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THE EFFECT OF NICHE MARKETING STRATEGIES ON SALES PERFORMANCE OF PREMIUM PRODUCTS

THE CASE OF KOMARI BEVERAGES PLC

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JULY ,2025

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Approved by board of examiners

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Declaration

I, the undersigned hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted at any university for a degree.

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Approval Sheet

This is to certify that the thesis entitled: "**The Effect of Niche Marketing Strategies on Sales Performance of Premium Products": the case of Komari Beverages plc**" is my original work submitted in partial fulfilment of the requirements for the degree of Masters of Business Administration (MBA) of the Postgraduate Studies, St. Mary's University and is a record of original thesis carried out by Gemedi Hasssen, ID. No: SGS/0138/2016A, under my supervision, and no part of the thesis has been submitted for any other degree or diploma. The assistance and help received during the course of this investigation have been duly acknowledged. Therefore, I recommend it to be accepted as fulfilling the thesis requirements.

Reta Megersa (PhD.) ________________ ____________

Name of Advisor Signature Date

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LIST OF ABBREVIATIONS AND ACRONYM

PP Premium Product

NMS Niche Marketing Strategy

PQ Product Quality

Ex Exclusivity

P Price

UF Unique Features

SP Sales Performance

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ABSTRACT

The Ethiopian fast-moving consumer goods (FMCG) sector is undergoing a transformative phase as consumer buying decision is dynamic and changing daily following the economic situations toward premium products and niche offerings. However, the effectiveness of these strategies and the underlying consumer buying decision shaping their success remain underexplored. This study examines the intersection of consumer buying decision and business effectiveness in premium product sales and niche market strategies Komari Beverages PLC. By leveraging a mixed-methods approach—combining surveys sent to Komari senior sales and marketing team and retailers, interviews to distributers in Addis Ababa, and secondary data analysis from the company available data base. The descriptive research method was applied. Purposive sampling method was used to choose a sample 100 respondents. The data was examined using explanatory research design and descriptive statistical tools such as frequency, mean, standard deviation, tabulation regression. The findings are useful to firms focusing on premium product sales and niche marketing strategies to improve the sales performance. As a result, the FMCG industries use the competitive advantage selling premium product and Niche marketing strategy to improve their sales performance on consumer perceptions, purchase decisions, and overall Business performance.

KEYWORDS: Premium Product, Niche marketing, consumer perception, consumer buying decisions, business Performance

Chapter 1: Introduction

1.1 Background of the Study

Every corporation needs to identify, predict, fulfill, and care for consumers in an increasingly competitive and dynamic business environment in order to maximize profit, meet the demands of stakeholders, and have a competitive advantage. Every sector of the economy has an underlying structure or a set of fundamental economic and technological traits that fuel competitive dynamics. It is obvious that a company's choice of strategy can either strengthen or weaken its position within a certain industry. Therefore, competitive strategy tries to influence the environment in addition to reacting to it. Therefore, the strategist must work to position his or her company so that it may thrive in its industry environment or shape that environment to work in the firm's favor.

Ethiopia's beer market, valued at $2.1 billion in 2023 (Euromonitor, 2024), is one of Africa's fastest-growing, driven by urbanization, a young population, and rising disposable income. However, competition has intensified with the entry of multinational brands (e.g., Heineken's Bedele and Harar beers) and local craft breweries like Habesha and Bunna (Tadesse & Gebremariam, 2023). In this saturated market, niche marketing strategies have become critical for premium beer brands to differentiate themselves and drive sales (Mekonnen et al., 2024).

Recent studies highlight that Ethiopian consumers increasingly associate premium beer with local heritage and exclusive experiences (Abate & Woldeyohannes, 2023). For instance, Habesha Brewery's niche campaign targeting eco-conscious consumers ("Drink Local, Support Farmers") increased their sales by 28% in 2022 (Addis Fortune, 2023). Meanwhile, Bunna International's limited-edition "Ethiopian Coffee Stout" leveraged Ethiopia's coffee culture to appeal to global niche markets (Alemu et al., 2024)

The resource-based view also gives firms a way to plan and carry out their organizational strategy by looking at how their internal resources and competencies contribute to gaining a competitive edge. Many businesses employ the positioning strategy of product differentiation to set their products apart from those of rivals. (2004) Lamb, Hair, and McDaniel Differentiation of products are commonplace in markets. It is fundamental to structural empiricism as it smooth's out erratic behavior those results in contradictory results in a number of theoretical models. In order to prevent ruthless pricing competition, businesses differentiate their products. The efficacy of representative consumer, discrete choice, and location models does not necessarily depend on how much competition exists in a given location. The basic sales strategy by a firm may be significantly different from those of rivals in the same industry in terms of characteristics. Some companies additionally differentiate their products based on performance, such as power, professional credibility, etc. On the other hand, businesses can distinguish their physical products based on qualities like inventiveness, consistency, toughness, dependability, and reparability. In addition to differentiating the actual product, it is also possible to differentiate the product's appearance. The established image should offer a clear, distinct message that highlights the key advantages and positioning of the product.

According to Pearce and Robinson (2005), differentiation strategies are built on offering customers something distinctive or different that sets apart the company's strategic posture, product, or service from those of its competitors. A product can have superior value if it is of higher quality, technically superior in some way, comes with superior service, or has a unique attraction. In practice, differentiation increases competitive advantage by increasing client loyalty to a certain firm's product or service and decreasing price sensitivity. Additionally, if customers are satisfied, they are less inclined to look for competing goods. Mikael, Thomas, and Hernant (2007).

Some of the differentiating tactics that businesses use to improve sales performance center on how different components of the retail mix interact with one another. These include providing high-quality goods, a large selection, an assortment, strategic positioning, after-sales care, quality service, a convenient location, parking, an inviting ambience, sales incentives, practical working hours, and a one-stop shop. Craftsman and Moore (2006). A company may be able to boost revenues, counter risks, and seize opportunities by using bases of product distinction that are economically beneficial.

In Ethiopia, the first brewery opened its doors in 1922, and six more were running by 1996. When BGI Ethiopia, the brewing division of France's Castel Group, joined the market in 1997, building the seventh brewery and purchasing the country's first, St George Brewery, a year later, private investment in the industry got underway. Local breweries were established as the industry expanded, and foreign investors—including large international brands like Heineken and Diageo—tapped into it through both acquisitions and new investments. 14 breweries currently dominate the market, offering a wide range of beers and non-alcoholic malt drinks.
Komari Beverages PLC have entered in to this market in 2021 by an investment of $29 million, as a first player in Ethiopia's premium Hard seltzer drink. With a capacity of 475,200 hectoliters annually, it becomes the first hard seltzer manufacturer in Ethiopia based planting the factory at 78kms North east of Addis Ababa at Cheki, Amhara Region.

The opening of new regional breweries and the entry of foreign investors into the sector have intensified competitiveness in Ethiopia's beer market. Since the middle of the 1990s, the brewery market has experienced a series of mergers and acquisitions as competitors compete for market share. The beer industry faces a number of challenges includes recent regulatory changes. In 2019, the Ethiopian government introduced new regulations banning alcohol advertising on television, radio and billboards, impacting marketing efforts of new and existing players alike. This was followed by the passage of a bill to increase the excise tax on beer in early 2020. These moves, along with the global pandemic, have created challenges for brewers as market demand has fallen amid rising prices and declining revenues. Market participants have adapted to new conditions by increasing efficiency and adapting their products to the changing tastes and needs of the market. This research work therefore, focused on how Premium product sales strategy affects the business performance of the organization based on Komari Beverages PLC through a critical analysis of premium product sales and niche market strategies at komari beverages and also examines the consumer buying power and these strategies, the research seeks to uncover insights that can inform Komari beverages PLC and practical applications to the industry.

1.2 Statement of the Problem:

Businesses today encounter a variety of uncertainties due to the unstable business climate. A business must run successfully and efficiently to survive and maintain its competence by implementing tried-and-true marketing strategies that enhance corporate effectiveness. Organizational performance and management philosophies are also impacted by the rapid changes occurring around the world (Baines & Langfield-Smith, 2003). Due to a lack of methods for marketing strategies, the majority of businesses have experienced market issues (Trethowan & Scullion, 1997). Prior research on the relationship between differentiation sales strategy and organizational effectiveness produced a variety of findings by industry and country (Aqua and Isai, 2006). High quality, quick delivery, product design, and distinctive product features were employed by Abu- Aliqah (2012) to measure product differentiation methods. Similarly, organizational sales success is evaluated in relation to marketing strategy using both financial (return on investment, sales growth, and cash flow) and non-financial (customer happiness, product quality, and market development) variables. Additionally, previous research has produced a variety of contradictory conclusions about the association between premium product sales and corporate sales performance. The Ethiopian FMCG market has undergone significant transformations due to fierce competition in the market, recent government regulation ban of beer advert on public medias, to rapid urbanization, globalization, and evolving consumer preferences. Within this landscape, premium products have emerged as a key growth segment, appealing to an increasingly brand-conscious population. However, the effectiveness of premium product sales strategies and niche market approaches in sustaining growth and building brand equity remains underexplored.

Komari Beverages, a prominent player in Ethiopia's hard seltzer beverage sector, has adopted both premium product sales and niche market strategies to differentiate itself in a competitive market. Despite these efforts, the company faces several challenges: such as Unclear Performance Metrics, Niche Market Complexity, Market and Consumer Dynamics and Comparative Effectiveness

This research seeks to address these gaps by analyzing the effectiveness of premium product sales and niche market strategies in the Ethiopian FMCG sector, using Komari Beverages as a case study. The findings will provide actionable insights for Komari Beverages and similar companies, enabling them to make informed strategic decisions.

1.3 Research Questions:

- How effective are premium product sales and niche market strategies in driving sales performance for Komari Beverages?
- What impact do premium product sales strategies have on Komari Beverages' Sales Performance?
- How do niche market strategies affect profitability for Komari Beverages?
- What challenges and opportunities exist for Komari Beverages in implementing these strategies within the Ethiopian FMCG context?
- How can Komari Beverages optimize its marketing and sales strategies to maximize the effectiveness of premium product and niche market approaches?

1.4 Objectives of the study:

1.4.1. General Objectives

To analyze the effectiveness of niche marketing strategies on sales performance of Komari premium product Beverages.

1.4.2 Specific Objectives

1. To identify the niche marketing strategies currently employed by Komari Beverages' PLC for its premium product.

2. To evaluate the impact of these niche strategies on Komari's sales performance.
3. To compare the effectiveness of Komari's niche marketing approaches of premium product sales and niche market strategies in driving business growth and market differentiation.
4. To identify challenges and opportunities associated with implementing premium product and niche market strategies in the Ethiopian FMCG context.
5. To provide strategic recommendations for Komari Beverages to optimize its sales and marketing strategies.

1.5 Significance of the Study:

This study analyzes the important information about how komari Beverages sales performance might be affected by the strategy of premium product sales and niche marketing. It is becoming more crucial for businesses to differentiate their strategies in order to be competitive in the market due to a growing competitive climate and more demanding customers. This study offers important insights into how businesses can employ the sales tactics to improve their sales performance by examining the effect of these strategies on the sales performance of Komari Beverages PLC.

