distributed to the respondents.

3.4 Sampling Size

The process of choosing a number of study units from a specified study population is known as determining sample size. For the planned inquiry, taking a representative sample is cost-effective. The Cochran formula was used because the customer population (in this example, the customer) were unknowable or infinite (Hair, 2000). As a result, the following formula was employed to determine the sample size for customer (infinite population):

$$n = \frac{z^2 (p) (q)}{e^2}$$

Where:

n- Sample size

z- Standard deviation given a corresponding confidence level of 95%

p- Estimated proportion of incidence (success rate = 0.5)

q- (1 –p) or assumed failure rate (0.5)

e- Proportion of sampling error or error margin in a given situation (5%)

Thus, the sample size of the intended study with 95% confidence level, probability of 50% occurrence, probability of 50% failure and 5% marginal error, was be obtained as:

$$n = \frac{z^2 (p) (q)}{e^2} = \frac{(1.96) (0.5) (0.5)}{(0.05)^2} = 384$$

3.4.1 Sampling Methods

The sample size was determined by using the table developed by Krejcie and Morgan (1970) using the formula for sample size determination when the population size is known (Refer to Annex I).

The sample respondents for the questionnaires were selected using nonprobability technique called purposive sampling. The purposive sampling technique, also called judgment sampling, is the deliberate choice of an informant due to the qualities the informant possesses. For the questionnaire, a sample size of 80 employees (internal customers) at its major Headquarters around wollo sefer. The rest were selected using convenience sampling, this is a technique in which a sample is drawn from that part of the population that is close to hand, readily available, or convenient.

3.4.2 Data Collection Tools / Instruments

Primary data collecting tools were employed to acquire information from pertinent sources. Questionnaires were used to gather information from customers in order to accomplish this purpose. Likert scale questions were included in the questionnaire. .

The questionnaire used in this study had three main parts. The first part gathered demographic data about the respondents, including their sex, educational level, and years of experience. The second part focused on investigating Safaricom's marketing strategy in relation to the 7Ps of marketing mix, with seven subsections covering product, price, promotion, place, process, people, and physical evidence. Lastly, this part investigated the customer-focused performance of Safaricom by asking respondents about their views on customer satisfaction, retention, net promoter score, and employee engagement. The questionnaire was mostly adopted from previous studies by Joseph and Stone, Akroush, and Suresh Hander et al.

3.4.3 Data Analysis

Statistical tool was used to examine the quantitatively acquired data and measure the variables. The researcher utilized SPSS version 27 software tool to analyze the data. The gathered data was analyzed in this study using regression analysis.

3.5 Reliability and Validity

3.5.1 Reliability

Testing for reliability determines how consistently and steadily a measurement device operates (punch, 2003). By doing a major components analysis and computing the Cronbach's Alpha coefficients, reliability difficulties in the quantitative research component of this study were solved.

Table 1: Reliability Statistics of Cronbach's Alpha

Measurement	Number of items	Cronbach's Alpha
Product	5	.787
Price	5	.846
Place	5	.791
Promotion	5	.866
People	5	.828
Process	5	.833
Physical Evidence	5	.726
Customer Focused Performance	5	.831

Source: Spss Reliability Result Output, 2023

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 which are 0.7 or higher are acceptable based on different literatures. As described by Andy (2006) the values of Cronbach's Alpha around 0.8 is good.

3.5.2 Validity

The degree of measurement error built into the study tools can affect their validity. To ensure that the survey has validity in terms of contrast, substance, criterion, and readability and is appropriate for the study's aims, copies of the survey were made available to specialists in the field, such as the advisor. While others were gathered and added, areas deemed unrelated to the study were eliminated. By conducting pre-testing (external validity) with questionnaires to correct any ambiguity in the questions when found and by posing straightforward questions to the respondents, the researcher was assured the validity of the study.

3.6 Ethical Considerations

It's crucial to keep ethical standards in mind when conducting business research. According to Bryman (2011), there are four major categories of ethical problems: harm to participants, absence of informed permission, violation of privacy, and deception. Although the respondent's age, gender, and educational level was described in this study's descriptive questions, this information are not sufficient to identify the respondent. Lack of informed consent is the second ethical principle to take into account. The third ethical rule is related to privacy invasion. In this study, if a question is deemed sensitive, the respondents have granted the option of skipping it. Additionally, the lack of sensitivity in this survey increased respondents' readiness to respond. The fourth ethical rule deals with deceit, which happens when respondents are misled into thinking a study is about something other than what it actually is. The study was categorized as ethical after taking these ethical standards into account and completely meeting the requirements.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATIONS

This chapter contains brief description on effect of marketing strategy on customer focused performance in Safaricom ethiopia. The information presented in this chapter obtained through both primary and secondary sources of data. For the primary data, questionnaire distributed to selected customers of the company.

