



**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES
MBA PROGRAM**

**ASSESSEMENT OF MARKETING STRATEGY
PRACTICES AT BRUH TESFA IRRIGATIONA AND
WATER TECHNOLOGY PLC**

**BY
TAREKEGN YIMESEL**

**FEBRUARY, 2013
ADDIS ABABA, ETHIOPIA**

**ASSESSMENT OF MARKETING STRATEGY PRACTICES
AT BRUH TESFA IRRIGATIONA AND WATER
TECHNOLOGY PLC**

**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY COLLEGE,
SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION IN GENERAL MANAGEMENT**

**BY
TAREKEGN YIMESEL
(ID No.: SGS /0086/2003)**

**FEBRUARY, 2013
ADDIS ABABA, ETHIOPIA**

**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES
FACULTY OF BUSINESS**

**ASSESSMENT OF MARKETING STRATEGY PRACTICES
AT BRUH TESFA IRRIGATION AND WATER
TECHNOLOGY PLC**

**BY
TAREKEGN YIMESEL**

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature

Advisor

Signature

External Examiner

Signature

Internal Examiner

Signature

DECLARATION

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

Name

Signature

St. Mary's University College, Addis Ababa

February, 2013

ENDORSEMENT

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

Advisor

Signature

St. Mary's University College, Addis Ababa

February, 2013

Acknowledgments

First of all, I would like to express my sincere appreciation to my advisor, Assistant Professor Mesfin Lemma, for his unreserved guidance, professional advice, invaluable assistance in reviewing, and constructive comments in all aspect of the research work. I am deeply touched by his kindness, quick response, persistent hard work, and professional advices.

Next, I would like to thank the Management Members of Bruh Tesfa Irrigation and Water Technology plc, for allowing me to conduct my research work on the company's marketing strategy practices, for the financial support, and facilitating unreserved access to the company's data.

Indeed, I would also like to thank Ato Asfaw Teklemariam, Addis Ababa branch office Manager of Bruh Tesfa Irrigation and Water Technology Plc for his wholehearted facilitation during my research work.

Finally, my in depth gratitude goes to my organization, the Social Service Agency of the Protestant Church in Germany –Bread for the World, Horn of Africa Regional Office, for the overall assistance provided to me to continue my postgraduate studies.

ABSTRACT

Industrial marketing is a dynamic and challenging area that presents opportunities for the application of marketing concepts and principles. Success in the industrial market, as in the consumer market, depends on recognizing the importance of strategic planning, and deal with all the factors that can affect a firm's ability to grow profitably. The primary focus of marketing strategy is to effectively allocate and coordinate marketing resources within a specific product market. As a result, management must design and follow a viable strategic planning process, a process that consists of developing a system of objectives, and plans as well as the allocation of resources to achieve the company's objectives. Having this in mind, the aim of the study was to assess the industrial marketing strategy practices of Bruh Tesfa Irrigation and Water Technology PLC, and examine the implications of the industrial marketing strategy practices on the company's mission. In order to gather the data from relevant sources, both primary and secondary data collection instruments such as questionnaire, interview, personal observation, and documents review were used. The study adopted the data triangulation technique by using a combination of data sources with the effect that the strength and weakness in each sources are compensated when used together. The total population of the study was 280 employees in which 110 questionnaires were distributed to selected respondents using quota sampling method that represents 39% of the total population. Quota sampling was preferred in order to secure equal representation of all the functional departments of the company.

Generally, the overall marketing strategy practices of the company along with the employees' commitment discharging their responsibility for the effectiveness of the marketing strategy practice was found positive. However, the company does not have strategic plan and it focuses on short term plan in which this will have a long term negative impact on accomplishing its mission. Furthermore, there are indications of less effectiveness in implementing its marketing programs, and strategies, in which resulted in shortage of working capital and low sales volume. Based on the findings, the researcher recommended that the company should design its strategic plan in order to achieve its objectives. Moreover, guided by its objectives the company must develop a set of pricing policies, spelling out what price situations the firm will face and how it will handle them. Indeed, the company should focus on designing the right strategy which can help enhance the promotional activates, distribution channels, and pricing policy and strategy in line with coordinated marketing research. Subsequently, it must appropriately follow up the proper implementation of the overall marketing strategy and evaluate its effectiveness.

Key words: *Marketing Strategy, Market Segmentation, Market Targeting, Positioning, Marketing Mix, and Bruh Tesfa Irrigating and Water Technology PLC*

TABLE OF CONTENTS

Contents	Page
Acknowledgments.....	i
Abstract.....	ii
Table of content.....	iii
List of Tables.....	vi
List of Figures.....	vii
CHAPTER ONE	
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem	4
1.3 Objective of the Study	5
1.4 Significance of the Study	6
1.5 Scope and Limitation of the Study	7
1.6 Conceptual Definition of Words	7
1.7 Organization of the Study	8
CHAPTER TWO	
RELATED LITERATURE REVIEW	
2.1 Marketing Strategy Overview	9
2.2 Marketing Strategy Process	10
2.3 Industrial Market Segmentation, Targeting, and Positioning	11
2.3.1 Industrial Market Segmentation	11
2.3.2 Market Targeting Strategies	14
2.3.3 Differentiation	15
2.3.4 Positioning Strategy	16

2.4	Integrated Marketing Mix	17
2.4.1	Product Strategy	18
2.4.2	Pricing Strategies	21
2.4.3	Integrated Marketing Communication Strategy	26
2.4.4	Distribution Channel Strategies	28
2.5	Marketing Research	31
2.6	Internal Marketing	32
CHAPTER THREE		
	RESEARCH DESIGN AND METHODOLOGY	33
3.1	Theoretical Framework	33
3.2	Research Design	34
3.3	Time and Place of the Study	36
3.4	Source of Data	36
3.5	Procedures of Data Collection	37
3.6	Methods of Data Analysis	37
3.7	Ethical Considerations	38
CHAPTER FOUR		
	RESULT AND DISCUSSIONS	39
4.1	Profile of Respondents	39
4.2	Questionnaire Analysis	40
4.2.1	Industrial Market Segmentation	41
4.2.2	Target Markets	42
4.2.3	Differentiation	43
4.2.4	Marketing Mix	47
4.2.4.1	Product	49
4.2.4.2	Price	51
4.2.4.3	Place/Distribution Channel	52

4.2.4.4 Promotion	54
4.2.5 Overall Marketing Strategy of the Company	58
4.2.6 Main Problems	60
4.3 Interview Analysis	61
CHAPTER FIVE	
SUMMARY, CONCLUSION, AND RECOMMENDATION	65
5.1 Summary of Findings	65
5.2 Conclusions	69
5.3 Recommendations	71
Bibliography	73
Appendix	

List of Tables

Table 1: General Information of Respondents	39
Table 2: Total number of questionnaires distributed, returned, and not returned	40
Table 3: Responses in relation to the basis of Industrial Market Segmentation	41
Table 4: Respondents' opinion towards target customers of the company	43
Table 5: Practical application of tools for competitive differentiation of the company	44
Table 6: Service differentiation practices of the of the company	45
Table 7: Respondents' response concerning the company's marketing mix strategies	47
Table 8: Respondents' opinion regarding the company's product price	51
Table 9: The company's product availability and accessibility	52
Table 10: Company's distribution strategy Practices	53
Table 11: Effectiveness of the company's promotional mix	55
Table 12: Communication effectiveness among company's departments	56
Table 13: Marketing research effectiveness of the company	57

List of Figures

Figure 1: Marketing Strategy Process	10
Figure 2: The 4Ps of Marketing Mix	18
Figure 3: Effectiveness of company's Marketing Mix Elements	48
Figure 4: Company's Product quality	49
Figure 5: Customers Primary reason for buying the company's Product	50
Figure 6: Company's overall Marketing Strategy	58
Figure 7: Employees response on effective performance of the marketing Strategy Practices of the company	59

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Industrial market is composed of commercial enterprises, government organizations, and institutions whose purchasing decisions vary with the type of industrial good or service under consideration. Indeed, industrial marketing is a dynamic and challenging area that presents opportunities for the application of marketing concepts and principles. From its nature, industrial marketing is characterized by rational buying policy of sensitive buyers, long manufacturing cycle, high value of purchase of relatively few customers, durability and service requirements of industrial products.

Strategic market planning is concerned with adapting the organization to a changing environment. Marketing strategy consists of a plan identifying what basic goals and objectives will be pursued and how they will be achieved in the time available (Zikmund, 1999). And success in the industrial market, as in the consumer market, depends on recognizing the importance of strategic planning, and deal with all the factors that can affect a firm's ability to grow profitably. As a consequence, management must design and follow a viable strategic planning process, a process that consists of developing a system of objectives, and plans as well as the allocation of resources to achieve the company's objectives.

As Walker, Boyd, Mullins, and Larreche (2004) stated, the primary focus of marketing strategy is to effectively allocate and coordinate marketing resources within a specific product market. The critical issue concerning the scope of a marketing strategy is therefore, specifying the target market for a particular product or product line. And next, firms seek competitive advantage and strategy through a well integrated program of marketing mix elements (primarily the 4P's of product, place, price and

promotion) tailored to the needs and wants of potential customers in that target market. Reeder, Reeder, and Brierty (2005), effective marketing programs thus depend upon a thorough understanding of how marketing strategy should differ with the type of organization being targeted and products being sold.

Therefore, the purpose of this study focuses on how the industrial marketing strategies are being practiced at Bruh Tesfa Irrigation and Water Technology Plc to satisfy its customer's need and want, to accomplish its mission

1.1.1 Company Profile

Bruh Tesfa Irrigation and Water Technology Plc, was established in 2004 GC, under Dejenna Endowment which is now merged to be under Endowment Fund for Rehabilitation of Tigray (EFFORT). The company's factory is situated in Mekelle, the capital of Tigray National Regional State having branch office in Addis Ababa supported by distribution agents in different regions. It is engaged in surveying, study, design, manufacturing, consulting, supply and installation of comprehensive irrigation and water supply systems, maintenance and after sales services. The company's main products are;

- i. **Modern Irrigation Technology;** complete pressurized and gravitational irrigation systems, and other irrigation related accessories and equipment
- ii. **Water Supply systems;** high density polyethylene pipes (HDPE) made up of polyethylene that can substitute any type of pipe for water transport and gas distribution networks such as galvanized iron pipe, polyvinyl chloride (PVC) pipe, and unplasticised polyvinyl chloride (UPVC), polyethylene (PE) fittings, water meters, filters and other accessories and welding machine as special order
- iii. **Other plastic products;** polythene tubes/tabular film, rigid and flexible conduits, poly bags and sheets.

1.1.1.1 Company's Mission

To generate profit and maximize wealth of the owner by satisfying the customer and introducing new modern irrigation and water supply technology, contributing its share in agricultural transformation, creating massive job opportunity and professional man power in the field and in reducing poverty in the country.

1.1.1.2 Company's Vision

To be competent and the leading technological pioneer company in the modern irrigation and water supply technology development, by offering best quality products and services (i.e. study, design and installation) at competitive level in east Africa.

1.1.1.3 Company's Objective

The primary objectives of the company are: (1) To produce quality and complete set of modern irrigation systems: drip irrigation systems, high-density Polyethylene (HDPE) pipes, to individual farmers, commercial farms, governmental, and non-governmental organizations for efficient use of scarce water resource and minimize energy consumption of the country so as to earn reasonable profit (2) Providing quality products and services (study, design, and installation) (3) To play self role in the minimization of poverty by earning reasonable profit (4) To introduce new related agricultural technologies being cost effective and efficient products (5) Technological transformation from abroad in the modern pressurized irrigation systems, water systems, and other related technology (6) To export various plastic products for irrigation systems and water technology.

1.2 Statement of the Problem

Successful marketing is all about aiming to satisfy customer needs and wants better than competitors. “Marketing strategies have a major impact on efficiency and cost structure of the enterprise. Marketing strategy is therefore, a roadmap of how a firm assigns its resources to its environment and achieves a corporate objective in order to generate economic value and keep the firm ahead of its competitors” (Moghaddam and Amir, 2012, p. 20). Indeed, if industrial marketers are to meet the challenges of today’s rapid changing markets and increasing global competition, marketing decisions must be based on well conceived strategies.

On the word of Doyle (2002), success in business is also achieved when a strategy and an organization that optimally fit the environment which the firm operates. In this situation, it offers product and services that matches their needs better than rival competitors. Unfortunately, needs change and competitors develop new products and technologies that creates added value. As a result, for most companies success is a temporary phenomenon.

Moreover, it is also natural that every business organization whether small or large operates in a turbulent and uncertain environment. In the context of changing customer expectation, technological change, and increasing environmental uncertainty, business managers have a big challenge to make the right strategic choice and setting their strategic priorities in order to allocate their resources to different functions in an efficient manner. For this reason, managers are expected to develop new tools, concepts, strategy, and mindset to cope with such a rapid changing environment.

Indeed, marketing research gives marketers insight into customer motivations, purchase behavior, and satisfaction. It can help them to assess market potential, and market share or to measure the effectiveness of pricing, product, distribution and promotion activities (Kotler, Armstrong, Agnihotri and Haque, 2010). In this case, a company’s existing and potential customers fall into particular groups or segments,

characterized by their needs. Identifying these groups, and their needs through market research, and then addressing those needs more successful than competitors, is one of the key elements of marketing strategy.

However, in Bruh Tesfa Irrigation and Water Technology Plc, the preliminary observation reveals that there was no assessment being conducted to evaluate the effectiveness of its marketing strategy corresponding to its mission and vision.

Hence, this study has attempted to investigate the problems associated with the industrial marketing strategy practices in Bruh Tesfa Irrigation and Water Technology Plc. Specifically, this study has addressed the following basic research questions:

- i.** How the industrial marketing strategies are being practiced at Bruh Tesfa Irrigation and Water Technology Plc aligned with its target marketing, marketing mix and mission?
- ii.** What are the criteria used for industrial market segmentation, market targeting and positioning by Bruh Tesfa Irrigation and Water Technology plc?
- iii.** What are the marketing mix elements devised for industrial marketing strategies by Bruh Tesfa Irrigation and Water Technology Plc?

1.3 Objective of the Study

The general objective of study is to evaluate the industrial marketing strategy practices of Bruh Tesfa Irrigation and Water Technology Plc, and examine the implications of the industrial marketing strategy practices on the company's mission and vision.