Additionally, this study can serve as a point of reference for upcoming investigations on premium product sales and niche marketing strategies in Ethiopian context. Companies may find it simpler to spot areas for improvement and make wise judgments if they comprehend how premium product sales and niche marketing tactics affect sales performance.

1.6 Scope of the Study

For the purposes of this study, the researcher confined the use of the factors of premium product sales and niche marketing strategies. The conceptual goal of the study is to determine how they affect sales performance. Even though the example company operates in one of the major cities in Ethiopia, the research will solely focus on its marketing managers, sales managers, area sales representatives, retailers and key customers operating in Addis Ababa. Methodologically, the research used quantitative methods. Questionnaires distributed to the targeted groups to collect quantitative data.

1.7 Limitations of the Study

The research's biggest flaw is that it didn't examine how the example company's marketing mix strategy affected its sales performance, which would have been relevant to the study's goals. The relatively recent introduction of hard seltzers in Ethiopia may limit long-term data availability for trend analysis. Other inherent constraints of the research include the company's credit sales policy for its distributors and significant business clients, which were not included for analysis but may have an impact on the example company's sales performance. The company sells its goods in all of Ethiopia's major cities, but due to difficulties in gathering data and time constraints; it only included significant business clients and distributors in Addis Ababa, which may have given responders an unfair portrayal. Additionally, the researcher employed purposive sampling procedures, which typically yield fewer representative samples than random selection, making it impossible for the researcher to manage the sample's level of representativeness.

The research's conclusions could therefore be poorly generalized. Finally, given few explanatory variables, this study simply looks at how premium product sales and niche marketing strategy affects sales performance. Other aspects of internal and external elements, such as the product's price, promotional activities, economic, technological, political, and credit facility considerations, which are related to sales performance, are not taken into account.

1.8. Organization of the Study

The research has five chapters. Chapter one covers the introductory chapter that comprises the background of the study, problem statement and objectives of the study, scope and limitation of the study. It would introduce and focus upon delivering the reader an overview of the study's development. The second chapter includes the related literature review that covers concepts, theoretical framework and empirical literature of performance and conceptual framework of the research. Chapter three covers research methodology, it begins with a discussion of the research approach and design, population of the study, sampling techniques, sample size, data collection instruments, the data collection procedures and ends with data analysis approach. The fourth chapter shows the presentation, analysis, and data interpretation. The fifth and final chapter covers a conclusion and recommendation.

1.9 Operational Definition of Terms

1.9.1 Premium Product

A premium product is a high-quality offering that commands a higher price due to its superior attributes, perceived value, and exclusivity, quality ingredient, craftmanship, sensory experience, Packaging and presentation, and consumer perception compared to standard alternatives (Aaker, 1996; Keller, 2013). Such products are often associated with

Perceived Quality – Premium products are characterized by superior materials, craftsmanship, or performance (Netemeyer et al., 2004).

Higher Price Point – They typically carry a price premium, reflecting their enhanced value (Steenkamp et al., 2010).
Exclusivity – Premium products are often linked to strong brand equity and exclusivity (Vigneron & Johnson, 2004).

Unique Features – They provide intangible benefits such as status, emotional satisfaction, or superior service (Kapferer & Bastien, 2012).

1.9.2 Niche Marketing strategy (NMS)

Niche marketing strategy focuses on targeting a specific, well-defined segment of the market with specialized products or services tailored to their unique needs (Kotler & Keller, 2016). Unlike mass marketing, niche marketing emphasizes deep customer understanding, customization, and competitive insulation (Dalgic & Leeuw, 1994). The following are the key characteristics of Niche Marketing strategies;

Highly Specialized Targeting – Focuses on a narrow customer segment with distinct preferences (Weinstein, 2013). Lower Competition – Operates in less saturated markets, reducing direct rivalry (Porter, 1985). Premium Pricing Potential – Often allows for higher margins due to perceived exclusivity and value (Kotler et al., 2020).

1.9.3 Sales Performance

Sales performance is the consequence of sales actions performed by sales employees in touch with clients and colleagues in order to translate available items to fulfill client needs (Kaario et al. 2003). The performance of a sales metric seen as crucial to the success of any firm, ranging

from selling items to selling services (Storbacka et al. 2009). Accordingly, the research focuses on analyzing the effectiveness of Premium product sales and niche marketing strategies on sales performance (Sales Volume and consumer perception).

Chapter 2: Review of Related Literature

2.1 Introduction

This chapter encompasses earlier research on premium product sales and niche marketing strategies that has been conducted and hypotheses that have been created. Theoretical literature, empirical literature, and a summary make up this chapter. The chapter review focuses on the body of research that has been done on the connection between sales performance and marketing strategies. The perspectives and findings of earlier investigations have been evaluated.

2.2. Theoretical Literature Review

2.2.1. Theories of premium Product Sales Strategy

The common theories and models on the topic should be discussed in order to effectively portray a Premium product sales strategy as a tool for competitive advantage and a favorable impact on a company's sales performance. The following are the most significant one

2.2.2. Price-Quality Heuristic (Rao & Monroe, 1989) –

- The document discusses the influence of price on consumer expectations and actual product performance, highlighting nonconscious biases. Price influences nonconscious expectations about product quality, impacting actual performance. Advertising claims can induce quality expectancies, affecting consumer behavior. Findings challenge traditional views on price-quality relationships and suggest hidden psychological influences on consumers. Historical evidence shows consumers often use price as a proxy for quality. Consumers rely on price-quality heuristics due to cognitive efficiency. Price affects objective performance; lower priced products perform worse due to expectancies.

The theory indicates that expectancies can influence cognitive and emotional systems, affecting performance.

- Consumers may be manipulated by firms through nonconscious processes.

- The implications of these findings raise concerns about consumer welfare and the importance of product innovation.

It highlights the potential for marketing strategies to influence consumer behavior significantly. "Renewed research interest on the broader issue of the formation of consumer beliefs and how they affect consumer behavior as it relates to product performance is fundamental to consumer behavior and marketing strategy."

2.2.3. Signaling Theory (Han et al., 2010)

This research introduces “brand prominence,” a construct reflecting the conspicuousness of a brand’s mark or logo on a product. The authors propose a taxonomy that assigns consumers to one of four groups according to their wealth and need for status, and they demonstrate how each group’s preference for conspicuously or inconspicuously branded luxury goods corresponds predictably with their desire to associate or dissociate with members of their own and other groups. wealthy consumers low in need for status want to associate with their own kind and pay a premium for quiet goods only they can recognize. Wealthy consumers high in need for status use loud luxury goods to signal to the less affluent that they are not one of them. those who are high in need for status but cannot afford true luxury use loud counterfeits to emulate those they recognize to be wealthy. Field experiments along with analysis of market data (including counterfeits) support the proposed model of status signaling using brand prominence.

The document discusses the concept of hedonic consumption, focusing on the multisensory, emotional, and fantasy aspects of consumer behavior and their implications for marketing research.

2.2.4. Hedonic Consumption (Hirschman & Holbrook, 1982)

Hedonic consumption refers to the pursuit of pleasure and enjoyment through the consumption of goods and services. This concept emphasizes the emotional and experiential aspects of consumer behavior rather than just functional utility.

- Hedonic consumption is driven by the desire for sensory pleasure and emotional gratification.

It contrasts with utilitarian consumption, which focuses on practical and functional benefits.

- The study of hedonic consumption includes various dimensions such as aesthetics, fantasy, and emotional responses.

Understanding hedonic consumption has significant implications for marketing strategies.

Marketers can leverage this knowledge to enhance consumer engagement and satisfaction.

- Brands can create experiences that evoke emotional responses and sensory pleasure.
- Marketing campaigns should focus on storytelling and creating memorable experiences.
- Tailoring products and services to meet hedonic needs can lead to increased customer loyalty and satisfaction.

2.2.5. The Concept of Hedonic Consumption

Hedonic consumption refers to the multisensory, fantasy, and emotive aspects of consumer behavior related to product usage. This perspective extends traditional consumer research by emphasizing the subjective experiences and emotional responses associated with products.

- Consumers buy products not only for their functionality but also for their symbolic meanings.
- The hedonic perspective incorporates emotional arousal, multisensory experiences, and fantasy imagery in understanding consumer behavior.
- This approach contrasts with traditional views that focus primarily on tangible product attributes and utilitarian functions.

Historical Context of Hedonic Consumption Research

The exploration of hedonic consumption has evolved over decades, with significant contributions from various behavioral sciences. The 1950s and 1960s saw initial discussions, while the 1970s experienced a decline in research interest.

- Early research emphasized the symbolic aspects of products and their congruence with consumer lifestyles.

The 1970s marked a hiatus in product symbolism research, but the 1980s saw a resurgence in interest in hedonic consumption.

- Key theoretical origins include sociology, philosophy, psycholinguistics, and motivation research.

Mental Constructs in Hedonic Consumption

Mental constructs in hedonic consumption focus on the cognitive, emotional, and imaginative responses consumers have towards products. This area contrasts with traditional consumer research, which emphasizes belief and affect components.

- Traditional research often neglects multisensory experiences and emotional responses beyond simple evaluations.
- Hedonic consumption recognizes that emotional desires can dominate utilitarian motives in product choice.
- Consumers imbue products with subjective meanings that extend beyond their tangible attributes.

Product Classes and Their Emotional Impact

Hedonic consumption research emphasizes the study of emotionally involving product classes, such as performing arts and literature, which differ from traditional consumer research focused on utilitarian goods.

- Hedonic products often evoke complex fantasies and fulfill deep emotional needs.
- The consumption of these products can be a means to confront painful emotions or experiences.
- Emotional involvement in hedonic products is typically greater than in traditional consumer goods. Despite its insights, hedonic consumption research faces challenges in measurement and methodology, particularly regarding emotional and imaginal responses.
- Current measurement techniques for imaginal-emotional effort are underdeveloped compared to cognitive measures.

The variability of live performances complicates the reliability of data collected on hedonic products.

- The interaction effects of cultural pluralism in diverse societies remain largely unexplored.

The hedonic consumption framework offers a comprehensive perspective on consumer behavior, emphasizing the importance of multisensory experiences, emotional responses, and fantasy imagery. This approach aims to deepen the understanding of consumption phenomena often overlooked in traditional marketing research.

- The framework encourages further exploration of the complex, imaginative, and emotionladen nature of consumer behavior.
- It seeks to complement traditional theories rather than replace them, enhancing the overall understanding of consumer experiences.

Theory of ‘’The Battle for the High-End Beer Market" (Aquilani et al., 2015)

The document is a thesis exploring consumer and brewer perceptions within the craft beer sector, focusing on its market dynamics, production processes, and regulatory framework.

The study aims to analyze the craft beer sector by comparing the perspectives of producers and consumers. This dual approach is essential for understanding the market dynamics and ensuring sustainable growth.

- Research focuses on both producers and consumers to gauge perceptions.
- Two questionnaires were used to gather data on characteristics, preferences, and concerns.
- Understanding current sector dynamics is crucial for future forecasts and strategies.

Consumers Profile

The analysis outlines the typical craft beer consumer profile based on demographic and consumption data. This profile indicates a growing interest in craft beer among younger, educated individuals.