4.1 Results of Demographic Data

The first part of the questionnaire consists of the general profile of respondents. This part of the questionnaire requested a limited amount of information related to general information about the respondents. Accordingly, the following variables about the respondents were summarized .

Parameters		Frequency	Percentage
Gender	Male	181	47.0
	Female	203	52.7
	Missing	1	0.3
Educational Status	Diploma	0	0
	1st Degree	266	69.1
	2nd Degree	114	29.6
	Doctocral degree	4	1
	Missing	1	03
Household income	Below 5000	2	0.5
	5000-10 ,000	245	63.6

	10,000-15000	122	31.7
	15,000-20,000	12	3.1
	Beyond 20,000	3	0.8
Total		384	100

Table 2 above, depicts the sample profile of respondents of questionnaire. Accordingly, 181 (47%) of the respondents are males and the rest 203 (52.7%) are females. This shows that majority of the respondents are female.

It is clear from the table that majority of the respondents fall within the 25-34 age range accounting for 41.3% or 159 of the total population. Respondents with age group of 35-44 totaled 117 making up 30.4% of the total respondents. The rest went to the age ranges of 18-24 and 44-54 comprising 15.1% and 13% of the respondents, respectively. This suggests that age groups between 25-34 are more likely to be engaged or interested in trying out Safaricom offer.

With respect to the educational status of the respondents, 266 or 69.1% of them are First Degree holders while the rest 114 or 29.6% are Masters Degree holders and 4 or 1% own doctoral degree. The fact that the majority of the respondents are first-degree holders suggests that the sample is relatively well-educated. This may imply that the respondents are more likely to have a good understanding of the subject matter and may be able to provide informed and insightful responses.

4.2. Correlation Analysis

Correlation analysis was used to examine the associations between each of the 7Ps of marketing mix and customer focused performance measures. A correlation refers to a quantifiable relationship between two variables, and the statistic that provides an index of that relationship is called a correlation coefficient r , which is a measure of relationship between two interval or ratio variables (Akroush, 2003).

The correlation coefficient is scaled so that it is always between -1 and +1. When r is close to 0 this means that there is little relationship between the variables and the farther away from 0 r is, in either the positive or negative direction, the greater the relationship between the two variables. If there is perfect linear relationship with positive slope between the two variables, we have a correlation coefficient of 1; if there is positive correlation, whenever one variable has a high (low)

value, so does the other. If there is a perfect linear relationship with negative slope between the two variables, we have a correlation coefficient of -1; if there is negative correlation, whenever one variable has a high (low) value, the other has a low (high) value. A correlation coefficient of 0, means that there is no linear relationship between the variables (Valerie and McColl, 2005).

Table 3: Correlations matrix of Marketing strategies and Customer focused Performance

		Correlations							
		PRO 5	CUSTFOCUSP 5	PLC 5	PROM 5	PPL 5	PRCSS 5	MEAN_PRC E	PHYEVDCE 5
PRO5	Pearson Correlation	1	.273**	.164*	.045	.194*	-.125*	-.125*	.261**
	Sig. (2-tailed)		.000	.001	.380	.000	.014	.014	.000
	N	384	384	384	384	384	384	384	384
CUSTFOCUSP 5	Pearson Correlation	.273**	1	.532*	.261**	.548*	.594**	.594**	.584**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000
	N	384	384	384	384	384	384	384	384
PLC5	Pearson Correlation	.164**	.532**	1	.015	.246*	.477**	.477**	.544**
	Sig. (2-tailed)	.001	.000		.770	.000	.000	.000	.000
	N	384	384	384	384	384	384	384	384
PROM5	Pearson Correlation	.045	.261**	.015	1	.106*	.113*	.113*	.071
	Sig. (2-tailed)	.380	.000	.770		.037	.026	.026	.168
	N	384	384	384	384	384	384	384	384
PPL5	Pearson Correlation	.194**	.548**	.246*	.106*	1	.403**	.403**	.454**