The specific objectives are:

- i.** To assess the industrial marketing strategy (segmentation, targeting, differentiation, and positioning) practices at Bruh Tesfa Irrigation and Water Technology Plc

- ii. To identify Bruh Tesfa Irrigation and Water Technology Plc's industrial marketing mix strategies that applies to the target market.
- iii. To investigate how the company strategically conducts the industrial market segmentation, target marketing, and positioning to achieve its objectives
- iv. To identify problems encountering in the industrial marketing strategy implementation at Bruh Tesfa Irrigation and Water Technology Plc.

1.4 Significance of the Study

The ultimate goal of any business organization is to remain in business being profitable through production and sales of products/ services. The major part of marketing manager's job is to monitor and analyze customers' needs, wants and the emerging opportunities as well as the threats posed by competitors. Moreover, the primary strategic responsibility of any manager is to look outward continuously to keep the business in step with changes. As a result, the ultimate success or failure of a company depends on its marketing strategies.

This study is therefore, intended to help the company's management to redirect their attention to this highly essential function. The study was focused on how the marketing strategies (segmentation, targeting, differentiation, and positioning) were aligned with the marketing mix in the target market to enhance, maintain, and attract customers, and to identify how those tools have an effect on the overall industrial marketing strategy. The study is then a worth doing because it would help the company (1) to look at its problems (2) to take into account an alternative consideration, and (3) to enhance the basic knowledge about industrial marketing strategy, and its significance in the irrigation and water technology industry. The study would also contribute towards the advancement of the theoretical knowledge of industrial marketing strategy and serve as a reference material for future similar studies.

1.5 Scope and Limitation of the Study

1.5.1 Scope of the Study

The scope of the study has covered how the industrial marketing strategies (industrial market segmentation, market targeting, differentiation, and positioning) aligned with the marketing mix elements (product, price, promotion, and place) are being practiced at Bruh Tesfa Irrigation and Water Technology Plc to achieve its objectives. Moreover, the focus of the study was delineated to the marketing strategy practices of the company to the side with the concerned employees, managers, and selected customers excluding the agents of the company that are found out of Addis Ababa due to their geographical location in different regions.

1.5.2 Limitation of the Study

While assessing the problems that influence the company's industrial marketing strategy, the study was limited to the internal factors only and the external factors that influence a company's marketing strategy practices like government regulations (federal and regional level regulations), technology, and economic conditions were not addressed in this study.

1.6 Conceptual Definition of Terms

1.6.1 Marketing strategy: The marketing logic by which the business unit hopes to create customer value and achieve profitable customer relationships.

1.6.2 Market segmentation: Dividing a market into distinct groups of buyers who have different needs, characteristics, behaviors, and who might require separate products for marketing program

1.6.3 Marketing segment: A group of customers who respond in a similar way to a given set of marketing efforts.

1.6.4 Market targeting: The process of evaluating each market segment's attractiveness and selecting one or more segments to enter

- 1.6.5 Positioning:** Arranging for product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target customer.
- 1.6.6 Marketing mix:** The set of controllable tactical marketing tools – product, price, place, and promotion- that the firm blends to produce the response it wants in the target market (Kotler, et al , 2010)

1.7 Organization of the Study

The research report is organized into five chapters. Chapter one has contained background of the study, statement of the problem, basic research questions, objectives of the study, significance of the study, scope and limitation of the study, definition of terms. The second chapter discusses the literature relevant to the study. The third chapter is describing the research design and methodology explaining the theoretical framework, and the methodologies that have been used in the study; the research design, time and place of the study, procedures of data collection, methods of data analysis, and ethical considerations along with an appropriate justification associated with each approach. The fourth chapter summarizes the results/findings of the study, and discusses the findings with an extensive use of the literature review. Finally, chapter five has comprised three sections, which include summary of findings, conclusions, and recommendations.

CHAPTER TWO

RELATED LITERATURE REVIEW

2.1 Marketing Strategy Overview

Marketing strategy is a procedure by which companies react to situations of competitive market and forces of market or react to environment forces and internal forces to enable the firm to achieve its objective in the target market. Traditionally, marketing strategy is a plan for pursuing the firm's objective or how the company is going to obtain its marketing goals within a specific market segment (Moghaddam and Amir, 2012).

In view of Cravens and Piercy (2009), marketing strategy consists of the analysis, strategy development, and implementation activities in developing a vision about the market(s) of interest to the organization, selecting market target strategies, setting objectives, and developing, implementing and managing the marketing programs positioning strategies designed to meet the value requirements of the customers in each market target. Reeder, et al., (2005), while business vary in the approach they use in developing their strategies, strategies consists of long term objectives and plans with which the organization will relate its particular characteristics and capabilities to customer, competitors, and regulators.

On the word of Kotler, et al., (2010), marketing strategy is the marketing logic by which the business unit hopes to create customer value and achieve profitable customer relationships. Furthermore, it consists of marketing decisions on the business's marketing expenditure, marketing mix and allocations in relation to expected environmental and competitive conditions. To succeed in today's competitive market place; companies need to be customer centered. They must win customers from competitors, then keep and grow them by delivering greater value. But before it can satisfy customers, a company must first understand their needs and wants, and sound marketing requires a careful customer analysis. Thus, marketing strategy involves two

key questions. Which customers will we serve (segmentation and targeting)? How will we create value for them (differentiation and positioning)? Then, the company designs a marketing program-the 4Ps (product, price, promotion, and place) that deliver the intended value to target customers.

2.2 Marketing Strategy Process

Strategy is a game for getting there. Every business must design a strategy for achieving its goals, consisting of a marketing strategy and a compatible technology strategy and sourcing strategy (Kotler, et al., 2009). In the process of marketing strategy, in view of Cravens and Piercy (2009), the strategic situation analysis considers market and competitor analysis, market segmentation, and continuous learning about markets. Designing marketing strategy explains customer targeting and positioning strategies, marketing relationship strategies and planning for new products. Marketing program development consists of product, distribution, price and promotion strategies designed and implemented to meet the value requirements of target buyers.

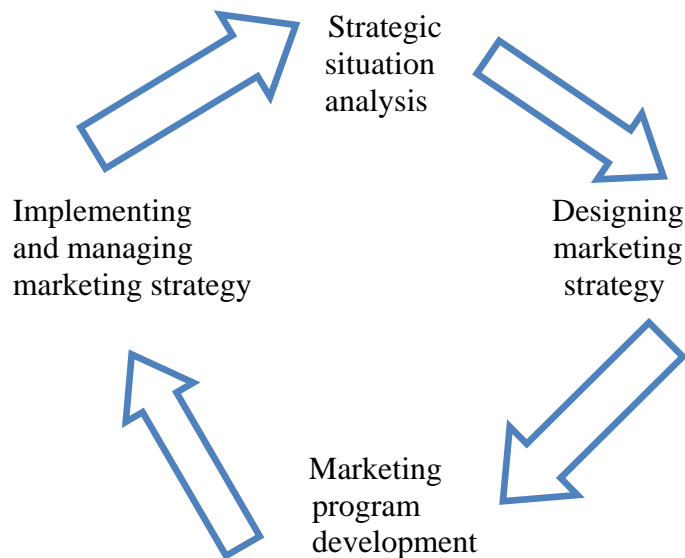


Figure 2.1:- Marketing Strategy Process

Source: Adapted from David W. Cravens, & Nigel F. Piercy, *Strategic Marketing Book*, 2009, p.30)

Reeder, et al., (2005) conclude that once strategic alternatives have been decided upon, the development of marketing strategy rests on (1) market segmentation analysis (2) target market(s) selection, and (3) the development of the marketing mix strategies.

2.3 Industrial Market Segmentation, Targeting, and Positioning

2.3.1 Industrial Market Segmentation

Industrial markets are heterogeneous. Customers have different constraints, needs, and incentives. Products compete imperfectly with one another in satisfying those needs. Market segmentation is therefore, the grouping of potential customers into sets that are homogeneous in response to some elements of the marketing mix to allow the allocation of marketing resources among heterogeneous customer requests. As Farese, Kimbrell, and Woloszyk, (2003) stated market segmentation is a way of analyzing the market by special characteristics in order to create a target market. Reeder, et al, (2005), successful marketing strategy thus, rests on the marketer's ability to identify, analyze, and evaluate attractive market segments. Because effective market selection is necessary if the firm is to allocate resources so that those markets served contribute to the achievement of organizational objectives. Jobber, (2001) it is therefore at the hearth of strategic marketing since it forms the basic by which marketers understand their markets and develop strategies for serving their chosen customers better than competitors.

2.3.1.1 Bases for Industrial Market Segmentation

As Jobber (2001) stated, industrial markets can be segmented on several factors broadly classified into two major categories, macro-segmentation and micro-segmentation. Macro segmentation focuses on the characteristics of the buying organization such as size, industry, and geographic location. Micro segmentation requires a more detailed level of market knowledge as it concerns the characteristics of decision making within each macro segments based on such factors as choice criteria,

decision making unit structure, decision making process, buy class, purchasing organization, organizational innovativeness.

2.3.1.1.1 Macro Segmentation

Macro segmentation focuses on the characteristics of the buying organization such as size, industry, and geographic location. Micro segmentation requires a more detailed level of market knowledge as it concerns the characteristics of decision making within each macro segments based on such factors as choice criteria, decision making unit structure, decision making process, buy class, purchasing organization, organizational innovativeness (Jobber, 2001).

2.3.1.1.1.1 Organizational Characteristics

Jobber (2001), the size of buying organizations may be used to segment markets. Large organizations differs from medium and small organizations in having greater order potential, more formalized buying and management process, increased specialization of function, and special needs (e.g quantity discount). The result is that they may form important target market segments and require tailored marketing mix strategy

2.3.1.1.1.2 Industry Characteristics

Havaldar (2004), contend that many industrial firms market their products or services to different types of “industries”. Significance differences such as product or service requirements may also present within an industry. In such instances, further subdividing of individual industries may be necessary to obtain a more detailed segmentation scheme.

2.3.1.1.1.3 Geographic Location

Regional variations in purchasing practice and needs imply the use of geographic location as basis for differentiation marketing strategies (Jobber, 2001). Havaldar (2004) shared similar idea that in industrial marketing, the geographical location of

customers is an important factor in serving the needs on time delivery due factors like transportation time, inventory control, availability of warehouse facilities or prompt after sales service

2.3.1.1.2 Micro Segmentation

As Reeder, et al., (2005) stated, micro segmentation allows the marketer to subdivide further those segments through the identification and evaluation of specific organizational, purchasing, and individual criteria that are most directly related to the purchasing. To isolate those variables effectively, however, it is often necessary to gather primary information either through the company sales forces or by conducting special market studies.

2.3.1.1.2.1 Buying Situations or buy phases

Micro segmentation can be done based customer interaction needs for complex products such as capital goods. The duration and involvement of buyer –seller discussion depends on whether buyers are capable of determining their own needs or are seeking help of suppliers. The resource allocation of people, time and money varies customer interaction needs (Havaladar, 2004).

2.3.1.1.2.2 Organizational Capabilities

Micro segmentation is also based on organizational capabilities such as financial, technical or operational. For example, companies that are financially weak may be attacked by longer credit terms or volume discounts as compared to product quality or delivery factors. Companies that are technically not strong depend on technical information and support from suppliers, and organizations that operate on tight inventories may look for suppliers who give prompt and quick deliveries (Havaladar, 2004).

2.3.1.1.2.3 Purchasing Policies

Purchasing policies is also another micro segment variable to segment customers based on their purchasing policies or practices. The Government organizations have a standard purchase policy of tender bidding and orders are placed based on lowest price bids. Large and small organizations in the private sector have different purchasing policies (Havaladar, 2004).

2.3.1.1.2.4 Purchasing Criteria

Markets can also segment on the basis of purchasing criteria used by buyer organization. For example, if products are standard, economic criteria such as price, payment terms, inventory carrying costs, inspection and rejection costs, dominate in purchase decisions. For non standard, complex or new products, performance and application criteria dominate in purchase decision (Havaladar, 2004).

2.3.1.1.2.5 Personal Characteristics

In view of Reeder, et al., (2005), in the industrial market, it is often necessary to implement a research study to determine which buyers attribute at the macro level best define segment differences. Furthermore, as segmentation moves from an examination of organizational variables, to an examination of purchase situation variables, to an attempt to identify and examine individual variables, more and more intimate contact with prospects becomes necessary.

2.3.2 Market Targeting Strategies

According to Kotler, et al., (2010), market segmentation reveals the firm's market segment opportunities. The firm now has to evaluate the various segments and decide how many and which segments it can serve best. Target marketing helps sellers indentifying marketing opportunities better. The sellers can develop the right offer for

each target market in which they can adjust their prices, distribution channels, and advertising to reach the target market efficiently. As Kotler, (1999) stated thus, target marketing calls for three major steps; the first is market segmentation the act of identifying and profiling distinct groups of buyers, who might require separate products and /or marketing mixes. The second step is market targeting, the act of selecting one or more market segments to enter. The third step is a market positioning, the act of establishing and communicating the products key distinct benefits in the market.

2.3.3 Differentiation

According to Kotler (1999), differentiation is the act of designing a set of meaningful differences to distinguish the company's offering from competitors offering. Subsequently, a company must try to indentify the specific ways it can differentiate its products to obtain a competitive advantage. The main differentiation variables which a market offering can be differentiated from competitors are; product differentiation, services differentiation, personnel differentiation, channel differentiation, and image differentiation.

- 1) **Product differentiation:** Differentiation of physical products takes place along two extremes. At one extreme there are highly standardized products that allow little variations, and at the other extreme products capability of high differentiation. Thus, the main product differentiators are features, performance, durability, reliability, reparability, style and design (Kotler, 1999).
- 2) **Service differentiation:** In addition to differentiating its physical product, a firm can also differentiate its services. When the product cannot easily be differentiated, the key to competitive success often lies in adding more value- adding services and improving their quality. The main service differentiators are ordering ease, delivery, installation, customer training, customer consulting, maintenance and repair, and a few others (Kotler, 1999).

- 3) **Personnel differentiation:** company's can gain a strong competitive advantage through hiring and training better people than their competitors do. Thus, better trained personnel exhibit six characteristics: (i) Competency: the employees possess the required skill and knowledge (ii) Courtesy: the employees are friendly, respectful, and considerate (iii) Credibility: The employees are trustworthy (iv) Reliability: The employees perform the service consistently and accurately (v) Responsiveness: The employees respond quickly to customers' request and problems (vi) Communication: The employees make an effort to understand the customer and communicate clearly (Kotler, 1999).
- 4) **Channel Differentiation:** Companies can achieve differentiation through the way shaped their distribution channels, particularly these channels' coverage, expertise, and performance.
- 5) **Image Differentiation:** Even when competing offers look the same, buyers may respond differently to the company image or brand image. Image is the way the public perceives the company or its products. An effective image does three things for a product. First, it conveys a singular message that establishes the product's character and value proposition. Second, it conveys this message in a distinctive way so that it is not confused with similar message from competitors. Third, it delivers emotional power so that it stirs the hearts as well as the minds of buyers. Developing a strong image calls for creativity and hard work. The image cannot be implemented in the public's mind overnight nor seeded by one media vehicle alone; rather, it must be conveyed through every available communication vehicle and disseminated continuously (Kotler, 1999).