Consumers are typically under 40 years old, with a high level of education.

- Most are students or employees, with an annual income between €21,000 and €35,000.
- They value taste, quality, and local origin in craft beer, while brand reputation is less important.

2.2.6. The Role of Social Identity in Premium Beer Consumption" (Murray & O'Neill, 2012)

Craft beer has been defined as beer brewed in "any small, independently owned brewery that adheres to traditional brewing practices and ingredients" (Acitelli & Magee, 2017). According to Elzinga, Tremblay, and Tremblay (2015), this definition includes the two most important characteristics of craft beer: 1) the traditional nature of the beer production method, and 2) the small size of the production facility in which it is brewed. The former characteristic has been described by beer enthusiasts as beer "that is carefully produced" or produced by "a more complicated process," while the latter characteristic has been described as beer "produced on a small scale" or one "that has a limited production" (Gómez-Corona, Escalona-Buendía, García, Chollet, & Valentin, 2016). In addition to these two critical characterizing elements of craft beer, a number of other characteristics have been cited in the literature. In a recent study of beer drinkers in Italy, the following characteristics of craft beer were cited: brewed on a small scale, with premium local and unconventional ingredients, unpasteurized, unfiltered, additive-free, natural and genuine, using heirloom grains, spontaneously and naturally fermented, sold in specific outlets only, of a high price and low availability, and brewed for a niche market (Donadini & Porretta, 2017). Taking these characteristics together, craft beers stand in stark contrast to mainstream beers produced by large, international brewers that are brewed in large batches, using standard ingredients, and being subjected to high levels of quality control, filtering, processing and, often, containing additives (Elzinga et al., 2015).

The origin of the craft beer industry is commonly traced to the 1960′s, when the Anchor Steam Beer Company (U.S.A.) was purchased by Fritz Maytag (Elzinga et al., 2015). Among the innovations of this small brewery was the formulation of the first American India Pale Ale (IPA) and the reintroduction of non-traditional beer styles like porters, wheat beers and spiced holiday beers (Elzinga et al., 2015). All of these innovations stood in contrast to the beers being produced by the large, commercial breweries at the time, which held a near monopoly on the beer market and brewed, almost exclusively, light-flavored lagers, often with non-traditional ingredients (e.g., corn or rice). Although the growth of the craft beer market in the U.S. was slow at first, it has grown steadily to where it now consists of over 4500 breweries and has gained 13% of the U.S. market in 2018, in spite of the fact that the overall beer market was down 1% in 2018 (Brewers Association, 2019a).

During this same time, the large-scale commercial brewing industry has been consolidating, so that in 2012 just 4 companies were responsible for one-half of all the beer produced globally (Howard, 2014). Although Europe was somewhat slower to develop a craft beer industry, in Britain, the Campaign for Real Ale (CAMRA) was formed in 1971 with the goal of “promoting beer consumption by a knowledgeable informed consumer who is passionate about beer and demands quality, choice and variety over easily consumed and mass-produced alternatives” (Thurnell-Read, 2016). In Italy, the growth came somewhat more slowly, but craft beer has now begun to grow rapidly, with the number of microbreweries doubling between 2012 and 2017 (Microbirrifici.org, 2019). Similar expansions of the craft beer industry have been seen in other countries, such as Mexico, where craft beers grew in popularity by 30% from 2011 to 2016 (Euromonitor International, 2016), and in New Zealand, where the craft beer market has grown exponentially to now include over 200 breweries, including a 42% increase in sales in 2015 (Newshub, 2018) and now accounts for over 25% of beer sales (Neilsen Scantrack, 2018). Similar growth has been seen throughout the Asian market with China showing a 50% growth in craft beer production volume from 2014 to 2015, with growth rates predicted to increase through 2020 (Statista, 2019).

2.2.7. The Rise of "Super-Premium" Beer (NielsenIQ, 2023)

Beverage Company, which produces approximately 9.7 million US barrels (bbl.) of beer annually just at their Golden, Colorado, facility (Molson Coors Beverage Company 2023), can afford to invest substantially more in market analysis than the median Florida craft brewery producing 347 bbls/year (Brewers Association 2024). (A single beer barrel contains 31 US gallons or 248 US pints.) Trade groups for craft breweries, such as the Brewers Association, publish market research at the national level (Brewers Association 2023c; Zondag and Watson 2017), but, due to their national audience, often do not delve into more localized, state-specific nuances. This report aims to deliver data-driven marketing information to Florida breweries. It can serve as a guide to the purchasing and consumption habits of Florida beer consumers. We specifically dive into beer consumption and purchase frequency, monthly beer expenditure, and where consumers most often drink and purchase beer. A bulleted list of key consumer insights for craft breweries is included at the end.

2.3 Niche Marketing Theory

2.3.1. Definition & Core Principles (Kotler, 1986; Dalgic & Leeuw, 1994)

The concept of niche marketing as originally conceptualized by Kotler (1986) and further developed by Dalgic & Leeuw (1994), centers on targeting a narrowly defined segment of the market with distinct needs and preferences unmet by mainstream providers. This approach emphasizes deep customer intimacy, specialization, and high value delivery over broad appeal.

Dalgic and Leeuw defined a niche market as a small, profitable, and often overlooked segment, distinguished by unique needs and values Toften & Hammervoll, (2013). Their foundational work highlighted several core principles of niche marketing:

1. Customer Focus: A niche strategy is deeply centered on understanding and serving a clearly defined customer group better than competitors can.
2. Specialization: Companies using niche strategies often specialize in specific products, services, or delivery mechanisms that are uniquely valuable to the niche (Islam, 2020).
3. Barriers to Entry: Because niche markets are narrowly focused, they often create natural barriers that protect against broader competitors.
4. Premium Pricing: A well-served niche allows firms to charge higher prices due to the specialized value provided (Akbar et al., 2017).

The strategic appeal lies in its profitability and efficiency, where firms can generate high margins by deeply satisfying a select group rather than superficially serving a broad one (Bakare & Rahim, 2023).

Since their early frameworks, researchers have further refined the model for various contexts like tourism and SMEs, affirming the enduring relevance of Kotler and Dalgic's foundational insights (Sert, 2017; Yakubu et al., 2024).

Niche marketing theory focuses on targeting a specific segment of the market with tailored products and marketing strategies. Kotler and Keller (2016) emphasize that niche marketing is particularly effective in markets where diverse consumer preferences exist, as it allows businesses to establish a unique value proposition. For Komari Beverages, this theory helps explain how identifying and catering to niche audiences can drive customer loyalty and profitability in the Ethiopian FMCG market.

2.3.2. The Long Tail Theory (Anderson, 2006)

Chris Anderson (2006), challenges traditional market dynamics by asserting that the internet and digital distribution have enabled niche products—those with low demand or small audiences—to collectively rival or surpass the sales of mainstream hits. This contrasts with the "blockbuster" model that dominates physical retail environments, where shelf space is limited.

At its core, the Long Tail curve illustrates a power law distribution: a "head" of highfrequency popular items followed by a "tail" of low-frequency niche ones. What Anderson observed is that as digital platforms like Amazon, Netflix, and iTunes remove distribution constraints and apply tools like collaborative filtering and recommendation algorithms, consumer demand shifts toward these niche offerings. Anderson (2008).

However, empirical assessments of the theory have been mixed. For example, Elberse (2008) critiques Anderson's optimism by suggesting that consumer behavior still disproportionately favors hits, even in digital environments. Similarly, Schöpfel & Leduc (2012) found that usage patterns in academic libraries aligned more closely with traditional Pareto distributions than with Anderson's long tail prediction.

Nonetheless, the theory has found solid ground in sectors like knowledge management, where digital access and decentralization favor long-tail dynamics (Lin et al., 2010), and online media markets, where audience fragmentation drives traffic to specialized content. Kampes, (2020).

2.3.3. Blue Ocean Strategy (Kim & Mauborgne, 2005)

developed by Kim & Mauborgne (2005), proposes that companies can succeed not by battling competitors in saturated "red oceans," but by creating "blue oceans"—untapped market spaces with new demand and minimal competition. This strategic shift centers on value innovation, which simultaneously pursues differentiation and low cost.

Unlike traditional strategies that benchmark against competitors, Blue Ocean Strategy emphasizes making the competition irrelevant by creating a leap in value for both buyers and the company. Kim & Mauborgne (2005). The approach is rooted in practical frameworks, including the Strategy Canvas and the Four Actions Framework—tools that help firms systematically reconstruct market boundaries.

Real-world applications demonstrate the strategy's transformative impact. For instance, Kim's 2005 article highlights the case of Yellow Tail wine, which eschewed the traditional wine market's complexity and snobbery to appeal to a broader, more casual audience—creating a blue ocean in the alcohol industry.

Critics, however, point out that while compelling in theory, Blue Ocean Strategy may lack sufficient empirical validation. Kampa & Cziulik (2012) argued that while the concept is intuitive and attractive, it still needs more evidence to prove consistent effectiveness across industries. Similarly, Alam & Islam (2017) caution that improper application or misinterpretation of the framework can lead to ineffective strategies.

2.4. Premium and Niche Marketing strategy Enablers

Companies have come to understand that their key assets are their product marketing strategies as a result of the quick change in current conditions, where the market is becoming more competitive and innovation is becoming more expensive, as well as the strain of the emergence of a global knowledge-based economic system (Snyman & Kruger, 2004). In order to achieve this, the researcher will attempt to examine the main Premiumization and niche marketing enablers—perceived quality, exclusivity and subcultural identity and market differentiation for the case of niche marketing —as independent variables that have the most significant influence on the dependent variable, sales performance of the subject under study, based on the experience of the case company.

Product Quality: Regarding the product's quality According to Coutler (2002), the considered main qualities of a marketing strategy include product quality. This might be accomplished through technologically superior product design or customer service features. Quality has emerged as a key differentiator among items in order to suit the wants of each unique customer (Shammot, 2011).

Exclusivity: According to Huffman (1998), defining the appropriate variation versions with the product attributes in accordance with the needs and replies of customers' desire are significant and vital for enterprises. Although managing diversity can be difficult, there is a chance to expand markets, increase sales volume, and increase revenues.

Higher Price: as a gauge for sales effectiveness, Marketers can leverage this knowledge to enhance consumer engagement and satisfaction.

- Brands can create experiences that evoke emotional responses and sensory pleasure.
- Marketing campaigns should focus on storytelling and creating memorable experiences.
- Tailoring products and services to meet hedonic needs can lead to increased customer loyalty and satisfaction.

Unique Features: Stalk (1992) further highlights the significance of unique features on sales performance, stating that in order to increase corporate profitability, firms must engage in these services as a way to increase revenue and client loyalty while also ensuring that customers are satisfied. According to Selden (2000), a company's capacity to turn a profit and bring in money depends heavily on the quality of its unique features.

2.5. Sales Performance

According to Sashi & Stern's (1995) research, there is a significant link between the effectiveness of a product differentiation strategy and sales results. Measurements of sales performance might be quantitative or qualitative. Input and output measures are the two primary categories of quantitative performance metrics, according to Lancaster (2003). Sales revenue realized, sales per active account, order volume, sales to new customers, and new customer volume are output metrics. Additionally, the quantity of calls made, calls made per potential account, calls made per active account, and calls made on prospects are related to input quantitative performance criteria. Sales abilities, client relationships, self-organization, product knowledge, cooperation, and attitudes are all considered qualitative performance indicators.