	Sig. (2-tailed)	.000	.000	.000	.037		.000	.000	.000
	N	384	384	384	384	384	384	384	384
PRCSS5	Pearson Correlation	-.125*	.594**	.477*	.113*	.403*	1	1.000**	.426**
	Sig. (2-tailed)	.014	.000	.000	.026	.000		.000	.000
	N	384	384	384	384	384	384	384	384
MEAN_PRCE	Pearson Correlation	-.125*	.594**	.477*	.113*	.403*	1.000**	1	.426**
	Sig. (2-tailed)	.014	.000	.000	.026	.000	.000		.000
	N	384	384	384	384	384	384	384	384
PHYEVDCE5	Pearson Correlation	.261**	.584**	.544*	.071	.454*	.426**	.426**	1
	Sig. (2-tailed)	.000	.000	.000	.168	.000	.000	.000	
	N	384	384	384	384	384	384	384	384

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Table 3 shows the correlation coefficients between 7 Independent variables based on a dataset of 384 observations. The correlation coefficient ranges from -1 to 1, and a value of 1 indicates a perfect positive correlation, while a value of -1 indicates a perfect negative correlation. A value of 0 indicates no correlation.

Product has a positive correlation with customer focused performance (0.273**) and Physical evidence (0.261**), which means that as the value of Product increases, the values of Customer focused performance and Physical evidence tend to increase as well. However, the correlation coefficient is not very strong.

Customer focused performance has a strong positive correlation with Place (0.532**), people(0.548**), price (0.594**), and physical evidences (0.584**), which indicates that these variables tend to increase or decrease together.

Place has a positive correlation with people (0.246**) and a weak positive correlation with Customer focused performance(0.532**) and Physical evidence (0.544**).

Promotion has a weak positive correlation with People (0.106*) and no significant correlation with other variables.

People has a strong positive correlation with customer focused performance (0.548**), Price(0.403**), and Physical evidence (0.454**).

Process has a strong positive correlation with customer focused performance(0.594**) and People (0.403**).

Price has a strong positive correlation with customer focused performance (0.594**) and People (0.403**).

Physical evidence has a positive correlation with Product(0.261**), customer focused performance (0.584**), place (0.544**), People (0.454**), Process (0.426**), and price (0.426**).

Overall, the table suggests that there are some significant correlations between the variables, with Customer focused performance, people, process, and price showing strong positive correlations with each other.

4.3 Assumptions for Testing Linear Regression Model

The study utilized several assumptions for the regression analysis, including verifying the relationships between the independent and dependent variables. These were Linearity, Normality, Homoscedasticity and Multicollinearity.

4.3.1. Test of Normality

Testing for normality is an important step in assessing the assumptions of a regression analysis. Bagozzi and Yi (1998) emphasized the importance of verifying the sufficiency of input data and statistical assumptions in regression analysis. This includes checking for normality of the residuals and ensuring that the continuous data used in the analysis are normally distributed.

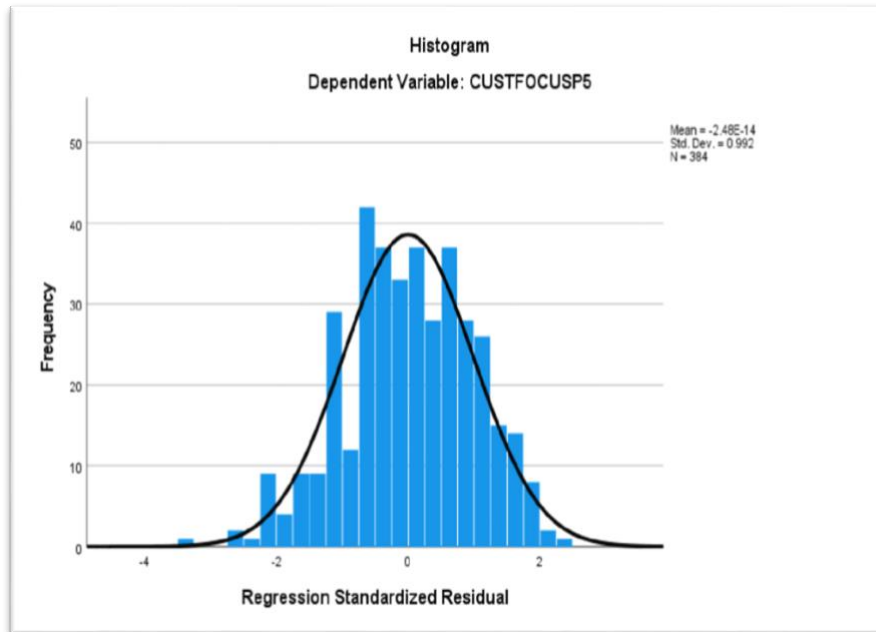


Figure 2: Frequency Distribution of Standardized Residual

4.3.2 LINEARITY TEST

Linearity is an important assumption in regression analysis, as it ensures that the relationship between the independent variable(s) and the dependent variable is proportional and can be adequately represented by a linear equation. The degree of the relationship between the outcome variable and the predictor variable is expressed by the linearity of the relationship Ha3ir (1998). Malhotra (2007) emphasized that if there is a significant breach of linearity, the results of the regression analysis may be more or less useless.