2.3.4 Positioning Strategy

“Products are created in the factory, but brands are created in the mind” says a positioning expert (Kotler, et al., 2010). One of the most critical strategic decision a company faces is how to “position itself” in its competitive environment. From the view point of marketing function, the alternatives are usually expressed in terms of

product position: the mixes of product design characteristics, pricing, distribution, and promotional/communication approaches that differentiate the company's product and related services from competitive offerings and make it more or less suitable for different market segments (Ghose, 2008). Similarly, as Cravens and Piercy (2009) stated, marketing program (mix) (product, distribution, price, and promotion) strategy selected for each market target implement the positioning strategy, to achieve favorable positioning while allocating financial, human, and production resources to markets, customers, and products as effectively and efficiently as possible.

According to Reeder, et al., (2005), positioning strategy in industrial market however, is more difficult and subtle than in the consumer market. The difficulty arises from two reasons

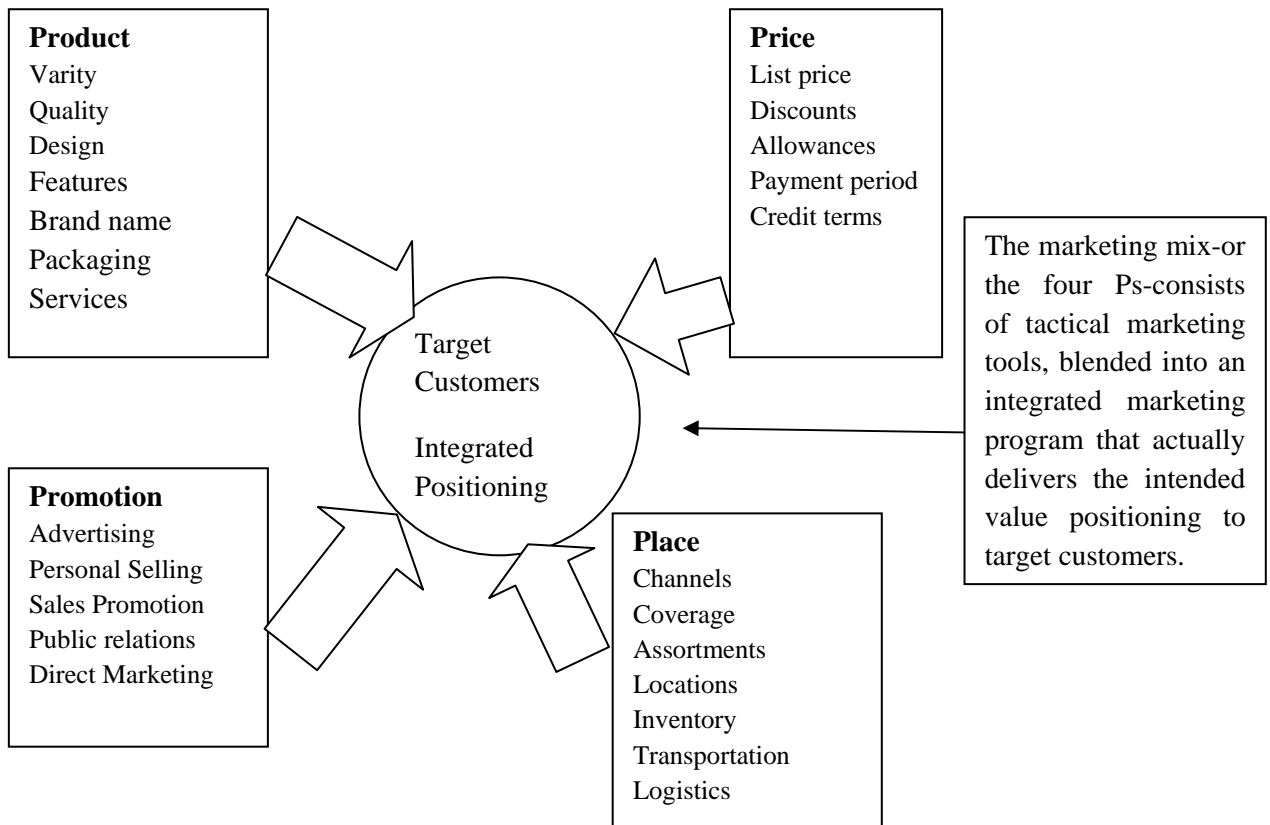
1. Lack of adequate marketing research support
2. In many cases, lack of understanding of positioning principles.

Thus, if a firm is to differentiate its market offering from those of competitors in such a way as to take advantage of its distinctive competencies and gain differential advantage, it must develop a unique position within the market. In view of that, Perreault and McCarty (2005), marketing manager needs a realistic view of how customers think about offering in the market. At the same time, the manager should know how she/he wants to target customers to think about the firm's marketing mix.

2.4 Integrated Marketing Mix

After deciding on its overall marketing strategy, the company is ready to begin planning the details of marketing mix, one of the major concepts of modern marketing. The marketing mix is the set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything that the firm can do to influence the demand for its product. The main possibilities can be collected into four groups of variables known as the four Ps; Product, Price, Place, and Promotion (Kotler, et al., 2010).

Fig. 2.2: The Four Ps of Marketing Mix



Source: *Adopted from: Philip Kotler, Gray Armstrong, Prafulla Y. Agnihotri, & Ehsan Ul Haque, Principles of Marketing, 13th ed. 2010, p.46*

2.4.1 Product Strategy

“The core element in the marketing mix is the company’s product because this provides the functional requirements sought by customers” (Jobber, 2001, p. 229). Kotler, et al., (2010), define product as anything that can be offered to a market for attention acquisition, use or consumption that might satisfy a want or need. Product is a key element in the overall market offering. Market mix planning begins with building an offering that brings value to target customers. This offering becomes the basis up on which the company builds profitable customer relationship.

2.4.1.1 Industrial Product Life- Cycle Strategies

2.4.1.1.1 Introduction Stage Strategies

According to Reeder et al., (2005), product acceptance, during the introductory stage of an industrial product is considerable deferent from what is generally experienced from consumer market. While some products are rapidly accepted, others accepted very slow and entail considerable market development before reaching an appreciable growth stage. Furthermore, they argue that product acceptance in the industrial market is affected by how the product fits into the buyer's total system. When products have the potential for rapid acceptance (entail a low level of leaning); the marketer must be prepared to meet vigorous competition. With slowly accepted products (product that requires a high level of learning) marketing strategy should focus on market development.

2.4.1.1.1.2 Growth Stage Strategies

As product begins to enter the rapid growth strategy, the emphasis on product strategy shifts to improving product design, improving distribution service, and lowering price as increasing product demand accompanied by accumulated production experience, begins to lower cost substantially. As market demand increases, product design and other aspects of the product offering must be changed to meet both low end and premium market segment needs. Further, when product availability is weak, competitors are encouraged to enter the market. Unfortunately, however, too many firms tend to overlook the need to lower price as costs decrease. When prices are lowered as costs decrease, experience has proven that entering competitors are not as strong as when price is allowed to lag decrease in cost (Reeder, et al., 2005).

2.4.1.1.1.3 Maturity Stage Strategies

By the time market demand reaches the maturity stage, industrial buyers have found suppliers, whose offering satisfy their needs fairly well and are "neither searching for new suppliers nor playing much attraction to promotion of other offering". Marketing

strategy therefore, should be directed towards keeping current users are satisfied and looking for opportunities to find new buyers of enter new market through product modification and changes in other marketing mix variables. It should be noted however, that unless buyers perceive substantial benefits in production modification, increases promotional efforts alone are seldom effective (Reeder, et al., 2005).

2.4.1.1.1.4 Decline Stage Strategies

Changes in customer desires as well as changes in the state of art that create better substitute offering eventually bring about a decline in the sales and profits of every product. When product enters the decline stage, the marketer is faced with the choice of phasing the product out or embarking on a milking strategy in which marketing expenses are sharply reduced to increase current profit margin (Reeder, et al., 2005).

2.4.1.1.2 Product Line Decisions

On the word of Kotler, et al., (2010), a product line is a group of products that are closely related because they function in a similar manner, and are sold to the same customer groups, and are marketed through the same type of outlets or fall within given prices ranges. Beyond decisions about individual products and services, product strategy, also calls for building product line.

2.4.1.1.3: Product Mix Decisions

As Kotler, et al., (2010) sated, a product mix (or product portfolio) consists of all product lines and items that a particular seller offers for sale. A company's product mix has four important dimensions; width, length, depth, and consistency. The product mix width refers to the number of different product lines the company carries. Product length refers to the total number of items the company carries with its product lines. Product depth refers to the number of versions offered of each product in the line. Finally consistency of the product mix refers to how closely relate the various product lines are in end use production requirement, distribution channels, or some other way.

These product mix dimensions provide the handles for defining the company's product strategy. The company can also increase its business in four ways. It can add new product lines, widening its product mix, lengthen its existing product lines, its can add more versions of each product, and thus deepen the product mix (Kotler, et al, 2010)

2.4.1.1.4 Product Support Services

Customer service is another element of product strategy. A company's offer usually includes some support services which can be minor or a major part of the total offering. The first step is to survey customers, periodically to assess the value of current services and to attain ideas for new one. Once the company has assessed the quality of various support services to customer, it can take steps to fix problem and add new services that will both delight customers and yield profits to the company (Kotler, et al, 2010).

2.4.2 Pricing Strategies

As Perreault and McCarthy (2005) stated, price is one of the four major strategy decision variables which a marketing manager controls. Price decision affects both the number of sales a firm makes and how much money it earns. Thus, guided by the company's objectives, marketing managers must develop a set of pricing objective polices, spelling out what price situations the firm will face and how it will handle them. These policies should explain (1) how flexible price will be; (2) at what level they will be set over the product life cycle, (3) to whom and when discounts and allowances will be given, and (4) how transportation costs will be handled

According to Kotler, et al., (2010), pricing decisions are subject to a complex array of company, environment and competitive forces. The major pricing strategies available to market are new product pricing strategies, for products in the introductory stage of the product life cycle , product mix pricing strategies for related products in the product mix, and price adjustment strategies that account for customers differences and changing situations, and strategies for initiating and responding to price changes.

2.4.2.1 New Product Pricing Strategies

It is generally believed that most industrial marketers set prices for new products and adjust prices for old products on a cost plus basis. Indeed, Perreault and McCarthy (2005) recommend that marketing managers who administer prices must consciously set a price level policy. As they enter the market (1) they have to set introductory prices that may have long run effects (2) they must consider where the product life cycle is and how fast it moves, and (3) they must decide if their prices should be above, below, or somewhere in between relative to the market. Kotler, et al., (2010) pricing strategy usually change as product passes through the life cycle. The introductory stage is especially challenging. Companies bring out a new product face the challenge of setting prices for the first time. They can choose between the two broad strategies: Market skimming and market penetration pricing

2.4.2.1.1 Market Skimming Pricing

Many companies that invent new products set high Initial prices to “skim” revenues layer by layer from the market. Market skimming makes sense only under certain conditions. First, the product’s quality and image must support its higher price and enough buyers must want the product at that price. Second, the costs of producing a small volume cannot be so high that they cancel the advantage of changing more. Finally, competitors should not be able to enter the market easily and undercut the higher price (Kotler, et al., 2010).

2.4.2.1.2 Market Penetration Pricing

As Kotler, et al., (2010) stated, rather than setting a high initial price to skim of small but profitable market segments, some companies use market penetration. They set a low initial price in order to penetrate the market quickly and deep to attract a large number of buyers quickly, and win a large market share. The high sales volume results in falling costs, allowing the companies to cut their price even further. Several conditions must be met for this low price strategy to work. First, market must be highly price sensitive so that low price products more market growth. Second, production and

distribution costs must fall as sales volume increases. Finally, the low price must help keep out the competition, and the penetration price must maintain its low price position, otherwise the price advantage may only temporary.

2.4.2.2 Product Mix Pricing Strategies

The strategy for setting a product's price often has to be changed when the product is part of product mix. In this case, the firm looks for a set of prices that maximizes the profits on the total product mix. Pricing is difficult because the various products have related demand and costs and face different degrees of competition. Some of elements of product mix pricing strategies are; product line pricing, optional product pricing, captive product pricing, and product bundle pricing (Kotler, et al, 2010).

2.4.2.2.1 Product Line Pricing

Kotler, et al., (2010), defined product line pricing as, setting the price steps between various products in a product line based on cost differences between the products, customer evaluation of different features, and competitors' price. This definition shows, as companies usually develop product line rather than single products, the price steps should take into account cost differences between the products in the line, and more importantly, they should account for differences in customer perception of the value of difference features.

2.4.2.2.2 Optional Product Pricing

As Kotler, et al., (2010) described, many companies use optional pricing offering to sell optional or accessory products along with their main products. But, pricing these options is a sticky problem and companies must decide which item to include in base prices and which to offer as options.

2.4.2.2.3 Captive Product Pricing

Philip Kotler and Gray Armstrong (1999) defined captive product pricing, as setting a price for products that must be used along with a main product, such as blades

for a razor and films for a camera. From this definition, companies that make products that must be used along with a main product are using captive product pricing.

2.4.2.2.4 Product Bundle Pricing

As Kotler, et al., (2010) stated, using product bundle pricing, sellers often combine several of their products, and offer the bundle at a reduced price. Furthermore, price bundling can promote the sales of products consumers might not otherwise buy, but the combined price must be low enough to get them to buy the bundle.

2.4.2.3 Price Adjustment Strategies

According to Kotler, et al., (2010), companies usually adjust their basic prices to account for various customer differences and changing situations. Reeder, et al., (2005), because industrial products sold to different types of customers who buy in different quantities and are located in different geographical regions, pricing policies involves adjustments to the base price to account for these differences. Flexible pricing strategy , that is willingness to adjust prices or profit margins on specific products when market conditions change ,is now common in industrial marketing. However, price flexibility does not always mean a change in list prices. Some of the elements of price adjustment strategies are; discount and allowance, segmented pricing, psychological pricing, promotional pricing, geographical pricing, dynamic pricing, and international pricing.