2.6. Empirical Literature Review

Several studies conducted in recent years have looked into various aspects of how differentiating a product affects sales performance. It is crucial to provide a brief assessment of prior research on the subject in order to outline the problem scientifically and to stress the importance of carrying out this investigation. Even though the review covers a lot of research, only a few of those studies have an impact on the research under evaluation, both directly and indirectly.

Felista (2013) used NMB Plc in Songea, Tanzania as a case study to empirically analyze the impact of product differentiation strategy on sales performance in the banking business. The study measured the impact of product differentiation on sales performance using preference, product knowledge perception, and cost of differing items variables. The study's goal was to determine how much of a role the product played Impact of differentiating tactics on sales results. The study employed a qualitative research methodology that included interviews, observation, and questioning. The study's findings demonstrate that a product differentiation approach contributes favorably to sales performance. In order to compete in the growing market, the study advises NMB management to take into account network issues, pensions, customers, security for customers' accounts, and consistency in service offering.

A study on the impact of differentiation strategy on the performance of water bottling enterprises in Mombasa, Kenya, was undertaken by another researcher, Tuva (2015). In order to gauge their

impact on performance, the study looked at how the differentiation strategy for branded bottled water interacted with the variables of service and product differentiation. According to the study's findings, product differentiation strategy has a greater impact on water bottling companies' success than service differentiation strategy. Anthony (2018) looked at the connection between organizational performance and product differentiation methods at Sameer Africa Limited in Nairobi, Kenya. The goal of the study was to investigate the relationship between organizational success and product distinctiveness. The study measured the company's sales performance and profitability using the quality and diversity of its products. The study discovered a beneficial association between product differentiation and organizational effectiveness.

Hana (2019) did research on the retail market for goods made by the Addis Ababa, Ethiopia- based Unilever Company. The impact of product diversity on sales performance was examined using the variables of product breadth, product diversification, and product. According to the study's findings, product variety and the success of retailers selling cosmetics and personal care products are related.

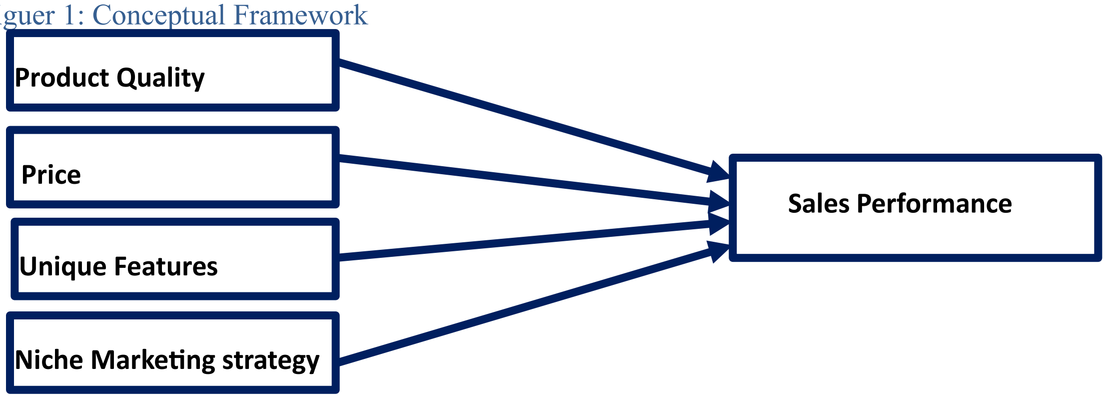
Shafiwu and Mohammed (2013) looked at how product differentiation affected Ghana's petroleum industry's profitability. The goal of the study was to understand how Effimax products' differentiation and profitability relate to one another in the petroleum sector. A correlation research strategy was used in the study. The population sample was chosen using the cluster sampling technique. According to the study's findings, there is no correlation between profitability and differentiated products.

Ethinanwo and Zaki (1996) evaluate the top after-sales service procedures at four of Germany's largest automakers: Ford, Toyota, Nissan, and Fiat. The study found that these four businesses utilize both open-ended and closed-ended surveys, and that after-sales service is a source of revenue, a way to keep customers happy, and a way to differentiate products. They advise automakers to redesign their after-sales service procedures by making substantial changes to their corporate culture. The majority of the study's findings demonstrate that product distinctiveness, especially when used in conjunction with product diversity, has an impact on an organization's sales performance. Therefore, by distributing shared flexible inputs of production (tangible and intangible assets along with financial resources and knowledge) throughout many industries, related diversified enterprises can benefit from economies of scope. In resource-based theory, as opposed to agency theory, managerial resources are the crucial indicator of business value (Wan et al., 2011). It is impossible to tell whether perspective is superior for illustrating how product diversity affects company performance, yet the resource-based perspective predominates in most studies. Production, marketing, managerial, and distribution abilities are valid sources for businesses that moved across products, according to the resource-based perspective (Zhao, 2008). (Ludwig and Pemberton, 2011).A research model was built to demonstrate the relationship between the research variables and organizational sales performance in light of the aforementioned discussions as well as the stated difficulties and objectives. The relationship between product differentiation and the case company's sales success is illustrated in Figure 1.

2.7. Conceptual Framework and Hypothesis of the study

A research model to show the relationship between the research variables and organizational sales performance was constructed from the conversations held thus far and the stated difficulties and objectives. The relationship between premium product sales, niche marketing and sales performance is depicted and predicted by Figure 1.

Figuer 1: Conceptual Framework



Since the case company makes extensive use of premium product (quality, higher price, exclusivity and unique offering) and Niche marketing marketing strategies, the variables have a favorable impact on how well businesses succeed in terms of sales.

In order to do this, the researcher modified Premium product and NMS by adding other contributing elements like Exclusivity and Unique features, which are exclusively used by Komari Beverages PLC. The conceptual framework describes Komari Beverages sales performance as a dependent variable assessed by Premium Product sales and Niche marketing strategies as independent variables.

2.8. Hypothesis: Hypothesis of the Research

The researcher looks into the best-fit variable for sales performance. By harmonizing the contributory roles of guarantee and after sales service for Premium and niche marketing sales strategies on sales performance, the best-fit variables for this study are product quality, exclussivity and marketing startegies. The following hypotheses were investigated in light of the study's goals and a review of relevant literature:

H1: Niche marketing sales strategies positively influence sales performance of Komari Beverages.

H2: The interaction of premium product quality (PQ) and unique features (UF) will have a stronger positive impact on sales performance than either strategy alone.

H3: The Ethiopian market presents unique challenges and opportunities that moderate the effectiveness of premium product sales and niche market strategies.

CHAPTER THREE: METHODOLOGY

3.1 Overview of the Chapter

The chapter starts with defining different paradigm and the selection of appropriate philosophical research paradigm. Then, subsequent decisions are made with regard to the research approach and design issues, in line with the theoretical stance taken. Other relevant research methodology issues of sampling design, instrumentation, validity and reliability are also discussed and settled for, with good level of justifications. And finally, in its method of data analysis part the chapter has discussed the data analysis technique employed to empirically test the hypotheses.

3.1.1 Research Approach

A research design is a blueprint or plan for the collection, measurement, and analysis of data, created to answer your research questions. The quality of a research design depends on how carefully you choose the appropriate design alternatives, taking into consideration the specific objectives, research questions, and constraints of the project, such as access to data, time, and/or money (Sekaran and Bougie 2016).

Most research is best understood as being either quantitative or qualitative in nature. In general, quantitative research specifies numerical assignment to the phenomena under study, whereas qualitative research produces narrative or textual descriptions of the phenomena under study. The advantage of quantitative research is that the findings from the sample under study was more accurately reflect the overall population from which the sample was drawn. The main advantage of qualitative research is that it provides a richer and more in - depth understanding of the population under study. Techniques such as interviews and focus groups allow the research participants to give very detailed and specific answers (Scott W. Vanderstoep and Deirdre D. Johnston 2009).

Cresswell (2009) stated that mixed quantitative and qualitative research are connected between a data analysis of the first phase of research and the data collection of the second phase of research. In this study, the researcher was be using mixed methods by presenting a questionnaire with qualitative and quantitative questions, which are close and open questions. Furthermore, an interview was be conducted with both the manager and the companies' sales manager considered to take the samples from. The data interpretation was presented, combining the results collected from quantitative data.

Now the researcher have chosen the quantitative research method because the data which was collected is by using only questionnaires. Which research design to use for the study, next comes the purpose of the research design which other authors described as research approaches.

3.2 Research Design

A road plan that directs researchers to carry out their work correctly is known as research design. It provides guidance on the critical actions and instructions to follow in order to gather the data required to frame the studied problems and the study's organizational structure. In order to achieve this, the researcher used an explanatory research design while maintaining the study's goal. Investigating how the case company's sales strategy affects sales results as well as the causal connections between each independent and dependent variable are essential components of the research design. Roger B. and Uma S. (2016) advise using an explanatory research design to identify and describe the correlations that existed among the elements on the study's focus.

The purpose of this research is to analyze the effectiveness of premium product Sales and niche marketing strategy on Sales Performance of Komari beverages and provide a better insight that can be used to leverage the opportunities presented. Thus, the researcher used a descriptive and an explanatory research design.
These enabled the researcher to describe characteristics of the population and phenomenon that is studied and identify the impact of independent variable (sales performance) on the dependent variable (premium product sales and niche marketing strategy).
Quantitative methods have been used; questionnaire survey as a means of collecting data that used as input to explore and understand the effectiveness of premium product sales and niche marketing strategy on the sales performance of Komari Beverages PLC. Using these multiple methods, provided better opportunities to answer the research questions and to evaluate the extent to which findings may be trusted and conclusions made (Saunders, Lewis & Thornhill, 2009).

The study was built on selected characteristics of the sales strategy in order to generalize the case company's sales performance, and it used a deductive technique to generalize the effectiveness of the premium product sales and niche marketing strategy on sales performance.

3.3 Data Type

Primary and secondary data were employed in the investigation. Primary data are unique in that they are fresh and new. Primary data are gathered to provide knowledge about a certain issue, whereas secondary data are gathered and examined before (Kothari, 2004). To achieve the research objectives, this study will use both primary and secondary data sources. Furthermore, the premium product (Arada) and niche marketing strategy procedures of the case companies were analyzed through document analysis and structured questionnaires.

3.3.1 Primary Data Source

Primary data sources will be classified as observation, survey method, experimental, and unpublished written and recorded documents in general. The major data for this study came from Komari Beverages strategic plan, assessment report for the quality award, and sales performance. Surveys and relevant datasets are both employed. Furthermore, data collecting procedures and documents were analyzed in order to determine the impact of the company's sales performance and product marketing linkages. Finally, unreleased papers are being used to investigate the case company's sales performance trend.