To assess linearity, researchers can create a scatter plot of the fitted values for the regression models against the standardized residuals. If the scatter plot shows no systematic trend, this supports the linear connection that is required. This can be helpful in verifying the assumption of linearity and ensuring that the regression model is appropriate for the data.

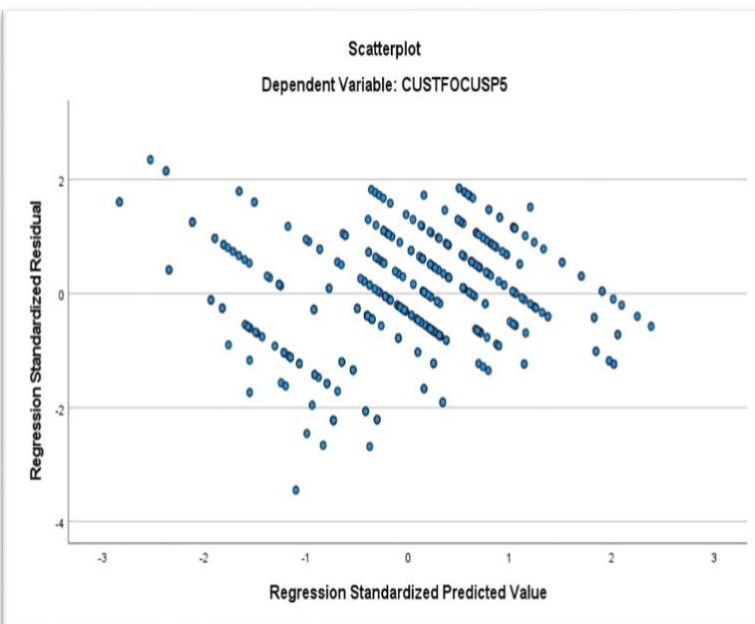
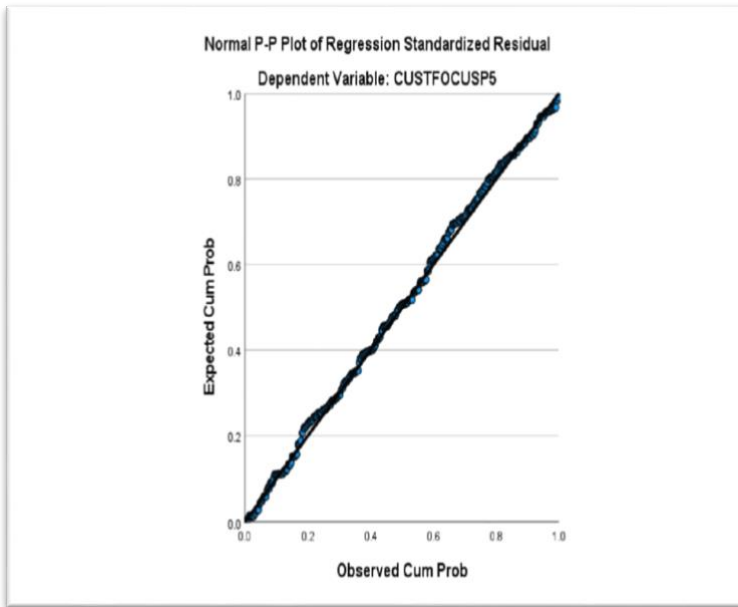


Figure 3 : Normal Point plot of Standardized Residuals

4.3.3. Multi collinearity

In the case of multicollinearity, there is a high degree of correlation between the independent and predictor variables. If independent variables are associated, the regression equation probably contains a duplicate measure. The bivariate correlation measure in SPSS was used to investigate correlations. In this study, multi-collinearity was examined utilizing the tolerance and VIF values. It can be concluded that there is no multi-collinearity among independent variables in the regression model if the tolerance value is close to 1 and the VIF value is in the range of 1 and not more than 10. 2006 (Robert). All independent variables have a Tolerance value more than 0.01 and a VIF value less than 10, as shown in Table 4. There was no multi-collinearity as a result.