2.4.2.3.1 Discount and Allowance Pricing

According to Kotler, et al., (2010), most companies adjust their basic prices to reward customers for certain responses, such as early payment of bill, volume purchases, and off-season buying. These price adjustments- called discount and allowance – can take any forms like discount pricing, trade discounts, quantity discounts, and cash discounts.

2.4.2.3.2 Segmented Pricing

On the world of Kotler, et al., (2010), segmented pricing is setting a product or service at two or more prices, where the difference in price is not based on difference in costs. From this definition, in segmented pricing, the company sells a product or service at two or prices even though the difference in prices is not based on differences in costs. For segmented pricing to be effective strategy, certain conditions must exist. The market must be segmentable, and the segments must show different degrees of demand. The cost of segmenting, and watching the market cannot exceed the extra revenue obtained from the price differences.

2.4.2.3.3 Promotional Pricing

As Kotler, et al., (2010) stated, promotional pricing is a temporarily pricing products below the list price, and sometimes even below cost, to increase short- run sales. From this statement, companies will temporarily price their products below list price and sometimes even below the cost to create buying excitement and urgency. Promotional pricing takes several forms. For instance, sellers may simply offer discounts from normal prices to increase sales and reduce inventories. Sellers also use special event pricing in certain season to draw more customers.

2.4.2.3.4 Geographical Pricing

According to Reeder, et al., (2005), geographical factors are an important concern in pricing decisions because shipping costs may impact the ultimate price to be paid by buyers and the ability of the selling firm to remain competitive in discount markets. Thus, decisions must be on how these costs will figure into the overall price structure the firm uses.

2.4.3 Integrated Marketing Communication Strategy

2.4.3.1 Marketing Communication Mix

As Farese, et al., (2003) defined, promotional mix is a combination of the different types of promotion. A business decides on the promotional mix that will be most effective in persuading, potential customers to purchase and support its products. The purpose of any promotion may be directly related to the product or to the image of the business. As indicated by Cravens and Piercy (2009), promotion strategy consists of planning, implementing, and controlling an organization's communications to its customers and other target audience. The purpose of promotion in marketing program is also to achieve management's desired communications objectives with each audience. From this description, an important marketing responsibility is then, planning and coordinating the integrated promotion strategy and selecting the specific strategies for each of the promotion components.

As Kotler and Armstrong (1999), stated a company's total marketing communication mix is also called its promotional mix consists of the specific blended of advertising, Personal selling, sales promotion and public relations tools that the company uses to pursue its advertizing and marketing objectives. Kotler and Keller (2006) have also asserted six major marketing communication mix consists of advertising, sales promotion, event and experience, public relation and publicity, and personal selling. Furthermore, Kotler, Keller, Koshy, and Jha (2009), have claimed marketing communication mix consists of eight modes of communication. Definitions of the eight major communication mixes are as follows:

- i. Advertising:** Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.
- ii. Sales promotion:** A variety of short term incentives to encourage trial or purchase of product or service
- iii. Events and experiences:** Company sponsored activities and programs designed to create daily or special brand related interactions.

- iv. **Public relations and publicity:** A variety of programs designed to promote or protect a company's image or its individual products.
- v. **Direct marketing:** use of mail, telephone, fax, e-mail, or internet to communicate directly with or solicit response or dialogue from specific customers and prospects.
- vi. **Interactive marketing:** online activities and programs designed to encourage customers or prospects and directly or indirectly raise awareness, improve image, or elicit sales of products and services.
- vii. **Word of mouth marketing:** People to people oral, written, or electronic communications that relate to the merits or experiences of purchasing or using products or services
- viii. **Personal Selling:** Face to face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions, and producing orders.

As Kotler, et al., (2010) stated, marketing communication goes beyond these specific promotion tools. The product's design, its price, the shape, and color of its package, and the stores that sell it all communicate something to buyers. Thus although the production mix is the company's primary communication activity, the entire marketing mix; promotion and product, price, and place must be coordinated for greatest communication impact.

2.4.3.2 The Role of Marketing Communications

According to Kotler, et al., (2009), marketing communications are the means by which firms attempt to inform, pursued, and remind consumers, directly or indirectly, about the products and brands they sell. In a sense marketing communications represent the "voice" of the company and its brands and are means by which it can establish a dialogue and build relationships with consumers. Kotler and Keller (2006), marketing communications allow companies to link their brands to other people, places, events, brands, experiences, feelings, and things. Moreover, marketing communications can also contribute to the brand equity by establishing the brand memory crafting a brand image.

2.4.3.3 Promotional Mix Strategies

Marketers can choose from two basic mix strategies; push promotion or pull promotion. The relative emphasis on the specific promotion tools differs for push and pulls strategies. Kotler, et al., (2010), defined push strategy as a promotion strategy that calls for using the sales force and trade promotion to push the product through channels. The producer promotes the product to channel members who intern promotes it to final consumers. Pull strategy is a promotion strategy that calls for spending a lot on advertizing and consumer promotion to induce the final consumers to buy the product, creating a demand vacuum that “pulls” the product through the channel. If the pull strategy is effective, consumers will then demand the product from the channel members who will in turn demand it from producers. Thus under a pull strategy; consumer demand “pulls” the product through the channels.

The importance of different promotion tools varies between consumer and business markets. Business to consumer companies usually “pull” more, putting more funds into advertising, followed by sales promotion, personal selling, and then public relations. In contrast, business to business marketers tend to “Push” more, putting more of their funds into personal selling, followed by sells promotion, advertising, and public relations. In general, personal selling used more heavily with expensive and risky goods and in market with fewer and large sellers (Kotler, et al 2010).

2.4.4 Distribution Channel Strategies

Distribution is an essential element in the product offering of the industrial marketer, reflecting the importance of availability of supply as purchasing objectives for the industrial buyer. Distribution has two related but distinct meanings in industrial marketing. First distribution includes resellers who buy and sell the product it moves along channel of distribution. Second, distribution includes physical distribution, the movement and storage of products as they proceed from the manufacturer to the end user. The first aspect is often called the marketing channel; the latter is known as logistics (Webster, 1991).


As Doyle (2002) described, after product, promotion, and price; the fourth “P” of the marketing mix is place. More often this element of marketing management is called distribution. Distribution management is the set of decisions and process concerned with flow of products or services from producer to customers. The choice and design of the marketing channel is also strategically important because it is a long term decision and not easily changed. Marketing channel strategy is therefore, a major determinant of the firm’s long term effectiveness and efficiency.

2.4.4.2 Channels of Distribution for Industrial Products and Services

Etzel et al, (2004) a variety of channels is available to reach organizations that incorporate the products into their manufacturing process or use them in their operations. In the distribution of business goods the term industrial distributors and merchant whole sellers are synonymous. Farese, et al., (2003) because industrial users shop differently and have different needs than consumer, they use different channels of distribution.

The five common channels for business goods are:

Channel A:

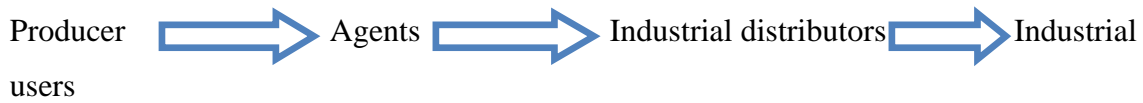
Producer  Industrial user: This is the most common method of distribution for major equipment used in manufacturing and other business. The manufacturer’s sales force calls on the industrial user to sell goods and services.

Channel B:

Producer  Industrial distributors  Industrial users



This channel is used most often for small standardized parts and operational supplies needed to run a business. Industrial wholesalers (distributors) take ownership of products, stock them, and sell them as needed to industrial users

Channel C:



Small manufacturers who do not have the time or money to invest in a direct sales force may prefer this channel. The agent sells the goods to the industrial wholesaler who stores, resells, and ships them to the industrial users. The advantage of this arrangement is that both agent and industrial wholesalers are likely to be experts well known in the industry. Their reputation and services may be impossible for a small manufacturer to duplicate on its own.

Channel D:

Manufacturers/Producers  Agents  Industrial users: This is another channel used when a manufacturer does not want to hire its own sales force. The agent represents the manufacturer for sale of the goods but does not take position or title. The merchandise is shipped directly from manufacturer the industrial user. Construction equipment, farm products, and dry goods are often marketed in this way.

In fact, according to Farese, et al., (2003), the least commonly used channel in the consumer market; direct distribution (channel A) is the most commonly used in the industrial market.

2.4.4.2 Determining Intensity of Distribution

As Etzel, et al., (2004) stated, at this point in designing a channel, a firm knows what has been assigned to distribution within the marketing mix, and which types of middlemen will be used (assuming indirect distribution is appropriate). Furthermore, Kotler and Armstrong (1999) argue that companies must also determine the number of channel members to use at each level. They pointed out three strategies which are available; intensive distribution, exclusive distribution, and selective distribution.

2.4.4.2.1 Intensive Distribution

According to Etzel, et al., (2004), under intensive distribution, a producer sells its product through every available outlet in the market where a consumer might reasonably look for it. Similarly, Doyle (2002) argues that for low priced convenience or impulse products, companies will generally want to maximize the number of outlets carrying them. Furthermore, he contends that the places carrying the product, the more likely it is to be bought. The more intensive the distribution required, the greater the efficiency offered by intermediaries.

2.4.4.2.2 Exclusive Distribution

According to Kotler and Armstrong (1999), exclusive distribution is giving a limited number of dealers the exclusive right to distribute the company's products in their territories. This shows that by contrast to the intensive distribution, some producers purposely limit the number of intermediaries handling their products.

2.4.4.3 Selective Distribution

Kotler, et al., (2010), described selective distribution as the use of more than one, but fewer than all of the intermediaries who are willing to carry the company's product. From this description, selective distribution lies between the intensive and exclusive distribution. Thus, selective distribution gives producers good marketing coverage with more and less cost than does, intensive distribution. Subsequently, Etzel, et al., (2004) conclude that a firm may move toward more selective distribution to enhance the image of its products, strengthen customer service, improve quality control, and/or maintain influences over its price.

2.5 Marketing Research

According to Farese, et al., (2003), marketing research involves the marketing functions that link consumer, and public to the market through information. Marketing research can apply to any aspect of marketing. The primary emphasis of marketing

research is to obtain information about the preferences, opinions, habits, trends, and plans of current and potential customers. The research answers, what product should be produced, where the products should be sold, how the product will be promoted, and what the price the product will sell. The information obtained from research helps businesses plan their future operations to increase sales and profits. Perreault and McCarthy, (2005) concluded that marketing managers have to rely on help from marketing research procedures to develop and analyze new information to help marketing managers make decisions.

2.6 Internal Marketing

“It makes no sense to promise excellent service before the company’s staff is ready to provide it”, (Kotler and Keller, 2006, p.20). On the word of Kotler, et al, (2009), internal marketing is the task of hiring, training, and motivating able employees who want to serve customers. Holistic marketing incorporates internal marketing, ensuring that everyone in the organization embraces appropriate marketing principles especially senior management. Smart marketers; recognize that marketing activities within the company can be important or even more important than marketing activities directed outside the company. Internal marketing must then take place on two levels (1) the various marketing functions (sales force, advertizing, customer service, product management, and marketing research) should work together, and all these marketing functions must be coordinated from customer’s point of view. (2) Other departments must embrace marketing, and also ‘think customer’. Thus Internal marketing requires vertical alignment and horizontal alignment with senior management and horizontal alignment with other departments so that everyone understands, appropriates, supports the marketing effort.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This part discusses the theoretical framework, and the methodologies that have been used in this study; the research design, time and place of the study, procedures of data collection, methods of data analysis, and ethical considerations along with an appropriate justification associated with each approach.

3.1 Theoretical Framework

3.1.1 Introduction:

Every type of empirical research has implicit, if not explicit research design. In the most elementary sense, the design is a sequence that connects empirical data to the study's initial research questions and ultimately, to the conclusions. In a sense the research design is a blueprint of research, dealing with at least four problems; what questions to study, what data are relevant, what data to collect, and how to analyze the results (Yin, 1996). It is much more than a work plan because the main purpose is to help to avoid the situation in which the evidence does not address the initial research questions. Hence, the research design deals with a logical problem and not a logistical problem, and also specifies how the researcher/investigator will address the two critical issues of representation and legitimization.

Moreover, research design describes a flexible set of guidelines that connects theoretical paradigms to strategies of inquiry and methods for collecting empirical material. It situates researchers in the empirical world and connects them to specific sites, persons, groups, institutions, and bodies of relevant interpretive materials, including documents and archives.

3.1.2 Case Study as a Qualitative Research

The qualitative approach to research is typically used to answer questions about the nature of phenomena with the purpose of describing and understanding them from the

participants' point of view. Creswell (cited in Leed, 1997) defined as a qualitative study as an inquiry into social or human problems, based on testing a theory composed of variables, measured with numbers and analyzed with statistical procedures in order to determine whether the predictive generalization of the theory holds true'. As a form of qualitative research, case studies are defined by interest in individual cases not by methods of inquiry used. They draw attention to the questions of what specifically can be learned from the cases. Case studies are used when the researcher intends to support his/her argument by an in-depth analysis of a person, group of persons, an organization or a particular project.

3.1.3 Validity and Reliability Issues

Triangulation, used in all types of qualitative research, refers to the process of using multiple data collection methods, data sources, analysis, or theories to check the validity of the findings. Through the process of triangulation, any finding, or conclusion, is likely to be much more convincing and accurate if it is based on several different sources of information. This research is a case study of the marketing strategy practices of Bruh Tesfa Irrigation and Water Technology Plc and was meant to critically evaluate the industrial marketing strategy practices of the company, and assessing the variables that influence its inefficiency and examine the implications of the industrial marketing strategy practices on the company's mission.

3.2 Research Design

Even though marketing strategy is a fundamental strategy that applies to consumer and industrial marketing, this study is targeted on an industrial marketing strategies of Bruh Tesfa Irrigation and Water Technology plc a company engaged in industrial marketing. This study is then, intended to critically evaluate the industrial marketing strategy practices at Bruh Tesfa Irrigation and Water Technology Plc based on the fundamental theories, principles, management philosophies that are supposed to be effective parameters just to evaluate the actual practices being

performed by the company and examine the implications of the industrial marketing strategy practices on the company's mission and vision.