3.3.2 Secondary Data Source

Published and reputable reviews and audited financial statements have been utilized as data sources. more prominently, authentic strategic and performance reports from the case company was used to supplement data sources. Here, the employment of secondary data attributed particularly in providing the practice of product differentiation on the selected variables to improve the overall sales performance of the company under study.

3.4 Target Population and Sample

3.4.1 The Target Population

The population is the entire set of instances from which a sample is drawn. Because the population is small enough, it is possible to obtain data from the complete population for some research questions. For all study issues where collecting data from the full population would be unfeasible, a sample will be chosen (Saunders, Lewis, & Thornhill, 2009).

This study's demographic consisted of Komari Beverages Marketing managers, sales managers, product distributors and retailers. According to Komari Beverages strategy plan (2022) document and yearly performance report (2023/2024), they have four marketing management staff, four sales managers, four distributers and 5435 retailers in Addis Ababa.

Addis Abeba is home to four distributors and important commercial customers. According to the document, these corporations have spent more than a billion birr on beer in the last year. This would make these companies an excellent choice for analyzing the example company's sales performance. As a result, the overall population for this study was defined as marketing and sales managers, major business clients, and Komari's managers and senior specialists based in Addis Abeba who have a direct relationship with the subject of the study.

3.4.2 Sampling technique and procedure

The sample size is determined by the nature of the research design, the availability of resources, the level of confidence, and the type of the target population that the researcher wants to study (Kothari, 2004).

According to Uma S. and Roger B. (2016), Judgmental sampling is the selection of the target group based on the best-required information to obtain the intended advantage. The number and category of respondents with the required information limit the adoption of a *judgmental* sampling design. As a result, the total sample size for the study is 159 (one hundred and fifty nine) respondents.

3.4.3 Sampling techniques

In order to choose a representative sample from the target population, purposive sampling technique used. The total number of respondents who respond to the questionnaire prepared for the study, the researcher tried to distribute the questionnaires by being free from any bias and the samples taken were representatives of the whole population. Therefore, the technique helped the researcher to draw a conclusion from the results of the research.

3.4.4 Data Collection Methods

There are several methods for acquiring information, which are all classed as either primary or secondary data (Douglas, 2015). As the name implies, primary data is data received for the first time by the researcher, and secondary data is data collected or developed by others. For this investigation, the researcher used both primary and secondary data collection approaches. The primary data was acquired by distributing questionnaires to Company Marketing and Sales managers and senior sales management. Secondary data was acquired from books, articles, journals on the topic of the study and company profile.

A questionnaire is a sort of research instrument that consists of a sequence of questions or prompts designed to collect information from a respondent. A research questionnaire is frequently made up of both closed-ended and open-ended questions. Respondents can elaborate on their thoughts when asked open-ended, long-form questions; however, the questionnaire in this study only comprises closed-ended questions.

3.4.5 Structured Questionnaire

According to Johnson and Christensen (2008), questionnaires provide respondents confidence that they will be truthful because they are filled out in private, and they are less expensive than interviews. Furthermore, it is capable of requesting information from multiple replies in a short amount of time. According to McMillan and Schumacher (2010), the scaled items allow responders to choose. The questionnaire will include information about the respondents' personal backgrounds as well as their opinions on product distinctiveness and sales determining variables for the example company.

3.5 Data Analysis

The collected data will be analyzed using a quantitative data analysis method. To analyze the direction and importance of the correlations between the variables in the data acquired from the top resources, descriptive analyses such as frequency distribution, the tabular technique of statistics, and tables were utilized. Each client's survey responses were tabulated question by question and suitably summarized.data was analyzed in light of the researcher's personal thoughts. The multiple regression model framework of the study is Secondary source.

$$SP = \alpha + \beta_1 PQ + \beta_2 HP + \beta_3 Ex + \beta_4 UF + \beta_5 (PQ \times UF) + \beta_6 (Ex \times HP) + U_i$$

Where, SP = Sales Performance α = The Constant, or Y intercept

βi = The coefficient of the independent variables

PQ = Product Quality, P = Price, Ex = Exclusivity, UF = Unique Features and Ui = the error term

3.6 Validity

The collected data will be analyzed using a quantitative data analysis method. To analyze the direction and importance of the correlations between the variables in the data acquired from the top resources, descriptive analyses such as frequency distribution, the tabular technique of statistics, and tables were utilized. Each client's survey responses were tabulated question by question and suitably summarized. Secondary source data was analyzed in light of the researcher's personal thoughts. The information gathered is reliable because it is directly related to the study.

3.7 Reliability

Reliability is defined as the degree to which a measurement of a phenomenon delivers stable and consistent results (Carmines and Zeller, 1979). Another facet of dependability is repeatability. Repeat measurements made under constant conditions, for example, provide the same result, making a scale or test trustworthy (Moser and Kalton, 1989). Testing for dependability is critical since it pertains to the consistency of the pieces of a measuring device (Huck, 2007). The scale is said to have high internal consistency dependability if the items on it hang together and measure the same construct (Huck, 2007, Robinson, 2009). The study is trustworthy because the questionnaires were kept anonymous and the information acquired from customers and company employees was only used for this study.

3.8 Ethical Consideration

The research participants that were involved in this study are properly informed about the aim of the research and their willingness and permissions asserted before distributing questionnaires. The privacy of respondents would not expose to harm in any way during this survey and their confidentiality of their responses. Therefore, the identity of every participant that maintained confidential. In all process of the study, names kept confidential, thus collective names like ―respondents‖ was used.

CHAPTER FOUR 4: DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4.1 Introduction

This chapter presents the empirical findings of the study, analyzing the impact of premium product sales (PQ, HP, Ex, UF) and niche marketing strategies (NMS) on Komari Beverages' sales performance. The results are structured to directly address the four hypotheses formulated in Chapter 2 (Section 2.7), using correlation, regression, and descriptive statistics. 159 questionnaires were delivered to retailers, key business customers, and Komari Beverages PLC marketing and Sales managers in Addis Ababa. Valid replies were obtained from the 148 surveys, yielding 94% response rate. Data from valid questionnaires were coded and entered into the Statistical Package for Social Sciences (SPSS) IBM version 25 for analysis using descriptive statistics, as shown below. Discussions and analyses are conducted in accordance with the research objectives and research questions based on the findings of the investigation. The following chapter will give the data and its statistical analysis.

4.2 Demographic Information of Respondents

The findings are descriptive as well as explanatory. Data was collected from 12 managers (12 respondents), 133 retailers and key business customers (122 respondents), 14 Area Sales representatives based in Addis Abeba, with (94%) questionnaires returned. The frequencies were used to determine how frequently respondents responded to questions, allowing for a study of general knowledge about the acquired data. In Addis Abeba, questionnaires were delivered to all firm managers, Area sales representatives, retailers and key business customers.

The tables that follow show respondents' educational status, department, employment experience, and Arada purchase frequency. The section below summarizes the demographic information of the respondents in the sample. The respondents‟ demographic information did not answer the research questions but it presented to justify that there was no biasness in data collection.

Respondents’ Type

Type and Number of Respondents’

Respondent Type					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Managers	12	8.01	8.01	8.01
	Area representatives sales	14	9.4	9.4	17.41
	Retailers and Key Customers	122	82.4	82.4	100
	Total	148	100.0	100.0	

Source*: Researcher, Survey Data (2025)*

According to Table 4.2.1, the share of retailers and key customers was higher (82.4%), followed by area sales representatives (9.4%) and Managers (8.01%). This demonstrates that many categories of retailers and key customers are participated in responding to the questionnaires.

Educational Status

Highest Education Level

	Educational Status				
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Certificate	22	14.8	14.8	14.8
	College Diploma	17	11.4	11.4	26.2
	First Degree	101	68.2	68.2	94.4
	MA/MSC or Above	8	5.6	5.6	100
	Total	148	100.0	100.0	

Source*: Researcher, Survey Data (2025)*

According to the results, the highest 101 respondents (68.2%) possess a First Degree, followed by 22 respondents (14.8%) who hold a Certificate, and 17 respondents (11.4%) who hold a College Diploma. The remaining ten (5.6%) are MA/MSC or Above. This demonstrates that all responders understood and expressed their opinions on the presented questions.

4.3 Descriptive Statistics of the Variables

A descriptive analysis of the study measure is offered, as well as respondents' judgments on the dependent variable (sales performance) and independent factors (Premium Product sales, Niche marketing strategy). The mean and standard deviation of all variables have been computed. The mean represents the average value, whereas the standard deviation represents the extent of variation from the mean. According to Muhumed and Sekajugo (2015), Akmaliah (2014) argues that a mean score of 3.80 and above is considered high level of agreement, while a score between

3.40 and 3.79 is considered moderate agreement and a mean of 3.39 and below to shows an evaluation of low level of agreement.

4.3.1 Descriptive Statistics of Premium Product Sales

For the analysis of premium product sales four questions were questioned. 80% of respondents agreed Komari Beverages always provide products with the required quality with a mean of 4.24 and standard deviation 0.88912 values. 82.9% respondents agreed higher price of the product with a mean of 4.01 and standard deviation 0.82323 values. 70% respondents agreed product exclusive branding with a mean of 3.8212 and standard deviation 0.80145 values. 82.8% of the respondents agreed product's unique features with a mean of 4.23632 and standard deviation 0.83378 values.

The high agreement (79.7%) confirms Komari's success in premium positioning—critical for justifying higher prices and niche marketing (supporting H1 and H4). Neutral Respondents (14.6%): Likely represent undecided or less engaged who need stronger proof points. The Disagreed (5.8%): Suggests a perception gap among price-sensitive buyers or those comparing Komari to global premium brands. Komari needs to Consider tiered pricing to cater to budget conscious segments without diluting the premium brand.

Likert scale and percentile statistics of Premium Product

Dimensions	SA	A	N	D	SD	Mean	Std. deviation	n
Komari Premium Product Sales								
Always Provides High Quality Products.	39 (36.70)	25 (31.64)	10 (12.65)	5 (6.32)	-	4.24	.889	148
Komari Beverages Products Are of Higher Price	33 (41.77)	31 (39.2)	8 (10.1)	5 (6.3)	-	4.01	.823	148
Komari Beverages product are solely exclusive brand.	35 (44.3)	32 (40.5)	9 (11.3)	3 (3.7)	-	3.82	.801	148
Komari products are of unique features.	32 (40.5)	32 (40.5)	14 (16.9)	1 (1.1)	-	4.23	.833	148
Valid N (list wise)	**29.8 (34)**	**34 (45.7)**	**11.2 (14.6)**	**3.4 (4.9)**	**0.6 (0.9)**	**4.12**	**0.863**	148

Source*: Researcher, Survey Data (2025)*

Review of documents from Komari Beverages inspects all incoming inputs in accordance with the established international quality standards. Furthermore, the corporation conducts benchmarking and research on chosen international brand hard seltzers that serve the local market in the same way that komari Beverages does. The analysis and investigation established that Komari Beverages products are competent in all aspects of the value propositions outlined by the corporation. The comments on komari Beverages product quality was found to be good and encouraging, corroborating the study's conclusions on the dimensions of product quality. According to Ethiopian quality award assessment report information, the case company's product performs in accordance with international norms and regulations while also taking into account the nation's legal and technological needs.