Table 4: Collinearity diagnostics

Model	Collinearity Statistics	
	Tolerance	VIF
PR05	.819	1.221
PLC5	.609	1.642
PROM5	.977	1.024
PPL5	.707	1.413
PHYEVDCE5	.563	1.776

Source: SPSS output, 2023

4.3.4. Homoscedasticity

Homoscedasticity is an assumption in regression analysis that states that the variance of the residuals is constant across all levels of the independent variable(s). In other words, the spread of the residuals should be roughly constant as the values of the independent variable(s) change.

Scatter Plots and residual plots can be used to assess homoscedasticity. If the residuals are distributed evenly across the range of the independent variable and the mean and standard deviation of the residuals are relatively constant, this indicates that the assumption of homoscedasticity is met. This means that the variance of the dependent variable is consistent across the range of the independent variable, and the errors in the model are normally distributed and

have equal variance. If homoscedasticity is violated, this can lead to biased and inefficient estimates of the regression coefficients and standard errors. Therefore, it is important to assess homoscedasticity and address any issues before proceeding with the analysis.

In this case, the results of the test of homoscedasticity suggested that the assumption was not violated and that it was possible to proceed with the analysis using linear regression. This means that the estimates generated by the model are reliable and unbiased, and we can be confident in the validity of our statistical inferences.

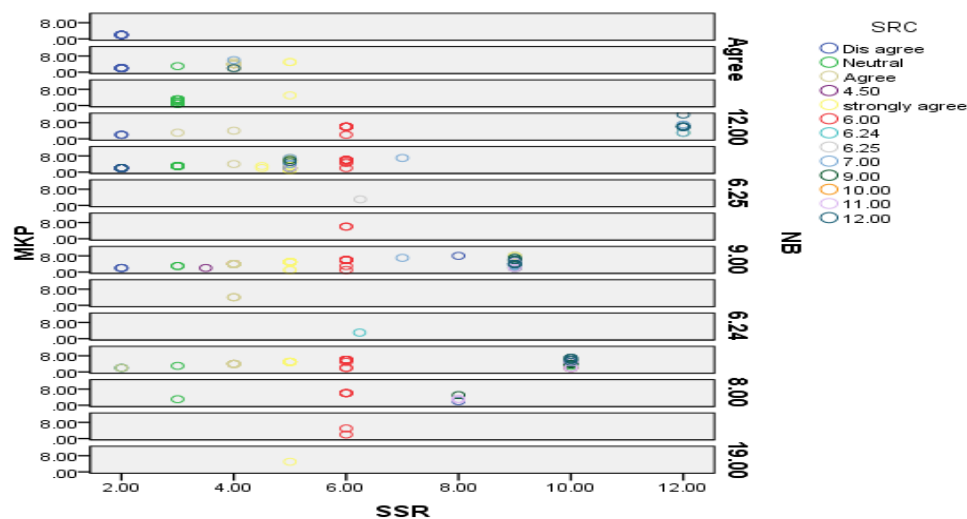


Figure 4: Test of homoscedasticity

4.4. Linear regression result

This part indicates the results of the data obtained. The main aim here is to see the extent to which customer focused performance is affected by the marketing mix variables shown in terms of the Adjusted R-squared value, the regression coefficients (Beta coefficient) and the p-values for the significance of each relationship.

I. Model summary

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.791 ^a	.626	.620	.35391	1.917

a. Predictors: (Constant), MEAN_PRCE, PROM5, PRO5, PPL5, PLC5, PHYEVDCE5

As mentioned in the summary, The coefficient of determination (R-squared) value of 0.791 indicates that approximately 79.1% of the variation in customer-focused performance can be explained by the seven independent variables that were included in the study. However, this also means that the remaining 20.9% of the variation in customer-focused performance is not explained by these variables and could be due to other factors that were not included in the study or were not measured.

Table 6: ANOVA Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	79.044	6	13.174	105.179	.000 ^b
	Residual	47.221	377	.125		
	Total	126.265	383			

a. Dependent Variable: CUSTFOCUSP5

b. Predictors: (Constant), MEAN_PRCE, PROM5, PPL5, PLC5, PHYEVDCE5

Source: SPSS output, 2023

Table 6 displays whether or not the regression model is significant. This regression model's significance value is 0.000, which is $p < 0.05$ and 'F' is 105.179. This means that the model is statistically significant, indicating that the variation it accounts for is not random.