As this is a descriptive study, both qualitative and quantitative methods of data collection were used to obtain the desired results of the company and to explore detail evidences about the problems. In the course of analyzing the problems, both primary and secondary data collection procedure have been employed. To achieve this goal, questionnaires, interviews, observations, and document reviews were the main tools. As Reeder, et al., (2005) stated, in contrast to consumer marketing, successful industrial marketing strategy depends more on other functional areas. Accordingly, the total population of the study was 280 employees in which 110 questionnaires were distributed to selected respondents using quota sampling method that represents 39% of the total population (See Population Sampling Table below).

Population Sampling Table

S/No.	Sampling area	Population	Sample	%
1	Marketing Department	15	12	10%
2	Production and Technique Department	74	25	22%
3	Study , Design, and Installation Department	64	20	17%
4	Finance Department	12	8	7%
5	Human Resource Development Department	58	10	9%
6	Supply and Procurement Department	19	12	10%
7	Planning and MIS Service	5	3	3%
8	Quality Assurance Service	10	8	7%
9	Addis Ababa Branch Office	18	10	9%
10	General Manager Office	5	2	2%
	Total	280	110	100%

Source: Company's Human Resource Development Department

The target populations of the study were 110 who are senior managers, middle level managers and operational staff members of the functional departments of the company namely, Marketing Department, Finance Department, Production and

Technical Department, Study, Design, and Installation Department, Supply and Procurement Department, Quality Assurance Service, Audit Service, Organizational System Development Service, Planning and MIS Service, Human Resources Development Department, and Addis Ababa Branch Office.

The selection of the respondents was carried out by using quota sampling research method. Quota sampling was preferred in order to secure equal representation of all the functional departments of the company. In addition, data was collected by using interview with the senior managers, and branch office manager of the company, and selected target customers.

3.3 Time and Place of the Study

The study was conducted from August, 2012 to February, 2013, in Addis Ababa.

3.4 Source of Data

The study adopted the data triangulation technique by using a combination of data sources with the effect that the strength and weakness in each sources are compensated when used together. The aim was to improve the validity of the findings.

In order to gather the data from relevant sources, both primary and secondary data collection instruments were used. The primary data were obtained from the completed questionnaires, along with the personal interviews with senior marketing, and other department managers, and selected customers as well as observations. Administrative documents (marketing plan, company profile, assessment reports and other internal documents) were used to supplement these sources.

Research/Data Collection Instruments

Key Informants	Research Instrument
Senior Manages (Department Heads/Branch Manager	Structured Questionnaire and Interview
Middle Level Managers(Division/Section Heads)	Structured Questionnaire
Operational/Technical staff	Structured Questionnaire
Customers	Face to Face Interview

Interview and observations following the questionnaires were used to clarify and fill in possible gaps in the completed questionnaire. For primary data the combination of methods ensured thorough coverage in as far as resources could go. Secondary data covered library search for relevant literature from all possible sources including books, journal articles, theses, and internet.

3.5 Procedures of Data Collection

The questionnaire has incorporated a number of logically organized/structured questions. The researcher has made every possible effort to make each question as precise and simple as possible, and to keep consistency to avoid ambiguity. A preliminary test of questionnaires was necessary to ensure clarity of the questions. Accordingly, the questionnaire was pre-tested at Addis Ababa branch office of the company to check its clarity to the respondents. Some comments were incorporated after the pretest of the questionnaires to make it more clearly for the respondents.

3.6 Method of Data Analysis

The collected data was analyzed and interpreted by using both qualitative and quantitative techniques. The data collected by open ended interview questions and observation were analyzed qualitatively. The closed ended questionnaires were analyzed quantitatively by using figures, tables, percentages, and Likert Scale (five

point scale) statement computations. IBM Statistical Package for the Social Science (SPSS Statistics 20) software was applied to encode, compile, process, and analyze the collected data.

3.7 Ethical Considerations

When ethics are discussed in research design, we often think first about protecting the rights of the participants, respondents, or subject. Whether data are gathered in an experiment, interview, observation, or survey, the respondent has many rights to be safeguarded (Cooper and Schindler, 2003). Accordingly, on the outset, the researcher has explained the purpose of the study and its benefit to respondents. After that one questionnaire was given to each respondent, and respondents were guaranteed that no one will have access for an individual respondent's information except the researcher. Then, respondents have given their informed consent by completing and returning the questionnaire. Results of the study are reported in a complete and honest way without misinterpreting or intentionally misleading others with regard to the research findings. The study is the researcher's own work, and where researcher's ideas or words were used, it was acknowledged in the research report.

CHAPTER FOUR

RESULTS AND DISCUSSION

In this section the overall marketing strategy practices of Bruh Tesfa Irrigation and Water Technology Plc's will be discussed. This data analysis and interpretation part is composed of different data and information that were collected through secondary data (written documents) and primary data (personal interview with senior managers, and selected customers), and the result of questionnaires from respondents' opinion. The respondents were senior managers, middle level managers, and technical level staff of the company. The focus of this section is mainly on the marketing strategies of the company relating to segmentation, target marketing, differentiation, and positioning along with marketing mix (product, pricing, place/distribution, and promotion strategies) in which that constitutes for marketing strategy practices.

4.1 Profile of Respondents

Table 1: General Information of Respondents

Educational level of Respondents	Frequency	Percent	Valid Percent	Cumulative Percent
Certificate	1	1.2	1.2	1.2
Diploma	24	28.2	28.2	29.4
1st Degree	57	67.1	67.1	96.5
2nd Degree	3	3.5	3.5	100
Total	85	100	100	
Service year of Employees with the Company	Frequency	Percent	Valid Percent	Cumulative Percent
Less than one year	7	8.2	8.2	8.2
Two to three years	39	45.9	45.9	54.1
Four to five years	28	32.9	32.9	87.1
Six to seven years	11	12.9	12.9	100
Total	85	100	100	

Source: Own survey, November 2012

Table 1 discloses the general information of the respondents about their educational level and service years with Bruh Tesfa Irrigation and Water Technology Plc. It shows 67.1 % of the responders were 1st Degree holders, 28.2% were Diploma holders 3.5% were 2nd Degree holders and 1.2% certificate.

With regard to the service year of the respondents with the company, 45.9% have served from two to three years, 32.9% have served from four to five years, and 12.9% have served from six to seven years. The rest 8.2% have served less than one year in the company.

4.2 Questionnaire Analysis

Table 2: Total number of questionnaires distributed, returned and not returned

S/N o.	Sampling area	Distributed	Returned	Not returned	Returned %	Not returned %	Total
1	Marketing Department	12	8	4	7%	4%	11%
2	Production and Technique Department	25	21	4	19%	4%	23%
3	Study , Design, and Installation Department	20	10	10	9%	9%	18%
4	Finance Department	8	8	0	7%	0%	7%
5	Human Resource Development Department	10	10	0	9%	0%	9%
6	Supply and Procurement Department	12	7	5	6%	5%	11%
7	Planning and MIS Service	3	2	1	2%	1%	3%
8	Quality Assurance Service	8	8	0	7%	0%	7%
9	Audit Service	1	1	0	1%	0%	1%
10	Organizational System Development Service	1	1	0	1%	0%	1%
11	Addis Ababa Branch Office	10	9	1	8%	1%	9%
	Total Distributed	110	85	25	77%	23%	100%

Source: Own Survey, November 2012

As Table 2 shows, 110 questionnaires were distributed to respondents represented from six departments, four services, and Addis Ababa branch office of the company based on their quota, namely, marketing department, finance department, production and technique department, study, design and installation department, human resource development department, and quality assurance service, audit service, organizational systems development service, and Planning and MIS service.

From those distributed; 85 questionnaires (77%) were properly filled and returned on time, whereas 25 questionnaires (23%) were not returned. All the returned questionnaires were completed and considered for the data analysis.

4.2.1 Industrial Market Segmentation

Table 3: Respondents response concerning basis of the company’s market macro and micro segmentation

Bases of company's market segmentation at macro level	Frequency	Percent	Valid Percent	Cumulative Percent
Geographic location	30	31.6	31.6	31.6
Organizational size	13	13.7	13.7	45.3
Industry sector	42	44.2	44.2	89.5
I have no clue	10	10.5	10.5	100
		100	100	
Bases of company's market segmentation at micro level	Frequency	Percent	Valid Percent	Cumulative Percent
Organizational capability	44	46.8	46.8	46.8
Purchase Policies	9	9.6	9.6	56.4
Purchasing Criteria	9	9.6	9.6	66
Buying situation/buying phase	12	12.9	12.8	78.7
I have no clue	20	21.3	21.3	100
		100	100	

Source: Own survey, November 2012

Table 3 indicates that majority of the respondents have said the bases for the company’s market macro segmentation are industrial sector, geographic location and

organizational size which accounts 44.2%, 31.6% and 13.7% respectively. However, 10.5% of the respondents do not have any clue about the company's market segmentation criteria at macro level. Moreover, the senior managers (interviewees) have said that the geographic location of the company's market segmentation covers; Tigray Region, Amhara Region, Afar Region, Oromia Region, South Nations, Nationalists and Peoples Region (SNNPR), Harari Region, Dire Dawa, and Addis Ababa. The table also indicates that majority of respondents have said that the bases for micro segmentation of the company's market are organizational capability, and buying situation, which represents 46.8%, and 12.8%, respectively. Moreover, 9.6% respondents have answered as the bases for micro segmentation are purchasing criteria, and purchasing policies. On the other hand, similar to some of the respondents who have responded for the macro segmentation, 21.3% of the respondents said they do not have any clue about how the company's market is being segmented at micro level as well.

From this analysis, although there are some employees who don't have any clue on what is going on the company's market segmentation, readers, can understand that the company's market is segmented based on industrial sectors, geographical location, and organizational size at macro level. Similarly, at micro level (micro segmentation) the company's market is further segmented based on organizational capability, buying situation, purchasing policy, and criteria.

4.2.2 Target Markets

One of the most important activities of the marketing strategy is selection of target markets. As Table 4 shows, 30.2% of the respondents have responded that the target customers of the company are Ministry of Agriculture at federal level, and Bureau of Agriculture and Rural Development at regional levels, and 28 % of the respondents have said Ministry of Water Resources and Energy at federal and regional levels. Moreover, 20.6 %, 11.6 %, and 9.5% of the respondents have said the target customers of the company are non-governmental organizations (NGOs), flower and horticulture farms, and others like Sugar Corporation, private investors, water supply

works, and construction companies respectively in which generally, all those customers can be mainly categorized in to governmental, non-governmental, and private sectors that are engaged in irrigation, water supply, and construction works.

Table 4: Respondents opinion towards target customers of the company

Company's major customer groups	Frequency	Percent	Valid Percent
Ministry/Bureau of Agriculture	57	30.2	30.2
Flower and Horticulture Farms	22	11.6	11.6
Ministry /Bureau of Water Resource and Energy	53	28	28
Non Governmental Organizations (NGO)	39	20.6	20.6
Others : Sugar Corporation, Private investors and construction companies	18	9.5	9.5
Total		100	100

Source: Own Survey, November 2012

As the analysis shows, the company is serving different customers mainly engaged in agro industry (flower, and horticulture), irrigation, water supply systems, and constructions that are found at federal and regional levels. The main target market/ customers of the company are governmental organizations, on-governmental organizations (NGOs), private sectors mainly engaged in rural and urban development works.

5.2.3 Differentiation

Beyond deciding which segment of the market it will target, the company must decide on a value proportion- on how it will create differentiated value for target segment and what position it wants to occupy in those segments.

Generally, a company must try to identify the specific way it can differentiate its products to obtain a competitive advantage. Table 5 depicts that 40% of the respondents have rated the product differentiation strategy of the company as very

good. 21.20% and 11.80 % of the respondents have rated it as good and fair respectively. On the other hand 11.8% of the respondents have rated the product differentiation of the company as a poor, and the rest 15.3% have said they don't have any clue about the company's product differentiation strategy practice. This implies that the company has very good product differentiation strategy practices to win its competitors in the market.

Table 5: Respondents' opinion on the practical applications/use of tools for competitive differentiation by the company

S/No.	Differentiation Tools	%					Total
		Poor	Fair	Good	Very good	I have no clue	
1	Product differentiation	11.80%	11.80%	21.20%	40.00%	15.30%	100%
2	Service differentiation	9.40%	8.20%	32.90%	36.50%	12.90%	100%
3	Personnel differentiation	5.90%	18.80%	31.80%	23.50%	20.00%	100%
4	Channel differentiation	7.10%	25.90%	28.20%	22.40%	16.50%	100%
5	Image differentiation	4.80%	16.70%	33.30%	26.20%	19.00%	100%

Source: Own Survey, November 2012

In addition to differentiating its product, a company can also differentiate its services. From this point of view, 36.5%, 32.90%, and 8.2% of the respondents have rated the service differentiation practice of the company as very good, good and fair respectively. The rest 11.8% of the respondents have rated the company's service differentiation strategy as poor, and 12.90% of the respondents said they don't have clue about the company's service differentiation strategy. This implies that the company has very good service differentiation strategy practices in which it can differentiate its products from its competitors by providing good services to its customers.

Moreover, respondents were also requested to rate the practical application of the main service differentiators, like ordering ease, delivery, installation, customer training, customer consulting, and maintenance and repair. Accordingly, as table 6 below shows, 29.4%, 25.9%, and 18.8% of the respondents have rated the ordering ease of the company's product service for the customers is good, very good and fair respectively. On the other hand, 9.4% of the respondents have rated as the ordering ease for the customers is poor, and 16.5% of the respondents don't have any clue about how easy or difficult it is for the customers to place an order with the company.

Hence, although, the analysis shows that there are some employees that they don't have any clue about the company's differentiation strategies, the company has best practices of product, and services differentiation strategies, along with good practices of personnel differentiation, channel differentiation, and image differentiation strategies.

Table 6: Respondents opinion regarding service differentiation practices of the company

S/No.	Service Differentiation	%					Total
		Poor	Fair	Good	Very good	I have no clue	
1	Order ease	9.40%	18.80%	29.40%	25.90%	16.50%	100%
2	Delivery	7.10%	8.20%	38.80%	32.90%	12.90%	100%
3	Installation	5.90%	5.90%	18.80%	55.30%	14.10%	100%
4	Customer Training	10.60%	15.30%	23.50%	38.80%	11.80%	100%
5	Customer Consulting	4.70%	15.30%	20.00%	45.90%	14.10%	100%
6	Maintenance and Repair	4.70%	7.10%	23.50%	54.00%	10.60%	100%

Source: Own Survey, November 2012

Furthermore, 38.8%, 32.8%, and 8.2% of the respondents have rated the delivery service of the company as good, very good, and fair respectively. Then again, 7.1% of the respondents have rated it as poor, and the rest 12.9% don't have any clue how well the product or services are delivered to the customers. Besides, 55.3%, 18.8%

and 5.9% of the respondents have rated the installation service of the company as very good, good and fair respectively. In contrast, 5.9% of the respondents have rated it as poor, and the rest 14.1% have no clue about the installation service of the company making the product operational in its planned location. With regard to customer training service of the company 38.8%, 23.5%, and 15.3% of the respondents have rated it as very good, good and fair respectively. Then again, 10.6 % of the respondents have rated it as poor, and the remaining 11.8 % of the respondents have no clue about the training service of the company to its customers.