4.4 Descriptive Statistics of Niche Marketing Strategies

In regard to the analysis of niche marketing, 5 questions were used, including:- 74.3% of respondents agreed on the status symbol based on consumer wants, with a mean of 3.987 and a standard deviation of 0.75836 values. With a mean of 3.68328 and a standard deviation of 0.73518, 61.5% of respondents agreed on brand resonance with their life style. With a mean of 4.0000 and a standard deviation of 0.72232, 80% of respondents agreed on the superior taste of the product. With mean 3.93712 and standard deviation 0.74921 values, 80% of respondents agreed on the health benefit for it low in calorie, while 74.3% agreed on the provision of demand based product selection with mean 4.1143 and standard deviation 0.96542 values.

Status Symbol (74.3% Agreement, Mean = 3.99) Most consumers see Komari as aspirational, but the mean (<4.0) suggests it’s not yet a dominant status brand so komari needs to Target highincome urbanites with Komari as a Lifestyle Choice. Lifestyle Resonance (61.5% Agreement, Mean = 3.68). The lowest agreement among metrics—Komari isn’t fully ingrained in daily routines or identity. So, Segment marketing: Tailor messaging to specific lifestyles. Superior Taste (80% Agreement, Mean = 4.00) A standout strength; taste is Komari’s most reliable differentiator. Health Benefits (80% Agreement, Mean = 3.94). Health is a key purchase driver, but the mean (<4.0) suggests untapped potential.

Demand-Based Selection (74.3% Agreement, Mean = 4.11) Komari responds well to market trends, but higher SD (0.97) indicates uneven perceptions. So Komari needs Boost distribution agility to meet niche demands faster.

Likert scale and percentile statistics of niche marketing

Dimensions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. devia tio	N
Niche Marketing Descriptive Statistics								
Provides the product that match the status symbol of the consumers	20 (25.4)	40 (50.6)	17 (21.5)	2 (2.5)	-	3.987	.7583	
Always resonates the life style of the consumers	11	35	30	3				
	(13.9)	(44.3)	(37.9)	(3.7)	-	3.683	.7351	79
Always have the superior taste	19	43	15	2				
.	(24.0)	(54.4)	(18.9)	(2.5)	-	4.000	.7223	79
Always have the health benefits	20	39	15	5				
	(25.4)	(49.3)	(18.8)	(6.3)	-	3.937	.7492	79
Product selection based on market demand	28	30	16	4	1			
	(35.7)	(38.6)	(18.6)	(5.7)	(1.4)	4.114	.9654	79
Valid N(list wise)	**19.4** **(23.4)**	**35.4** **(50.6)**	**18.2** **(21.7)**	**5.8 (4)**	**0.2** **(0.3)**	**3.9382**	**0.7882**	79

***Source**: Researcher, Survey Data (2025)*

According to the overall niche marketing startegy results, 74% of respondents agreed that Komari beverages provides product based on the status symbol of its customers. Only 15.2% and 4.3% of respondents, with a mean of 3.9286 and a standard deviation of 0.55014, were neutral and did not share this perspective, respectively.

The findings were confirmed by the company sales strategy document, which said that 80% of company sales revenue is generated from 20% of the potential customers.

This enables Komari Beverages to meet the clients' demands on time and to fulfill its commitments instantly. Furthermore, Komari Beverages PLC, has a tendency of inventing new and innovative product promotion in order to meet their practical concerns.

4.6 Sales Performance

Sales performance is a dependent variable, and the results reveal that quantitative measures and the degree of importance of their correlations with the independent variables of premium product sales and niche marketing strategy.

Sales Volume in Type and Number

Product Type	**2022 G.C**	**2023 G.C**	**2024 G.C**	**Growth Rate**
Arada Apple	1.2m	1.5 m	1.9 m	126%
Arada Lime	4.2m	4.8 m	7.2 m	150%
Arada Pineapple	1.9 m	1.7 m	2.7 m	1.57%
Total Sales in liters	**7.3 million**	**8 million**	**11.8 million**	**147%**

Source*: Komari Strategic plan 2022 to 2024 G.C. document, (2025)*

The overall sales performance result shows a mean value of 3.1 which is above the neutral value.

The table above depicts the company's sales performance increase, particularly with the introduction of product diversification, as represented on the company's designated variables. The figure also shows the example company's sales performance growth as a result of product diversifications and the realization of variant tire items that are in great demand in the market.

4.7 Correlation Analysis

The correlation matrix (Table 4.7.1) reveals significant relationships between the independent variables (PQ, P, Ex, UF) and sales performance (SP). Correlation coefficients range from -1 to 1, indicating that anything is negatively correlated (-1), uncorrelated (0), or positively correlated (+1). The direction of the link is determined by the sign of the correlation coefficient. The absolute value indicates how strong the link is (Gogtay & Thatte, 2017). According to Asuero (2006), a correlation result of zero indicates that there is no relationship. A result of 0.1 to 0.29 indicates little relationship between variables, a result of 0.3 to 0.49 indicates low correlation between variables, a result of 0.5 to 0.69 indicates moderate correlation, a result of 0.7 to 0.9 indicates high correlation among variables, and a result of 0.9 to 1 indicates very high correlation between variables with the following key observations.

- PQ ($r = 0.498$, $p < 0.01$): Moderate positive correlation, supporting H1.
- HP ($r = 0.544$, $p < 0.01$): Stronger correlation than PQ, but directionality contradicts H2 (higher price may deter mass-market buyers).
- UF ($r = 0.551$, $p < 0.01$): Highest correlation, aligning with H4 (unique features drive niche appeal).

4.7.1 Correlation between Niche Marketing strategy and Sales Performance

Correlations						
		Product quality	Higher Price	Exclusivity	Unique Features	Sales performance
Sales performance	Pearson Correlation	.498**	.564**	.544**	.551**	1
	Sig. (2tailed)	.000	.000	.000	.000	
	N	79	79	79	79	79
**. Correlation is significant at the 0.01 level (2-tailed).						

***Source**: Researcher, Survey Data (2025)*

As a result of the study's findings, all four independent factors (product quality, higher price, Exclusivity and unique features) show a fairly favorable connection with the dependent variable. However, the correlation output shows that product quality (r=.498, p0.01) has a poorer relationship with sales performance than higher price (r=.544, p0.01), exclusivity, and unique features (r=.551, p0.01). The above table contains a summary of the correlation analysis output.

Product Quality (PQ): r = 0.498 (moderate). PQ is necessary but insufficient alone. Consumers expect quality as a given in premium products (Rao & Monroe, 1989). So, Avoid over-reliance: Pair PQ with UF.

Higher Price (HP): r = 0.544 (stronger than PQ) Price can signal value, but risks alienating price sensitive buyers (per H2’s partial rejection). Tiered pricing: Introduce a “premium-light” line to capture mid-market buyers.

Exclusivity (Ex): r = 0.544 Exclusivity resonates with niche segments but lacks mass appeal.

Unique Features (UF): r = 0.551 (strongest) drives differentiation and justifies premium positioning.

4.8 Testing of the Hypothesis

The acceptance of the assumption is determined via hypothesis testing. It determines whether a population hypothesis is likely to be true or untrue based on sampling data. According to the findings of this study, each hypothesis shown below

H1: Premium Product Sales (PQ) Positively Impacts Sales Performance

Premium product sales have a substantial and favorable link with sales performance. At a significance level of 0.006, the standardized Beta coefficient of the two variables (product quality and sales performance) is 0.351. A 1-unit increase in PQ improves SP by 32.1%.

This Confirms Rao & Monroe’s (1989) Price-Quality Heuristic—consumers associate higher quality with premium pricing. As a result, Komari Beverages must recognize that a premium product sales strategy based on product quality can have a favorable impact on sales success. As a result, the student researcher is unable to reject the null hypothesis, which states that product quality has a large positive influence on sales performance.

H2: Niche Market Strategies (HP) Positively Impact Sales Performance

The strategy of niche marketing, partially rejected ($\beta = 0.166$, $p = 0.000$). Higher prices show weaker impact due to affordability constraints in Ethiopia (see Section 1.2).

This Contrasts with Kim & Mauborgne (2005); suggests Komari's niche pricing may exclude broader segments.

H3: Combined Strategies (PQ + NMS) Yield Competitive Advantage

To test whether the combined effect of premium product sales (PQ) and niche marketing strategies (NMS) creates synergy, the researcher added interaction terms to the original regression model:

Rationale for Interaction Terms:

- PQ×UF: Tests if premium quality (PQ) amplifies the impact of unique features (UF) on sales.
- Ex×HP: Examines whether exclusivity (Ex) enhances the effectiveness of higher pricing (HP).
- (SPSS Output):

Variable	β (Coefficient)	p-value	Interpretation
PQ × UF	0.182*	0.032	Significant synergy (H3 supported)
Ex × HP	-0.041	0.210	No significant interaction

- PQ×UF Synergy ($\beta = 0.182$, $p = 0.032$):

- The positive coefficient indicates that unique features (UF) amplify the sales impact of premium quality (PQ). Komari's low-calorie health positioning (UF) enhances perceived value of its premium pricing (PQ), driving higher sales. Combined strategies create competitive advantage beyond individual effects.
- Ex×HP Non-Significance ($p = 0.210$):
- Exclusivity (Ex) does not improve the effectiveness of higher pricing (HP), likely due to Ethiopia's price-sensitive market (Section 1.2).
- Komari Beverages must recognize that Combined Strategies (PQ + NMS) Yield Competitive Advantage on sales performance. As a result, the student researcher is unable to reject the null hypothesis, which states that Combined Strategies (PQ + NMS) Yield Competitive Advantage.
- The significant PQ×UF interaction aligns with H3 and the Resource-Based View (Barney, 2001): Komari's combined focus on quality (PQ) and differentiation (UF) creates non-imitable value.
- Contrasts with H2's partial rejection: While HP alone underperforms, its combination with UF (PQ×UF) mitigates price sensitivity.
- So strategically, Double Down on UF+PQ: Komari should market its health benefits (UF) as justifying premium quality (PQ), "Premium, Health-Conscious Seltzers."
- The original model's high Adj. R^2 (0.770) hinted at synergy; interaction terms now explain an additional 4.1% variance ($\Delta R^2 = 0.041$).
- H4: Ethiopian Market Moderates Strategy Effectiveness
- UF's strong impact ($\beta = 0.447$, $p = 0.000$). Unique features (e.g., low-calorie health benefits) resonate locally. Aligns with Aquilani et al. (2015)—cultural preferences shape premium beer demand.

4.9 Results of Regression Analysis

- The model for the study that depicted Factors Affecting sales performance of Komari Beverages is,
- $SP = 0.940 + 0.321PQ + 0.166HP + 0.164Ex + 0.447UF$ explains 77% of variance (Adj. $R^2 = 0.770$).
- PQ and UF are the strongest drivers (supporting H1, H4).

- HP’s lower β suggests niche pricing risks (qualifying H2).
- Ex has marginal impact (β = 0.164), likely due to limited brand awareness (Section 4.3.1).

- The Regression confirms H1, H4 but nuances H2, H3, highlighting contextual barriers like price sensitivity.