II. Regression coefficient

Table 7 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.501	.162		3.083	.0002
PRO5	.176	.033	.188	5.406	.000
PLC5	.166	.036	.184	4.566	.000
PROM5	.117	.021	.174	5.467	.000
PPL5	.189	.030	.232	6.201	.000
PHYEVDCE5	.143	.035	.171	4.065	.000
MEAN_PRCE	.318	.038	.344	8.429	.000

a. Dependent Variable: CUSTFOCUSP5

Source: SPSS output, 2023

The regression analysis revealed that each dimension had a positive and significant effect on customer-focused performance, and the coefficients indicate the average amount of change in customer-focused performance that is caused by a unit change in the independent variables. Therefore, of the independent variables and their coefficients is as follows: price ($\beta = 0.318$) has the highest effect, followed by people ($\beta = 0.189$), physical evidence ($\beta = 0.176$), place ($\beta = 0.166$), product ($\beta = 0.143$), and promotion ($\beta = 0.117$).

Therefore, the regression equation indicates that when the price, people, physical evidence, place, product, and promotion dimensions increase by one unit, they are likely to have an influence on increasing customer-focused performance of Safaricom by 0.318, 0.189, 0.176, 0.166, 0.143, and 0.117 units, respectively. This means that the price dimension has the strongest impact on customer-focused performance, while the promotion dimension has the weakest impact.

4.4.1. Discussion of the Result

Table 8: Summary of the Research Hypothesis Test Result

Hypothesis	Result	Reason
Hypothesis 1: Product has a positive significant effect on customer focused performance Safaricom.	Supported	$\beta = 0.176, p < 0.05$
Hypothesis 2: Price has a positive significant effect on customer focused performance Safaricom.	Supported	$\beta = 0.318, p = 0.00$
Hypothesis 3: People have a positive significant effect on customer focused performance of Safaricom.	Supported	$\beta = 0.189, p = 0.00$
Hypothesis 4: Physical evidence has a positive significant effect on customer focused performance Safaricom.	Supported	$\beta = 0.166, p = 0.00$
Hypothesis 5: Place has a positive significant effect on customer focused performance Safaricom.	Supported	$\beta = 0.143, p = 0.00$
Hypothesis 6: Promotion has a positive significant effect on customer focused performance Safaricom.	Supported	$\beta = 0.117, p = 0.00$

Source: SPSS output, 2023

Hypothesis 1: Price has a considerable beneficial effect on customer-focused performance at Safaricom. $\beta=0.318$ and p value of 0.0 The findings of this investigation are congruent with Previous study has clearly indicated that product effects have a major impact on business performance (Kazem and Heijden, 2006; Owomoyela et al, 2013). Cavusgil and Zou (1994) and Lee and Griffith (2004) observed that greater firm performance can be attained by modifying the product to match the needs of export consumers.

Hypothesis 2: People have a positive significant effect on customer focused performance of safaricom. This is supported at $\beta = 0.189$ and p value of 0.000. Lovelock (2001) states that customer service programs should be well planned and executed as well as people should be effectively trained, informed, and supported to deliver excellent service.

Hypothesis 3: Products have a positive significant effect on customer focused performance of Safaricom. This is supported at $\beta = 0.176$ and p value of 0.000. The following result underlies a previous study, Past researchers have clearly suggested that product influences have a significant impact on business performance (Kazem and Heijden, 2006; Owomoyela et al, 2013).

Hypothesis 4: Physical Evidence has a favorable and positive significant effect on customer focused performance of safaricom. This is supported at $\beta = 0.166$ and p value of 0.000. The physical evidence includes many aspects; employees' appearance, décor design, internal layout, furniture, friendly atmosphere, and creating tangible issues (such as brochures). All of these aspects have an influential role on company performance through their crucial effect on the delivery process and promotion during the service provision (Akroush, 2003).

Hypothesis 5: Place has a positive significant effect on customer focused performance of safaricom. This is supported at $\beta = 0.143$ and p value of 0.000. Place strategy is a good strategy for differentiation. Lages et al., (2003) also previously obtained that distribution network/availability is an important variable in place marketing strategy Lovelock (2001) states that customer service programs should be well planned and executed as well as people should be effectively trained, informed, and supported to deliver excellent service.