Moreover, 45.9%, 20% and 15.3% have rated the customer consulting service of the company is very good, good and fair respectively. Nevertheless, 4.7% of the respondents have rated as the company's customer consulting service is poor and others 14.1% have no clue about it. Likewise, 54.1 %, 23.5%, and 7.1% of the respondents have rated the maintenance and repair service of the company as very good, good, and fair respectively, nevertheless 4.7% of the respondents have rated it as poor, and 10.6% have no clue about the company's service program of helping its customers.

In addition, company's can gain a strong competitive advantage through hiring and training better people than their competitors. From that point of view, as Table 5 depicts, 31.8% of the respondents have rated the personnel differentiation of the company as good. Moreover, 23.5%, and 18.8 % of the respondents have rated it as good, and fair respectively. Then again, 5.9% of the respondents have rated as the personnel differentiation of the company is poor and the rest 20% they don't have any clue about the company's personnel differentiation strategy.

Companies can achieve differentiation through the way they shaped their distribution channels. In view of that, and as table 5 above shows, 28.2 %, and 25.9% of the respondents have rated the channel differentiation strategy of the company as good, and fair respectively. Furthermore, 22.4% of the respondents have rated it as very good. Nevertheless the rest 7.1% of the respondents have rated it as poor, and 16.5% they said they don't have any clue.

Even when competing offers look the same, the buyers respond differently to the company image or brand image. From this point of view, Table 5 illustrates that 33.3% the respondents have rated the image differentiation strategy of the company as good. Besides 26.2%, and 16.7% have rated it as good, and fair respectively. In contrast, 4.8% of the respondents have rated it as poor, and the rest 19% have said they don't have clue about the company's image in the eye of their buyers.

Hence, this implies among the main service differentiators, the company's best practices are its installation, customer training and consulting, as well as its repair and maintenance in which its order ease and delivery service are also good but not the same as the others.

4.2.4 Marketing Mix

Marketing mixes are the controllable elements of a company's product, price, promotion, and place/distribution strategies that are very important for the marketing strategy implementation (converting the marketing strategy in to action). As shown in Table 7, except few (2.2 %) of the respondents responded that they do not have clue about what marketing mix strategies their company use, almost all (97.8%) of the respondents have responded that the company makes use of the 4Ps marketing mix elements (Product, Price, Promotion, and Place) for its proper marketing strategy implementation in its target market.

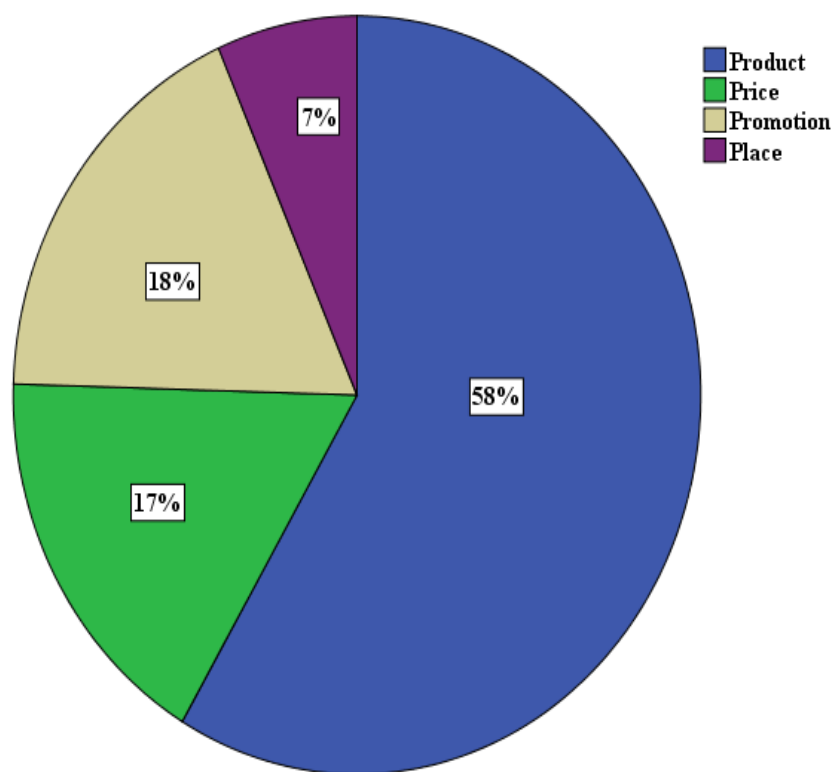
Table 7: Respondents response concerning the marketing mix strategies devised by the company for its target market

Marketing mix strategies of the company	Frequency	Percent	Valid Percent	Cumulative Percent
Product	78	24.5	24.5	24.5
Price	78	24.5	24.5	48.9
Promotion	78	24.5	24.5	73.4
Place	78	24.5	24.5	97.8
I have no clue	7	2.2	2.2	100
Total		100	100	

Source: Own Survey, November 2012

This implies, the marketing mix elements that the company has devised for its target market are product, price, promotion, and place. All four Ps are need in the marketing mix as they all contribute to one whole. However, as the annexed Table supported with Figure 3 illustrate, 57.4%, of the respondents have said the company uses product effectively, and the rest, 17.6%, 16.7%, and 6.5% have responded that the company uses promotion, price and place respectively. On the other hand 1.9 % of the respondents don't have clue whether which marketing mix elements does the company use effectively. This implies that the company does not apply the designed marketing mix at equal level for its target market. Accordingly, the effectiveness of each of the company's four Ps will be discussed blow.

Figure 3: Effective use of Marketing Mix Elements by the Company

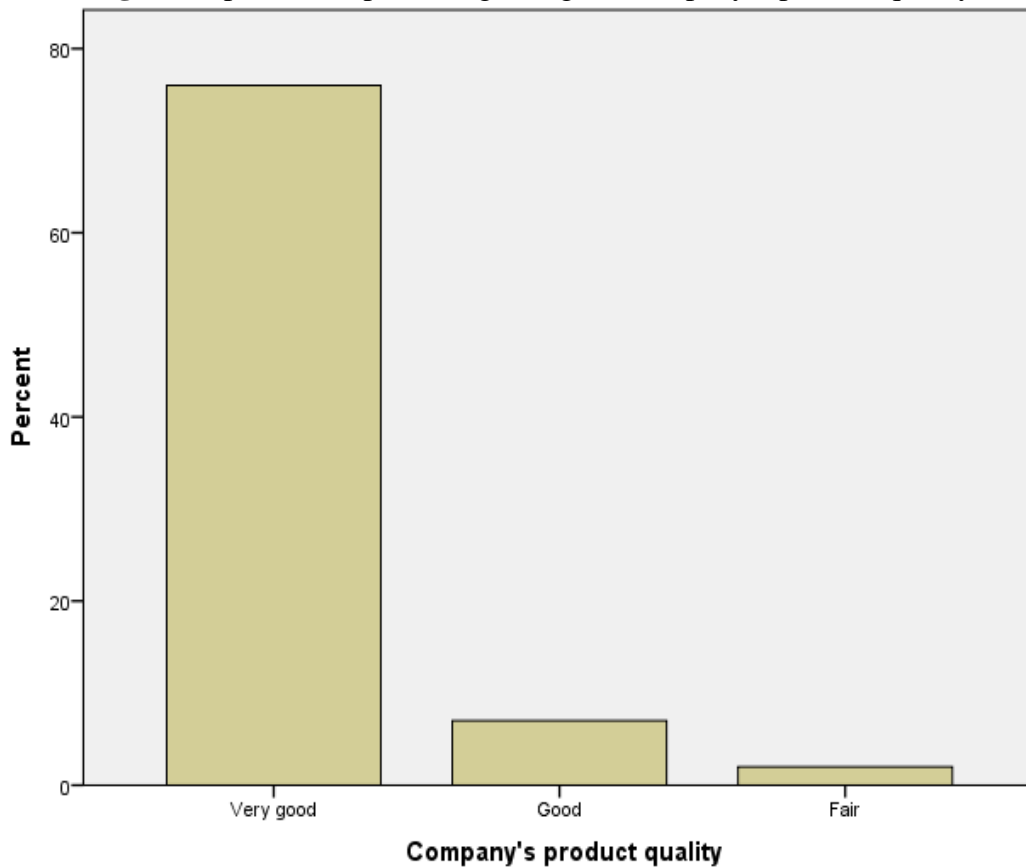


Source: Own survey, November 2012

4.2.4.1 Product

As Product is the most fundamental part of the marketing mix; carefully, developed product strategies are essential to achieve marketing objectives. As the annexed Table and Figure 4 indicate, most of the respondents (89.4%) have responded that the company's product is very good. In view of that, the analysis reveals that the company gives high emphasis to its quality of products. Moreover, the senior managers were also witnessed that the company produces high quality of products using virgin raw materials. The company is well equipped with set of quality control testing equipments, and engineers to ensure the level of quality of its product.

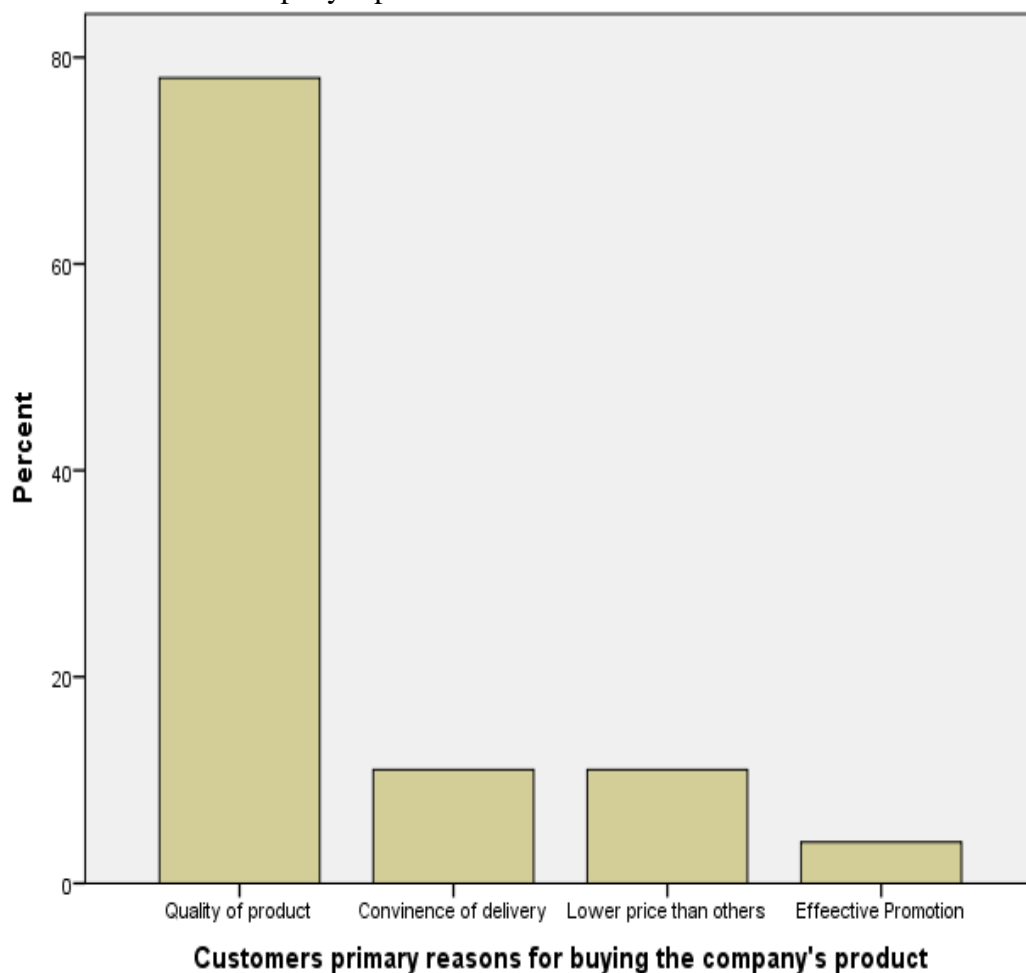
Fig 4: Respondents opinion regarding the company's product quality



Source: Own Survey, November 2012

Accordingly as it can be seen from the annexed Table and Figure 5 along with the senior managers (interviewees) response, the customers' primary reason for buying the company's product is it quality of products, after sales services, and capability of supplying complete set of required material and services. However, there are some customers who complain about the quality of the company's some products like fittings.

Figure 5: Respondents opinion regarding customers' primary reason for buying the company's product



Source: Own Survey, November 2012

Therefore, this implies that product is the most effective marketing mix element of the company.

4.2.4.2 Price

In addition to developing to the right Product, Place, and Promotion, marketing managers must also decide the right price, considering the kind of competition in the target market, and other cost of the whole marketing mix.

Table 8: Respondents opinion regarding company's product price

Respondents opinion on Company's Product Price	Frequency	Percent	Valid Percent	Cumulative Percent
Cheap	4	4.7	4.7	4.7
Fair	61	71.8	71.8	76.5
Expensive	17	20	20	96.5
Very expensive	2	2.4	2.4	98.8
I have no clue	1	1.2	1.2	100
Total		100	100	

Source: Own survey, November 2012

As Table 8 indicates 71.8% of the respondents have responded that the price of the company's product is fair (competitive) and 20% of the respondents have stated it as expensive. Moreover, although one respondent has said that he/she does not have clue about the price of the company's product, few respondents which represent 4.7%, and 2.7 % have said the price is very expensive and cheap respectively. In addition to this, the senior managers (interviewees) said that before the price is set, different internal and external factors are assessed and after that the company sets using the cost plus pricing method. The main costs of the company are production cost, and transportation costs. Transportation cost is calculated based on the geographical location of the customers at Ex- factory method (said the interviewees).