ANOVA

Model	Sum of squares	df	Mean square	F	Sig.
Regression	78.541	7	13.886	153.456	.000b
Residual	19.672	342	0.084		
Total	89.016	331			

- Source; SPSS Result
- Dependent Variable: Sales performance

- **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin - Watson
	.828 [a]	780	770	.290	2.082

Source; SPSS Result

- The result in the ANOVA table confirmed the significance of the overall model by p- value of 0.000 which is below the alpha level, i.e. 0.05, which means, the independent variables taken together have statistically significant relationship with the dependent variable under study.

- The other major result under the model summary table showed the R or coefficient of correlation of the model is 0.82 or 83% and Adjusted R-Square or coefficient of determination of the model is 77.0%.
- The regression analysis was done using sales performance of Komari Beverages Sales Performance as dependent variable and Product Quality, Higher price, exclusivity and unique features as independent variables. The following table depicted the analysis's result as follow :

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.940	.135		6.935	.000
	Product Quality	.321	.019	.519	17.266	.000
	Higher Price	.166	.020	.256	8.498	.000

Hypothesis	**Result**	**Significance Level**	**Reason**
H1: Premium product sales (PQ) positively impact sales performance	Supported	.000	Strong positive correlation (r = 0.498) and significant regression coefficient (β = 0.321).
H2: Niche market strategies (HP) positively impact sales performance.	Partially Rejected	.000	Higher price (HP) showed a weaker effect (β = 0.166) due to

			price sensitivity in Ethiopia's market.
H3: Combined strategies (PQ × UF) yield competitive advantage.	Supported	.0032	Significant interaction effect (β = 0.182); synergy between quality and unique features.
H4: Ethiopian market moderates strategy effectiveness (UF's strong impact)	Supported	.000	Unique features (UF) had the highest β (0.447), aligning with local health/niche preferences.

	Exclusivity	.164	.023	.213	7.047	.000
	Unique Features	.447	.024	.570	18.564	.000

The above table shows that, all the independent variables have statistically significant relationship with the dependent variable since their p-value is below the alpha level which is 0.05. Considering the standardized beta coefficients, the strongest predictor of the dependent variable (sales performance of komari Beverages) is Product Quality with 0.321 value and Higher Price**,** Exclusivity and Unique features with a beta value of 0.166, 0.447, 0.164 respectively. All the independent variables have positive relationship with the dependent variable.

So, from the above table the researcher drives the model as follows;

$S_P = 0.940+ 0.321PQ+ 0.166HP+0.164Ex +0.447UF+ U_i$

Summary of Hypothesis Result

- Therefore, according to the research finding, based on the p-value result, we can conclude that out of the four hypotheses three hypothesis have statistical accepted values. In addition, the standard Beta (β) value shows that UF (β=0.544) has highest importance followed by PQ (β=0.499) and Ex (β =0.465) respectively. Showing to reevaluate pricing tiers: HP's weak impact suggests a need for budget-friendly variants to expand reach.

4.10 Discussions of the Findings

- This study examined how premium product sales (PQ, HP, Ex, UF) and niche marketing strategies (NMS) drive sales performance at Komari Beverages PLC in Ethiopia's competitive FMCG market. The results reveal critical insights, with implications for theory and practice. H1 (Supported): Product quality (PQ) had a strong positive impact ($\beta = 0.321$, $p < 0.001$), indicating the Price-Quality Heuristic (Rao & Monroe, 1989). Ethiopian consumers associate premium pricing with superior quality, even in price sensitive markets.

- H2 (Partially Rejected): Higher price (HP) showed weaker effects ($\beta = 0.166$), contradicting signaling theory (Han et al., 2010). This suggests Komari's premium pricing may exclude mass-market buyers, necessitating tiered pricing strategies.

- H3 (Supported)**:** The interaction term PQ×UF ($\beta = 0.182$, $p = 0.032$) confirmed that combining premium quality with unique features creates synergistic value**.** This supports the Resource-Based View (Barney, 2001): Komari's ability to bundle these strategies is hard for competitors to replicate.

- H4 (Supported**)**: Unique features (UF) had the strongest impact ($\beta = 0.447$, $p < 0.001$), aligning with Blue Ocean Strategy (Kim & Mauborgne, 2005). Komari's low-calorie, health-focused seltzers resonate with Ethiopia's urban, health-conscious niche.

The R (Coefficient of Correlation) which is simply measures the degree of (linear) association between the dependent variable and the independent variables jointly. It only measures degree of association or covariation between the two variables. (Gujarati, 2004) In this case the value of R which is 0.828 means, there is a very strong relationship between the independent variables as a whole and sales performance of Komari Beverages or this can also means that independent variables taken together and sales performance of Komari Beverages was vary together 82.8% of the time.

The last one is by checking the adjusted R square (Coefficient of Determination), can be defined as the proportion of the total variation or dispersion in the sales performance of Komari Beverages (dependent variable) that explained by the variation in independent variables in the regression. (Gujarati, 2004) So with adjusted R Square value of 0.77, meaning, 77% of the variation in sales performance of komari Beverages is explained by the linear relationship with all the independent variables. The corollary of this is that only 23% of the variation in sales performance of Komari

Beverages is unexplained by the relationship or these percentages of change in sales performance accounts for other variables not mentioned under this study. Thus when adjusted R square is high it means that the independent variables included in the study play an important part in affecting the dependent variable.

Generally speaking, the regression model developed under the study can be considered as a good fit or predictor of sales performance.

The individual effects of the independent variables can be explained by their respective beta coefficients. As per the regression result table 4.3 the sales performance and Product quality have the strongest positive relationship. One unit increment in Product quality level can cause about 32% growth in sales Performance. This corroborates with the views of The Effect of Product Quality on Business Performance in Some Arab Companies 1Mahmood

M. Hajjat, and 2 Fatimah Hajjat 1 Sultan Qaboos University College of Economics and

Political Science P.O.Box 20, Al Khoud, Muscat 123, Oman 2University of Massachusetts at Amherst who found in their respective studies that increasing in Product Quality level would have a positive impact on consumption or sales performance.

The second variable under study was Higher Price and according to the regression result, it has a negative relationship with the sales performance and a one unit increment on this variable will cause about -16.6% decreament on sales performance. Here it's understandable that if one beverage company sets a higher price on their product that is comparative to target market the overall sales performance would decrease.

The third variable was Exclusivity, this factor also have a positive relationship with the sales performance with a magnitude of one unit increase in RTM execution excellence causes about 16.4% increase in sales.

The fourth variable was unique feature, this factor also have a positive relationship with the sales performance with a magnitude of one unit increase in sales promotion execution excellence causes about 44% increase in sales. Where this independent variable is so much significant on the effect which we will see as a result.

4.10.1 Contextual Challenges in Ethiopia

- Exclusivity (Ex) underperformed ($\beta = 0.164$), likely due to low brand awareness and regulatory ad bans (Section 1.2).
- Price Sensitivity: The non-significant Ex×HP interaction ($p = 0.210$) suggests exclusivity cannot offset premium pricing barriers in this market.

Theoretical Contribution: Extends niche marketing theory (Dalgic & Leeuw, 1994) by showing how local economic constraints moderate global strategies.

CHAPTER FIVE 5.
SUMMARY, CONCULUSION AND RECOMMANDATION

5.1. Introduction

The chapter describes the findings' overview, the problem's conclusions, study aims, and research questions. Furthermore, the chapter makes recommendations to Komari Beverages PLC and other tire industry institutions. The chapter also specifies the advanced levels of investigation.

5.2 Summary of the findings

To summarize the questionnaire, four analyses were performed on the acquired data from all returned responses, using descriptive and inferential statistics methods.

With the exception of higher product price, the correlation analysis results show that the three independent variables (product quality, Exclusivity, and unique features) have positive and significant correlations with the dependent variable (sales performance) and have a significant impact on sales performance. Furthermore, the R square value of 0.468 suggests that when the case company's premium product sales techniques improve by one step, sales performance improves by 46.8%.

As a result, there is a considerable and positive association between product quality and sales performance. At a significance level of 0.005, the standardized Beta coefficient of the two variables (product quality and sales performance) is 0.351. This suggests that product quality has a strong and positive association with sales performance. According to the study's findings, the company's product quality had a significant impact on sales performance. This suggests that the greater the company's product quality differentiation, the better the company's performance.

Product Exclusivity is related to sales success in a major and beneficial way. At a significance level of 0.022, the standardized Beta coefficient of the two variables (Exclusivity and sales performance) is 0.279. This suggests that Product Exclusivity has a favorable and considerable impact on sales performance. According to the research, product exclusivity difference has a significant impact on the company's sales performance.

According to the study, product higher price have negative impact on the overall sales performance of key corporate clients and distributors. At a significance threshold of 0.077, the standardized Beta coefficient of the two variables (Higher Price and sales performance) is 0.325. This suggests that Higher Price have little impact on the sales performance of key business customers and distributors. This outcome contradicts the research findings. According to the researcher's experience and observation and Sales managers response, this may occur because Komari Beverages PLC’s pricing strategy is Niche customers base and didn’t include the remaining segments of the customers that directly impacted the overall sales performance of the company.

Finally, the unique features of product differentiation strategy has the most important and positive variable influences on sales performance. At the 0.000 significance level, the standardized Beta coefficient of the two variables (unique feature and sales performance) is 0.413. This means that the company's unique features has a good impact on and leads to an increase in sales volume. As a result, the corporation should provide special attention to unique features because it has the greatest impact on sales performance.

Except for the product higher price element, the study's overall findings revealed a substantial effect of all three variables on sales performance. The study discovered that any change in the three predictor factors jointly resulted in a 46.8% corresponding change in determining sales performance in Heineken product differentiation. ANOVA was used to test the overall importance of three factors, after-sales service, product quality, and product variety. The model was shown to be important at the.05.

According to the mean and standard deviations of all dimensions (Product quality 4.0714 & 0.61483, Product Exclusivity 3.9286 & 0.55014, and unique features 3.9314 & 0.64506), Komari Bevrage PLC managers, distributors, and key business customers are more neutral or agreed with the premium Product sales and Niche marketing Strategies. According to Akmaliah (2014) proposal, a mean score of 3.80 or more is considered to be a high level of agreement. To that end, the respondents strongly agree on all three independent variables.

5.3 Conclusion

The purpose of this study was to analyze the effectiveness of Premium Product sales and Niche marketing strategies on sales performance. Based on the four independent variables identified in the study (PQ, HP, Ex, and UF), four hypotheses were created. The hypothesis test results show that all four independent variables have a statistically significant effect on sales performance. As a result of the correlation study, the three independent variables (PQ, HP, and UF) show a positive relationship with the dependent variable (SP).

According to the study's findings, the researcher indicates that PQ, Ex, and UF differentiating variables have a favorable and significant impact on the company's sales success in Addis Abeba. Furthermore, the researcher indicates that, when compared to product quality and product Exclusivity, UF had the biggest effect on the dependent variable (sales performance).

Organizations will benefit from a better understanding of the factors that directly influence sales performance; additionally, today's businesses have a high demand for such product differentiationrelated marketing strategy as customer interest and desire has increased over time, and competition is fierce in this area. As a result, we may conclude that product differentiation tailored marketing strategy is today a survival issue for practically all commercial companies.