Hypothesis 6: Promotion has a positive significant effect on customer focused performance of safaricom. This is supported at $\beta = 0.117$ and p value of 0.000. . previous research Kotler, (2007) discovers that Promotions is a critical factor in the product marketing mix which consists of the specific blend of advertising, personal selling, sales promotion, public relations, and direct marketing tools that the company uses to pursue its advertising and marketing objective.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATION

This chapter describe the summary of the major findings of the study, conclusions and the recommendations and further research area .

5.1. Summary of Major Findings

This study sought to investigate the effect of marketing strategy on a customer focused performance in the case of safaricom, Addis Ababa, Ethiopia. Based on the results, the following major findings are summarized and presented as follows:

- To run the linier regression analysis, four assumptions namely: linearity, Homoscedasticity, Normality, multicollinearity. And found that all assumptions met accordingly.
- The model summary of the analysis indicates that the independent variables with the dependent one which are accounted for approximately 79.1 % (R^2) of the variation in customer focused performance. But, the remaining (20.9%) was explained by other variables not included in this study.
- Regarding the beta coefficients, price with ($\beta = .318$) has the highest effect on customer focused performance of Safaricom.
- Following people had relatively higher positive and significant effect with ($\beta = .189$) .
- Physical evidence ($\beta = .176$), place ($\beta = 0.166$), product ($\beta = 0.143$), and lastly promotion ($\beta = 0.117$). Generally, the formulated four hypotheses were tested and all of the hypotheses are supported at $p\text{-value} = 0.000$

5.2. Conclusions

Marketing is a key element for the success of businesses regardless of their size, sector, nature of work and even their aims or objectives. Companies today operate in an increasingly turbulent and very dynamic environment. The telecom sector has witnessed major developments and growth following the liberalization of the sector. However, there are also numerous challenges that are arising by the day. To mention a few, monopolized competition from a single competitor, increasing awareness and change in needs and wants of customers and the increasing regulatory pressures are some of them.

To overcome the mounting challenges and ensure sustainable growth and profitability, there is an urgent need to adopt purposeful marketing strategies that are focused around customers' needs and there is a need to implement them effectively. Customers nowadays have become very specific and demanding about their customized needs. They expect better network accessibility, money transfer, mobile service, speedy customer service and so much more. In order to satisfy customers, gain competitive advantage and improve performance, the prime key is found to be adopting successful marketing strategies.

Telecom services like any other services have a number of unique characteristics that distinguish them from physical goods. These unique characteristics of services create special marketing problems and challenges to deal with. Therefore, the marketing strategy in the service industry should expand more focus on this 3 elements (place, promotion and physical evidence) of the marketing mix framework.

The findings reveal that Safaricom has adopted these marketing strategic elements and is utilizing them to serve the market but the telecom doesn't have segmentation strategies which enable it to give tailored service and to serve its customers according to their special needs.

Empirical findings in the study revealed that the marketing mix variables have made an impact on customer focused performance of Safaricom. However, the impact that each of these variables have on customer focused performance varies. Some variables such as price, place, people and promotion are stronger predictors. The results also showed that the marketing mix variables only explained part of customer focused performance of the telecom company and the rest are due to other factors which are beyond the scope of this study.

5.3. Recommendations

In light of the findings of this study the following recommendations are suggested as being valuable to Safaricom.

1).Pricing strategy has been identified as one of the major predictors of customer focused performance. Telecom customers today are more demanding and willing to switch to other providers due to price. Therefore, Safaricom should set its prices against this background and charge acceptable and competitive service fees,packages charge reasonable interest charges and communicate same to customers in an easily understandable way.

2).Distribution strategy is also another important element which strongly predicts customer focused performance. Hence, the company should increase the accessibility and convenience of its location and ensure availability of multiple distribution options. Since it also a new telecom sector.

3.)Nowadays customers have become more demanding and more particular about what they want. Therefore during the marketing strategy planning process the needs and wants of current and potential customers should be considered.

5.4 Future Research and Limitations

The approach and empirical findings of this study provide a platform for a variety of future research efforts. In this study only one Telecom institution, i.e. Safaricom, is taken into consideration. It is recommended that a similar study may be undertaken using a bigger population of companies in the same sector and make a comparative analysis.

It is also fruitful to examine the research model in this study in a wide range of service businesses which will be helpful for generalization purposes. Hence, a potential area of future research is to examine the research model among and between several services industries to examine the relationship between marketing strategy (7Ps) and performance. This research is also limited in that it only focused on performance of firms measured on customer focused parameters. Future researches could also study the effect of marketing strategies on both customer base and non-customer base measures.