Moreover, with regard to the company's product mix pricing strategy (see annex), 58.4 % respondents have said the company uses product line pricing strategy. The rest 18%, and 6.7 % of the respondents said the company uses optional product pricing, and product bundle pricing strategy respectively. On the other hand, 15.9 % of the respondents said they don't have clue about the company's product mix pricing

strategy. Respondents were also asked regarding price adjustment strategies of the company. Accordingly, 39.6%, 24.2% and 15.4 % (see attached annex), have said the company uses discount and allowance pricing, geographic pricing and segmented pricing adjustment strategies respectively. Whereas, 7.7% of the respondent said the company does not have price adjustment strategies, and indeed, 15.2% of the respondents also said that they don't have clue about what pricing adjustment strategies does the company uses.

Thus, the analysis reveals that the company's product mix pricing strategy practice is product line pricing strategy. The company is using cost plus pricing method. It sets its price considering the cost of production, and transportation cost by topping up its profit margin. Transportation costs are calculated based on Ex- factory bases. This implies that the customers who are far enough from the company's factory incur more transportation cost (charged higher prices) than those who are nearer to the factory. As a result, the price of the company's product is fair in its territory but expensive in the central market.

4.2.4.3 Place /Distribution Channel

Place is concerned with all the decisions involved in getting "right" product in the target market's place. A product reaches customers through a channel of distribution.

Table 9: Respondents opinion about the company's product availability and accessibility

Company's product availability and accessibility	Frequency	Percent	Valid Percent	Cumulative Percent
Very good	40	47.1	47.1	47.1
Good	31	36.5	36.5	83.5
Fair	10	11.8	11.8	95.3
Poor	3	3.5	3.5	98.8
I have no clue	1	1.2	1.2	100
Total		100	100	

Source: Own survey, November 2012

As Table 9 illustrates, 47.1 %, of the respondents have said, the availability and accessibility of the product of the company is very good. Others 36.5% and 11.8 % have responded as it is good, and fair respectively. However, few respondents 3.5% have given their opinion as the company’s product accessibility is poor, and indeed, one respondent has said that he/she does not have any clue about the availability and accessibility of the company’s product. Moreover, senior managers (interviewees) said that the company is using direct distribution channel, and there are some delay in delivering the product on time to the customers. According to the interviewees, the company has two sales centers in Mekelle, and Addis Ababa. The interviewees added that some customers were suggesting if the company could have distributors, especially for some of its products, like PVC that would have been easy for them to get the product on time.

This implies that although the company’s product availability and accessibility seems to be very good, there is still complain from customers for the absence of distribution agents of the company’s product.

Table 10: Respondents response regarding distribution strategy of the company

Distribution Strategy	Frequency	Percent	Valid Percent	Cumulative Percent
Intensive	32	36.8	36.8	36.8
Exclusive	13	14.9	14.9	51.7
Selective	32	36.8	36.8	88.5
I have no clue	10	11.5	11.5	100.0
Total		100.0	100.0	

Source: Own survey, November 2012

Table 10 shows regarding the distribution strategies of the company, accordingly, 36.8 % of the responds have said the company uses an intensive distribution strategy, and similarly 36.8% have said the company uses selective distribution strategy. Others 14.9% have said the company uses exclusive distribution strategy. On the other hand,

11.5% of the respondents have said that they don't have any clue about the company's distribution strategy. In an interview with the senior managers, they have said that the company uses three distribution strategies for its products. The company uses an exclusive distribution for its irrigation system products, selective distribution for its water system products, and intensive distribution for its other products. This implies that the company uses more intensive and selective distribution strategies along with exclusive agents to sell its products in the target markets.

4.2.4.4 Promotion

Promotion is concerned with telling the target market or others in the channel of distribution about the "right" product in order to acquiring new customers, and retaining current customers. Table 11 discloses that majority of the respondents have responded as sales promotion, and event and experiences are the most effective promotional tools of the company, whereas direct marketing and public relations are more effective than the others. Moreover, personal selling and word of mouth marketing promotional tools are also effectively used by the company. However, advertising is the least effective promotional tool of the company. Despite some respondents have replied that they don't have clue about the appropriate application of each promotional mixes, majority of the respondents have responded that they don't have clue whether the company uses interactive marketing as its effective promotional tool or not.

This implies that sales promotion, and events and experiences are the most effective promotional tools of the company. Next direct marketing and public relations are used more effectively than personal selling, word of mouth marketing, advertising, and interactive marketing. Furthermore, the company uses personal selling, and word of mouth marketing effectively, and advertising is the lease effective promotional tool of the company.

Table 11: Respondents response on effective use of promotional mixes by the company

S/ No .	Promotional tools	%					Total
		Least Effective	Effective	More Effective	Most Effective	I have no clue	
1	Advertising	25.90%	24.70%	17.60%	20.00%	11.80%	100%
2	Personal Selling	24.70%	27.10%	17.60%	20.00%	10.60%	100%
3	Direct marketing	15.30%	23.50%	34.10%	14.10%	12.90%	100%
4	Sales Promotion	11.80%	21.20%	25.90%	29.40%	11.80%	100%
5	Public relation	7.10%	24.70%	28.20%	24.70%	15.30%	100%
6	Event and Experiences	12.90%	15.30%	24.70%	30.60%	16.50%	100%
7	Word-of-mouth marketing	14.10%	27.10%	17.60%	23.50%	17.60%	100%
8	Interactive marketing	16.50%	20.00%	16.50%	21.20%	25.90%	100%

Source: Owen Survey, November 2012

Moreover, the annexed table of direct marketing methods also reveals that majority of the respondents have replied that, the company uses catalogue marketing as effective direct marketing method, among the major direct marketing methods like telemarketing, direct media response (TV and other major medias), and direct mail. Indeed, 10% of the respondents have answered that they don't have clue about what direct marketing methods does the company uses.

Furthermore, as the annexed Table of respondents opinion about advertizing strategy of the company shows, 59.3% of the respondents have suggested as media (News paper, magazines, Radio, TV, Yellow pages, Brushers etc) will be the best advertizing strategy for the company's product. Others, 13.8 %, 15.4% and 9.8% have suggested as public spaces; billboard and Website respectively will be the best advertizing strategy of the company's product. Then again, 1.2% of the respondents have said they don't have any clue on what advertising strategy will be the best for the company.

In addition as the annexed table of respondents' suggestion on the best strategy of sales promotion of the company's product indicates, 35.8% of the respondents have

suggested that business and sales force promotion will be the best sales promotion strategy for the company's products, whereas 33%, and 24.5 % of the respondents have suggested that consumer promotion, and trade promotion respectively, will be the best sales promotion strategy for the company's product. Moreover, 2.8% of the respondents have suggested that other sales promotional strategies like customers' forum and training, field visit and demonstration. Then again 3.8% of the respondents have no clue what strategies of sales promotion will be the best for the company's products.

This implies that the company is using catalog marketing effectively form the major direct marketing methods (telemarketing, direct media response TV, and other major medias, and direct mail). Indeed, from the analysis shown in Table 11, advertizing is the least effective promotional tool of the company. Conversely, majority of the employees are suggesting that the company should use media (News paper, magazines, Radio, TV, Yellow pages, Brushers etc) as its product advertizing strategy. Furthermore, they are suggesting that business, and sales promotion, consumer promotion, and trade promotion will also be the best sales promotion strategy of the company.

Table 12: Respondents opinion regarding communication effectiveness of the marketing department with other functional departments of the company

Communication Effectiveness	Frequency	Percent	Valid Percent	Cumulative Percent
Very good	48	56.5	56.5	56.5
Good	26	30.6	30.6	87.1
Fair	9	10.6	10.6	97.6
Poor	1	1.2	1.2	98.8
I have no clue	1	1.2	1.2	100
Total	85	100	100	

Source: Own Survey, November 2012

Effective communication of the marketing department with other functional departments is very essential. Table 12 depicts that 56.5%, 30.6%, and 10.6% of the respondents have said that the communication effectiveness of the marketing department with other departments is very good, good and fair respectively. However, one respondent has said the communication effectiveness of the marketing department with other department is poor and another one said she/he does not have any clue about the interdepartmental communication effectiveness of the company.

This implies apart from the internal marketing problem of the company that resulted in not having clue about its marketing strategy practices to some of its employees; the effective communication of marketing department with other functional departments of the company is very good.

Table 13: Respondents opinion regarding the Marketing Research effectiveness of the company

Marketing Research Effectiveness	Frequency	Percent	Valid Percent	Cumulative Percent
Very good	18	21.2	21.2	21.2
Good	31	36.5	36.5	57.6
Fair	19	22.4	22.4	80
Poor	14	16.5	16.5	96.5
I have no clue	3	3.5	3.5	100
Total	85	100	100	

Source: Own survey, November 2012

Marketing research answers questions such as what products should be produced, where products should be sold, how products will be promoted and what price the product will sell. From this point of view, and as Table 13 indicates, 36.5% of the respondents have rated the marketing research of the company as good while 22.4% have rated it as fair. Moreover, 21.2% of the respondents have also rated it as very good. In contrast, 16.5% of the respondents have rated it as poor, and the rest 3.5% have no clue about the marketing research situation of the company.

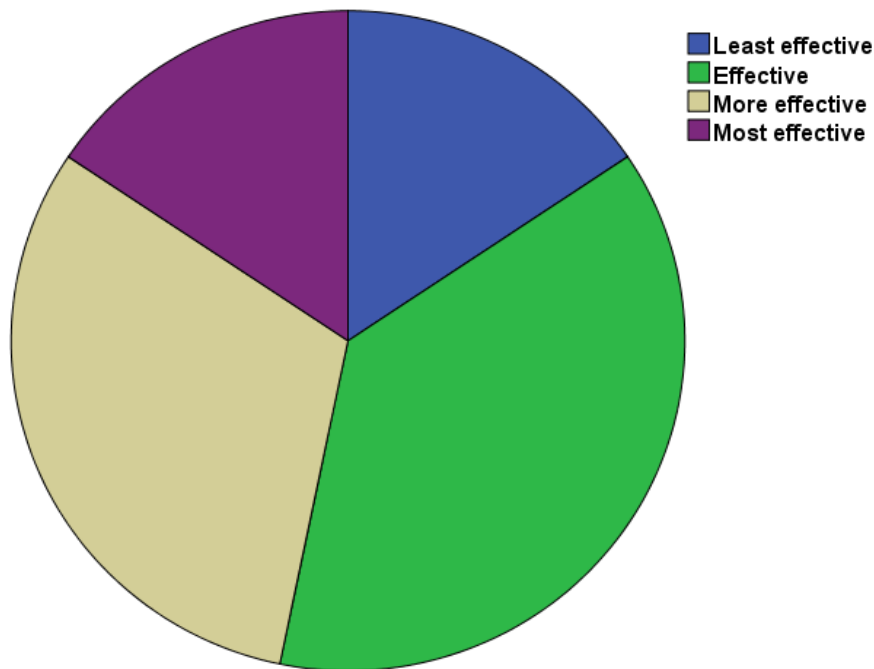
Furthermore, senior managers (interviewees) said that there is no coordinated marketing research. Marketing research is conducted twice a year.

This implies that, although the marketing research effectiveness seems to be good, it is not well coordinated, and done on continuous base.

4.2.5 Overall Marketing Strategy of the Company

At the annexed Table and Figure 6 represents, majority (34.1%) of the respondents have rated that the overall marketing strategy practices of the company as effective, and others 28.2%, and 14.1% have rated it as more and most effective respectively. indeed, 14.1% of the respondents have also rated it as the least effective and the rest 9.4% have no clue about the overall marketing strategy practices of the company.

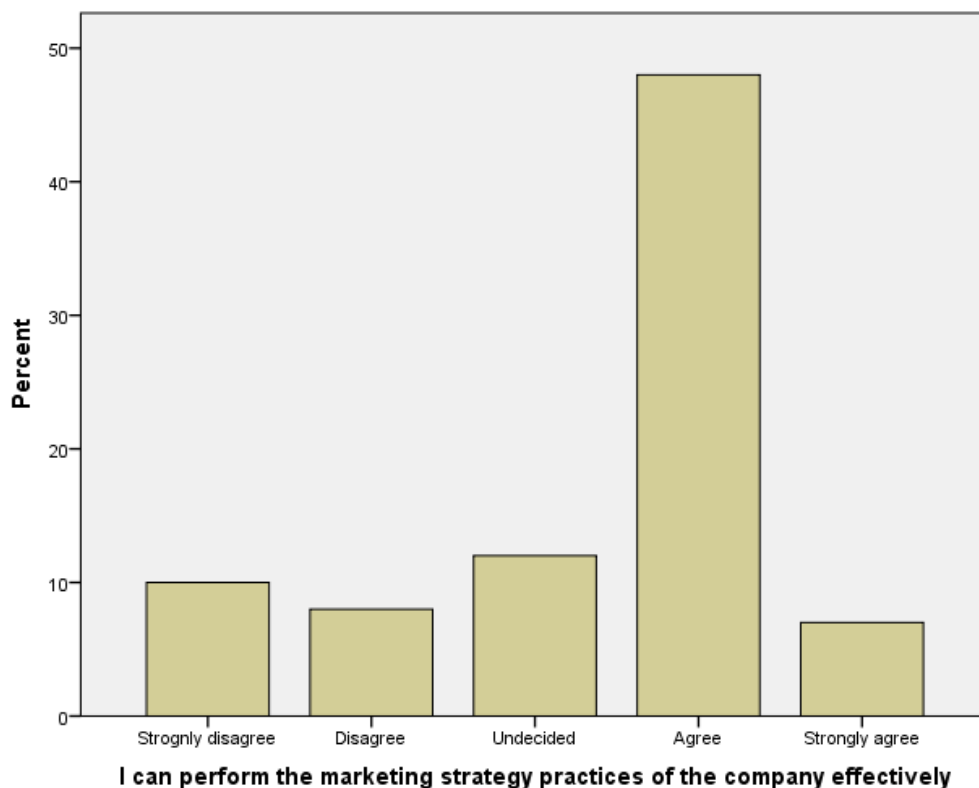
Fig. 6: Company's overall Marketing Strategy



Source: Own Survey, November 2012

Moreover, as the annexed Table and Figure 7 show, 56.5 % of the respondents have agreed, and 8.2% have strongly agreed that they can perform their duties with the existing marketing strategy practices of the company. On the other hand, 11.8% of the respondents have strongly disagreed, and 9.4% disagreed on effectively performing their duties in line with the existing marketing strategy practices of the company. Furthermore, the rest 14.1% of the respondents are undecided whether they can perform their duties effectively or not within the existing marketing strategy practices of the company

Figure 7: Employees response on their effective performance of the marketing strategy practices of the company



Source: Own survey, November 2012

Generally, as it can be observed from Figure 6 and 7, the overall marketing strategy practices of the company along with the employees' commitment discharging their responsibility for the effectiveness of the marketing strategy practice of the company is positive. However, there is an indication of less effectiveness in implementing its marketing programs, and strategies, in which resulted in inconsistent employees' commitment towards performing their duties to discharge the marketing practices of the company. Indeed, these indications will have a long term negative impact on the company's profitability.