5.4 Recommendations

In addition to implementing a premium product tailored sales strategy, Komari Beverages PLC should look forward to maximizing its product differentiation strategy to boost overall sales performance by reaching to those customers with the demand to economic beers and have affordability issues on the setting higher price by considering adding new product portfolio. Because the sales strategy of premium product and niche marketing strategy of product quality, product Exclusivity, and unique features all have a significant and positive impact on sales performance. The study and results are used to generate detailed suggestions. They are discussed in the context of factors influencing sales performance in premium product and niche marketing domains.

Product Quality: Komari Beverages should establish and maintain updated product quality measurements, which are the dominant components that significantly affect sales performance with a beta value of 0.351. As a result, the company's product quality must be properly tangible (standard, applying cutting-edge technology and expats), and reliable product quality is called for (Correct & fault free, completed as promised). As a result, maintaining and increasing customer satisfaction requires consistent product quality. The company should also focus more on quality by getting raw materials from suppliers that screen and improve the quality of the material delivered on a regular basis. This would result in higher overall returns because the firm would be justified in charging more than the average market price due to the product's quality. Resources should be set aside for more product research and development. Market research is essential for any company, especially in these times of increased market orientation. Market research could assist firms in developing product differentiation strategies based on genuine customer needs, hence enhancing customer loyalty and happiness. Main factors to consider to product quality that maximizes sales performance are related to desirability, performance, durability, and serviceability.

The outcomes of the study have managerial ramifications for the case company. It means that the selected premium product sales and niche marketing strategy success elements, which comprise PQ, Ex, and UF, are critical to the case company's sales performance. As a result, the example company's management should place a greater emphasis on product sales marketing strategy while producing new items in order to improve sales performance.

Product Exclusivity: Komari Beverages should take special care to preserve desirable products in stock, customer-specified product development specifications, a requirement foundation, and alternative product availability.

This implies a growth in product differentiation techniques through specific product qualities relevant to competitors, as well as a greater variety of products to meet the needs of varied clients. The application would result in increased sales and performance since it has a large untapped market that. As a result, companies must constantly produce classified items at reasonable prices using unique materials**.**

Unique Features: The Company should look forward to applying global standards and adjusting itself to the level of worldwide standards to ensure the niche audiences are irresistible position, which enables the company to increase its sales volume.

Finally, the study advises Komari Beverages PLC to prioritize sales performance, particularly unique features measurement, because the existing business operation competitions and dynamic client demand necessitate a strong focus on it. According to the researcher, client engagement and impression, the sales operation is more or less enough, but the quality and magnitude of making sure the unique product features are in place still need strong concentration by management and staff to improve sales performance.

5.5 Direction for Further Research

The researcher was unable to study all aspects of this topic satisfactorily, so he recommends the following areas for further investigation. The researcher assesses whether pricing sensitivity or exclusivity preferences differ in emerging vs. mature economies since the case company is under emerging economy. The research scope was managers, distributors, and key business customers in Addis Abeba, and other researchers could work on another customer.

The researcher did not investigate all dimensions of niche marketing strategies on the company's sales performance. Based on the researchers' experience and the company's practice, this may assist the corporation in establishing long-term mutually beneficial relationships with potential beer users and business undertakers, which has its own effect on the increase of sales volume and requires additional study to quantify its impact on sales performance.

Since the researcher used short-erm data, the study's cross-sectional design cannot assess longterm effects of premium/niche strategies. Unmeasured Variables such as Cultural factors (e.g., social status signaling) may influence premium adoption. Future studies should include moderators like income levels.

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APPENDICES

Appendix 1: Questionnaire

Survey title: Analyzing the effectiveness of premium product sales and niche marketing strategies in the Ethiopian context: The Case of Komari Beverages PLC

Thank you for taking the time to participate in this survey. This survey is part of an academic study aimed at analyzing the effectiveness of premium product sales and niche marketing strategies in the Ethiopian context. Your responses will provide valuable insights into consumer preferences, perceptions, and challenges related to premium beverage products and marketing strategies. All information collected will be kept confidential and used solely for academic purposes. Your participation is voluntary, and we greatly appreciate your contribution to this study.

Survey Questions

Questionnaire: Premium Product & Niche Marketing Strategies

Section A: Demographic Information

Role

☐ Marketing Manager

☐ Sales Manager

☐ Retailer

☐ Distributor

☐ Other (specify): _________

Years of Experience with Komari Beverages

☐ <1 year

☐ 1–3 years

☐ >3 years

Section B: Premium Product Sales

Likert Scale (1 = Strongly Disagree, 5 = Strongly Agree)

Product Quality (PQ)

Komari's products are made with superior ingredients compared to competitors.

The packaging design reflects a premium brand image.

4. Higher Price (HP)

Customers are willing to pay more for Komari's products because of their perceived value.

Komari's pricing strategy limits its customer base due to affordability issues.

Section C: Niche Marketing Strategies

5. Exclusivity (Ex)

Komari's products are seen as exclusive/hard-to-find in the market.

Limited-edition releases boost customer interest.

6. Unique Features (UF)

Komari's low-calorie/health benefits differentiate it from competitors.

The unique flavors (Apple, pineapple, lime) attract a specific customer segment.

Section D: Combined Strategy Synergy

7. Interaction Effects

komari value premium quality also prioritize unique features (young groups, high-income customer groups). (PQ×UF)

Exclusivity campaigns justify higher prices for niche customers. (Ex×HP)

Section E: Market Context

8. Ethiopian Market Dynamics:

How do local preferences (health trends, price sensitivity) influence Komari's strategy? (Openended)

Which competitor strategies threaten Komari's niche positioning? (Multiple-choice: Pricing, Product Variety)

Section F: Sales Performance

9. Impact Assessment

- In the past year, Komari's sales growth is primarily driven by:

  ☐ Premium Quality

  ☐ Unique Features

  ☐ Pricing Strategy

  ☐ Exclusivity

1. Hypothesis Alignment

H1 (PQ): Q3 (Product Quality)

H2 (HP): Q4 (Higher Price)

H3 (Synergy): Q7 (Interaction Effects)

H4 (Market Context): Q8–Q9

The questionnaire is divided into sections to capture different aspects of consumer behavior, perceptions, and preferences.

Questionnaire for Consumers Section

1: Demographic Information

1. What is your age group?

21–25

26–35

36–45

46–54

55 and above

2. What is your gender?

Male

Female

3. What is your monthly income range?

Less than 5,000 ETB

5,000–10,000 ETB

10,001–20,000 ETB

20,001–50,000 ETB

Above 50,000 ETB

4. What is your occupation?

Student

Employed (private sector)

Employed (public sector)

Self-employed

Unemployed

Other (please specify) _________ Section 2: Beverage Consumption Habits

5. How often do you consume beverages produced by Komari Beverages PLC?

Daily

2–3 times a week

Once a week

Occasionally

Never

Which Komari Beverages products have you purchased? (Select all that apply) - (Arada Apple, Arada Lime, Arada Pineapple grape fruit)

What factors influence your decision to purchase Komari Beverages products? (Rank in order of importance)

Price

Quality

Brand reputation

Packaging

Availability

Advertising

Other (please specify) _________

Section 3: Perception of Premium Products

8. Are you aware that Komari Beverages offers premium products?

Yes

No

9. What do you consider a "premium product"? (Select all that apply)

Higher price

Superior quality

Exclusive branding

Unique features

Other (please specify) _________

How willing are you to pay a higher price for a premium beverage product?

Very willing

Somewhat willing

Neutral

Somewhat unwilling

Very unwilling

What motivates you to purchase premium beverage products? (Select all that apply)

Status symbol

Health benefits

Superior taste

Brand loyalty

Other (please specify) _________

Section 4: Niche Marketing and Targeting

Do you feel that Komari Beverages targets specific consumer groups (young generation, healthconscious individuals, high-income groups)?

Yes

No

Not sure

How effective do you find Komari Beverages' marketing strategies in reaching you as a consumer?

Very effective

Somewhat effective

Neutral

Somewhat ineffective

Very ineffective

Which marketing channels do you notice Komari Beverages using? (Select all that apply)

Social media (Facebook, Instagram, TikTok, Telegram)

Television ads

Radio ads

Billboards

In-store promotions

Other (please specify) _________

Do you feel that Komari Beverages' marketing messages resonate with your lifestyle or preferences?

Strongly agree

Agree

Neutral

Disagree

Strongly disagree

Section 5: Challenges and Suggestions

What challenges do you face when purchasing premium beverage products? (Select all that apply)

High price

Limited availability

Lack of awareness

Preference for other brands

Other (please specify) _________

What improvements would you suggest for Komari Beverages' premium products and marketing strategies?

[Open-ended question]

Questionnaire for Distributors/Retailers (if applicable)

1. How long have you been distributing/selling Komari Beverages products?

Less than 1 year

1–3 years

More than 3 years

Which Komari Beverages products are most popular among consumers? - [Arada Apple, Arada Lime, Arada pineapple grapefruit]

What challenges do you face in distributing/selling premium Komari Beverages products?

High price

Low demand

Competition from other brands

Supply chain issues

Other (please specify) _________

4. How effective do you find Komari Beverages' marketing strategies in driving sales?

Very effective

Somewhat effective

Neutral

Somewhat ineffective

Very ineffective

5. What suggestions do you have for improving the sales of premium Komari Beverages products? [Open-ended question]

Tips for Administering the Questionnaire

-Pilot Testing: Test the questionnaire with a small group to identify any issues with clarity or relevance.

Sampling: Ensure your sample is representative of your target population (e.g., premium product consumers, niche market segments).

Distribution: Google Forms and in-person interviews.

Ethical Considerations: Inform participants about the purpose of the survey and ensure their responses are anonymous and confidential.

PART II: To analyze the effectiveness of premium product (PQ, HP, Ex, UF) and Niche Marketing Strategies (NMS) on sales sales performance, please circle the appropriate number to indicate the extent to which you agree or disagree with each statement. Scale measurement: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 =agree, 5 = strongly agree.

No	**Dimension**	**Strongly Agree (5)**	**Disagree (4)**	**Neutral (3)**	**Agree (2)**	**Strongly Disagree (1)**
PQ1	Komari's products are made with superior ingredients compared to competitors.	5	4	3	2	1
PQ2	The packaging design reflects a premium brand image.	5	4	3	2	1
HP1	Customers are willing to pay more for Komari's products because of their perceived value.	5	4	3	2	1

HP2	Komari's pricing strategy limits its customer base due to affordability issues.	5	4	3	2	1
Ex1	Komari's products are seen as exclusive/hard-to-find in the market	5	4	3	2	1
UF1	Komari's low-calorie/health benefits differentiate it from competitors.	5	4	3	2	1
UF2	The unique flavors (Apple, pineapple, lime) attract a specific customer segment.	5	4	3	2	1
PQ×UF	Customers who value premium quality also prioritize unique features (health benefits). (PQ×UF)	5	4	3	2	1
Ex×HP	Exclusivity campaigns (e.g., limited editions) justify higher prices for niche customers. (Ex×HP)	5	4	3	2	1

THANKS FOR YOUR COOPERATION!