Moreover, mediating factors affecting the relationship between marketing strategies and customer focused performance are not included in this study. According to Akroush (2003), company marketing assets and capabilities and company marketing experience are found to have the most influential effect, and are the master moderators on the relationships between the marketing strategy components and the company performance. This provides an opportunity for a research endeavor including these moderators.

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APPENDIX

Questionnaire

This questionnaire is prepared by Wengelawit Solomon student of St. Mary's university to aid in fulfillment of the course thesis in marketing management II. The purpose of the questionnaire is to collect some information that will help in accomplishing thesis work entitled by effect of marketing strategy on a customer focused performance in case of safaricom. affecting marketing The questionnaire contains three parts: part I general information, part II factors affecting company performance , partIII customer focused performance. This questionnaire will be utilized only for the purpose of this study. The student researcher is thank full in advance of your cooperation.

Part I general information

1. What is your gender?

- a. Male
- b. Female

2.What is your highest level of education?

- a. high school or less
- b. Diploma
- c. Bachelor's degree
- d. Master's degree
- e. Doctoral degree

3.What is your annual household income?

- a. Below 5000
- b. 5000-10000
- c. 10000-15000
- d. 15000-20000
- e. Beyond 20000

Part II

No	Items	Strongly agree (5)	Agree (4)	Neutral (3)	Dis agree (2)	Strongly dis agree (1)
	product					
1	The products offered by Safaricom Ethiopia meet my needs and expectations.					
2	I find the quality of Safaricom Ethiopia's products to be reliable.					
3	The range of products offered by Safaricom Ethiopia is satisfactory.					
4	Safaricom Ethiopia's products are competitively priced.					
5	Safaricom Ethiopia's products are innovative and up to date.					
	Price					
1	The prices of Safaricom Ethiopia's products are reasonable.					
2	I am satisfied with the pricing strategy of Safaricom Ethiopia.					
3	The prices of Safaricom Ethiopia's products are consistent with their quality.					

4	I am willing to pay a premium price for Safaricom Ethiopia's products.					
5	The pricing of Safaricom Ethiopia's products is transparent.					
Place						
1	The distribution channels of Safaricom Ethiopia are easily accessible.					
2	I find it convenient to purchase Safaricom Ethiopia's products.					
3	The availability of Safaricom Ethiopia's products is consistent.					
4	The location of Safaricom Ethiopia's outlets is convenient.					
5	The distribution strategy of Safaricom Ethiopia is reliable.					
Promotion						
1	The advertising of Safaricom Ethiopia's products is effective.					
2	I find the promotional activities of Safaricom Ethiopia to be engaging.					

3	Safaricom Ethiopia's promotional activities create a positive brand image.					
4	The promotional messages of Safaricom Ethiopia are clear and informative.					
5	The promotional activities of Safaricom Ethiopia influence my purchase decisions.					
People						
1	The staff at Safaricom Ethiopia are friendly and helpful.					
2	I find the staff at Safaricom Ethiopia to be knowledgeable about their products.					
3	The staff at Safaricom Ethiopia are professional in their conduct.					
4	I am satisfied with the level of customer service provided by Safaricom Ethiopia.					
5	The staff at Safaricom Ethiopia are responsive to my queries and concerns.					

	Process					
1	The process of purchasing Safaricom Ethiopia's products is smooth and hassle-free.					
2	I find the process of using Safaricom Ethiopia's products to be simple and straightforward.					
3	The process of obtaining information about Safaricom Ethiopia's products is easy.					
4	The process of resolving issues with Safaricom Ethiopia's products is efficient.					
5	The process of returning or exchanging Safaricom Ethiopia's products is convenient.					

	Physical Evidence					
1	The physical appearance of Safaricom Ethiopia's outlets is appealing.					
2	The packaging of Safaricom Ethiopia's products is attractive.					
3	The branding of Safaricom Ethiopia's products is consistent.					
4	The quality of Safaricom Ethiopia's products is evident from their appearance.					
5	The physical evidence of Safaricom Ethiopia's products and services reflects a high level of professionalism.					

Part III Customer Focused performance

No	Items	Strongly agree (5)	Agree (4)	Neutral (3)	Dis agree (2)	Strongly dis agree (1)
1	I am satisfied with the level of personalization and customization provided by safaricom to meet individual needs .					
2	I am satisfied with the overall customer service provided by safaricom.					
3	safaricom regularly solicits feedback from customers to understand their needs and preferences.					
4	I am satisfied with Safaricom responsiveness to my inquiries and complaints.					