4.2.6 Main Problems

In the end, 38 respondents which represent 45% of the total respondents have given their different opinion on the open ended question asked regarding the major problems that the company has encountered in implementing its marketing strategies

The problems mentioned by the respondents are: (1) Lack of focus on designing the right strategy (2) lack of continual commitment to carry out marketing strategies in practice (3) Lack of coordinated marketing research strategy; when the company develops its marketing strategy it does not use the experts for marketing research (4) Lack of exposure to follow up the implementation of the company's marketing strategy. (5) The company does not give more training to the marketing department staff due to that reason the marketing department delays in implementing the marketing strategy (6) Customers knowledge gap about the company's product (as the technology is new in the country), competitive market and poor promotional strategies (7) Lack of strong marketing promotion especially on the media (TV, Radio, etc), promotion, marketing research, market assessment for customers of agricultural sector (8) Place /distribution channel strategies/shortage of distribution channel, poor on time delivery services of product to customers.

(9) Shortage of working capital and foreign currency, shortage of raw materials which in turn has problems to produce and deliver the product on time to customers, lack of raw material availability in the local market, and supply of fittings from foreign companies (10) Lack of market study, lack of effective research and development activities, shortage of man power to handle such activities, lack of pre-study documents used as reference materials to compete effective marketing strategies (11) Materials don't deliver on time at the right place from foreign suppliers (dealers) (12) Human resources capacity/staff capacity, lack of skilled man power, poor employees' commitment, poor employee motivation, and employees' conflict of interest (13) Low sales volume, less customer satisfaction, less attention in the area of promotion and advertising the company's product nationally and internationally.

These different opinions show that lack of focusing on designing the right strategy, as well as the lack of exposure to follow up the implementation of the company's marketing strategy led to those of different problems (1) less attention to designing the right strategy (promotion, distribution, and pricing), (2) less attention to coordinated marketing research, less attention to staff training, and lack of continual commitment to carry out marketing strategies in practice. This in turn has contributed to the shortage of working capital, and low sales volume.

4.3 Interview Analysis

To gather more information about the marketing strategies practices of Bruh Tesfa Irrigation and Water Technology Plc, programmed interviews were held with the senior managers of the company, and selected customers found in Mekelle and Addis Ababa. Accordingly, the interviewees' responses to the question are discussed as follows. However, some interview responses are discussed in the questionnaire part as a supportive response.

4.3.1 With regard to the competitors, and the marketing strategies designed by the company to win the competitors; the main competitors in irrigation system are (1) Netafim, an Israel origin company, focus on green house, drip and sprinkler installations, (2) Omni agricultural trading and Axum green line trading, (group of Israel and Ethiopian) focusing on design and specification preparation for drip, sprinkler and center pivot Installing of irrigation system by supplying material, (3) PGA- Tech Plc, an Italian origin with Ethiopia share, focusing on preparation of specification for irrigation system and supply of material as per specification of the design document (4) ACME Engineering Plc, an Italian company, focusing on preparation of specification for irrigation system and supply of material as per specification of the design document (5) Metal Engineering Corporation Technology, (6) Ethio-Plastic Industry, and (7) Adam Agricultural Tools Industry.

Main competitors in Water system: (1) Excel Plastic Factory, (2) Geo-synthetic Industrial Works Plc,(3) Plastic-tech Plc, Amhara (4) Plastic Factory, Oromia Pipe Factory, (5) Mercimoy Industrial and Commercial Plc, and Yoki Plastic plc.

This implies that there are significant numbers of competitors in the market. The company gives high emphasis to its quality of product with the objective of introducing and promoting modern drip and pressurized irrigation technologies and to contribute in the nation's water supply development by producing and supplying standard PE products and fittings. The company is producing quality of products using original raw materials that are not recycled and supply to the market. But there is an intensive competition in the market with suppliers who have substitute local products. The other comparison factors are after sales service and training support. The company is providing a complete set of service (study, design, and installation) for its products to customers. This makes it different from the other competitors. The others competitors especially in irrigation systems most of them they don't provide the services of study and design.

4.3.2 Company's Positioning Strategy

The senior managers said that ,the company is positioning itself (vision) to be a competent and the leading technological pioneer company in modern irrigation and water supply technology development by offering best quality of products and services (study, design, and installation) at competitive price in the East Africa. It is using quality as its best positioning strategy. Quality product is the motto of the company and at the same time the name quality product is set in all minds of the employees and customers. To introduce its quality of product the company organizes workshops inviting its potential and existing customers, arranging field visits, and preparing demonstration materials in its compound. In fact, according to the opinion gathered from customers, there are some who have complain on some of the company's product like fittings in water systems.

4.3.3 Distribution Strategy of the Company

According to the response from most of the interviewees (senior managers) the company is using direct channel distribution strategy. It has two main sales centers in Mekelle and Addis Ababa otherwise ex-factory. For expansion of its market coverage, the company uses commission agent for sales of its irrigation and water supply systems. The company does not have distribution agents. As a result some customers did recommend that, it would have been better if the company had its distribution agents especially for its products like PVCs and fittings. Furthermore, some customers found in Addis Ababa have complaints about the company's product delivery and transport facilities.

4.3.4 Pricing Strategy of the Company

According to the interviewees response the pricing strategy of the company is cost plus method and competitive bidding system. The company does not have written pricing policy but it sets the price of the product at cost plus considering the total cost of production, and transportation cost. From some of its customers found in Mekelle

point of view, the price of the company's product is fair. To the extent, the customers said that the purchasing policy of their organization dictates them to buy the required material directly from Bruh Tesfa Irrigation and Water Technology plc (trusting the company's affiliation with the government), and they are not able to compare the price of the company's product with other competitors. For this reason they assume that the price is fair. But in the central market the price of the company's product is very expensive (the interviewee said) because of that the company has failed to win in most bids in 2012 in the central market (out of Tigray region).

4.3.5 Future Plan of the Company

The company has not yet prepared a long term strategic planning which shows its future plan in which where does the company reach in the coming five to ten years. It is only depending on its annual plan of operation (marketing plan). The company forecasts its annual sales plan and struggle to achieve that planned sales.

4.3.6 Problems raised from Interviewees during the Interview

- There is no strategic plan which shows the future direction of the company.
- There is lack of focusing on the right strategy
- Shortage of working capital, shortage of foreign currency, shortage of raw materials
- Power interruption
- Price is very expensive comparing to other competitors out of Tigray Region
- Delivery time of products to customers
- No written pricing policy

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

The summary of the findings are recapitulated in the following paragraphs.

The company's market is segmented based on macro segmentation and micro segmentation. The macro segmentation is segmented based on geographical location, Industrial sector, as well as organizational size. The geographical location classified as Tigray Region, Afar Region, Amhara Region, Oromia Region, South Nations, Nationalities and Peoples Region (SNNPR), Harari Region, Dire Dawa, and Addis Ababa. Based on industrial sector, governmental organizations, non-governmental organization (NGO), private sectors (flower and horticulture farms) engaged in irrigation and water supply systems and construction companies. The market micro segmentation is segmented mainly based on organizational capability and then purchasing situation, and purchase policies.

The company's target market/ customers at federal level are Ministry of Agriculture, Ministry of Water Resources and Energy, and Addis Ababa Water and Sewerage Authority, and Sugar Corporation. At regional level; Bureau of Water Resources and Energy, Bureau of Agriculture and Rural Development, Regional Water Supply Services, and Regional Housing Development Agency. Others are non-governmental organizations (NGOs), private sectors (flower and horticulture farms), and construction companies.

Majority of the respondents said that the company's product and service differentiation strategy is very good as the company produce and offers good quality of product produced from virgin (not recycled) raw materials. And the company is offering complete set of services of study, design, and installation to the customers. Subsequently, from the main service differentiators, the company's installation, repair and maintenance, customer consulting, and customer training service are found very

good, and the others ordering ease, and delivery services are found good. Moreover, the company's personnel differentiation, channel differentiation, and image differentiation strategy is also found good.

The company is positioning itself (vision) to be a competent and the leading technological pioneer company in modern irrigation and water supply technology development by offering best quality of products and services (study, design, and installation) at competitive price in the East Africa. It is using quality as its best positioning strategy. Quality product is the motto of the company and at the same time the name quality product is set in all minds of the company's employees. However, the other positioning ingredients like price, place/distribution and promotion are found given less attention by the company.

The marketing mix elements adopted by the company are the four Ps (product, price, place and Promotion). However, it is found that the company uses product more effective than the other elements, and place/distribution at its least effectiveness.

Product Strategy: Majority of the respondents (89.4%) were witnessed that the company produces and offers very good product quality to the market. The primary reason of customers buying the company's products is due to the quality of the product regardless of some complaints on some products like fittings.

Price: the company does not have a written pricing policy but ideally it is using cost plus pricing policy. Moreover, majority of the respondents (58.4%) have said that the company uses product line pricing strategy.

Promotional Tools: the majority of the respondents (36.6%) have said the company uses the event and experience, at its most effective respectively, 34.10% and 28.20% have said the company uses direct marketing, and public relation more effective than advertising, personal selling and word of mouth marketing. Others 27.10 % the respondents also said that the company uses personal selling and word of mouth marketing effectively. Finally, it was found that Advertising is the least effective promotional tool of the company. Indeed, although some respondents were found that

they don't have any clue what promotional tools does the company use, majority of the respondents did also respond that they don't have any clue whether the company uses interactive marketing tool as part of its promotional tool or not.

Place/Distribution Channel Strategy: The Company is using direct channel distribution strategy for its products to reach the customers. Majority of the respondents have said that the company uses intensive for its plastic products, and selective and exclusive distribution strategies for its water, and irrigation system products. The company has two sales centers (Tigray and Addis Ababa). Other orders are distributed at Ex-factory and transportation cost is added to the cost price. This in turn results in an expensive price setting of the company's products in the market out of Tigray Region. The company does not have distribution agents. To increase its market coverage it uses commission agents in Afar region, Amhara region, and Addis Ababa.

With regard to the effectiveness of the overall marketing strategy of the company; 34.10% of the respondents have responded it is effective. In relation to the company's employees' commitment to perform their duties effectively for the implementation of the marketing strategy of the company; majority (56.5%) of the respondents have agreed that they can perform their duties effectively, and even some (8.2%) have strongly agreed to perform the same. However, 14.1% of the respondents are undecided, some (9.4%) disagreed, and 11.8% have strongly disagreed. Moreover, with regard to effective communication between marketing department and other functional departments, majority, (56.5%) of the respondents have said there is very good communication among the departments. The overall marketing strategy of the company along with the employees' commitment is positive. However, there is an indication of less effectiveness in implementing its marketing programs, and strategies, in which resulted in inconsistent employees' commitment towards performing their duties to discharge the marketing practices of the company. Indeed, these indications will have a long term negative impact on the company's profitability.

In assessing the variables/ the main problems that the company has been encountered to fulfill its marketing strategies are: (1) Absence of good internal

marketing strategy. This was found from the questionnaire analysis that some respondents, which may bring significant influence on the marketing strategy implementation, have responded as they don't have any clue about the marketing strategy practices of the company. (2) Absence of strategic planning which shows the future direction of the company, developing a system of objectives and planes as well as the allocation of resources to achieve objectives. Moreover, the company is depending on its annual plan of operation.

In addition, the lack of focus on designing the right strategy which in turn has resulted in less attention on pricing, promotion, and distribution strategy. (4) Lack of continual commitment to carry out marketing strategies in practice, lack of coordinated marketing research strategy; here, when the company develops its marketing strategy it does not use the experts for marketing research. (5) Lack of exposure to follow up the implementation of the company's marketing strategy. (6) The company does not give more training to the marketing department staff due to that reason the marketing department delays in implementing the marketing strategy. (7) Customers knowledge gap about the company's product (as the technology is new in the country), competitive market and poor promotional strategies, lack of strong marketing promotion especially on the media (TV, Radio, etc), promotion, marketing research, market assessment for customers in agricultural sector.

Besides, (8) Place /distribution channel strategies/shortage of distribution channel, poor on time delivery services of product to customers. (9) Shortage of working capital and foreign currency, shortage of raw materials which in turn has problems to produce and deliver the product on time to customers, lack of raw material availability in the local market, and supply of fittings from foreign companies. (10) Lack of market study, lack of effective research and development activities, shortage of man power to handle such activities, lack of pre-study documents used as reference materials to compete effective marketing strategies (11) Materials don't deliver on time at the right place from foreign suppliers (dealers).

Finally, (12) human resources capacity/staff capacity, lack of skilled man power, poor employees' commitment, poor employee motivation, and employees' conflict of interest, and (13) Low sales volume, less customer satisfaction, less attention in the area of promotion and advertising the company's product nationally and internationally.

These issues were genuinely forwarded from majority (45%) of the responds in response to the open-ended question regarding the major problems that the company encountered in implementing the marketing strategy.

5.2 Conclusions

In this paper, the researcher has attempted to critically evaluate the industrial marketing strategy practices of Bruh Tesfa Irrigation and Water Technology Plc, and assessing the variables that influence its inefficiency, and examine the implications of the industrial marketing strategy practices on the company's mission. Subsequently, the primary data obtained through interview and the questionnaires distributed to the senior managers, middle level managers and technical level staff of the company was employed. Moreover, in order to validate the data obtained from the company's respondents, data triangulation technique was adopted by using a combination of data source with the effect that the strength and weakness in each source are compensated when used together. Accordantly, selected customers of the company that are found in Mekelle, the capital city of Tigray region, and Addis Ababa were contacted and information was gathered through interview. Hence, the following conclusions are inferred from the study.

- The company's market is segmented based on the industrial market segmentation criteria that are supported by different writers, as macro and micro segmentation; in which the macro segmentation is based on geographical location, industry sector and organizational size; and at micro segmentation is based on organizational capability, buying situation, and purchasing polices and criteria. However, there are

some employees of the company who do not have any clue how the company's market is being segmented.

- The target market/customers of the company can be mainly categorized as governmental organization, non- governmental organizations (NGOs), private sectors that are engaged in irrigation and water supply systems, and construction companies. Geographically the target customers of the company are found in Tigray Region, Afar Region, Amhara Region, Oromia Region, South Nations, Nationalities and People Region (SNNPR), Harari Region, Dire Dawa, and Addis Ababa.
- The company has good practice in applying the basic differentiation tools for competitive advantage (product, service, personnel, channel and image) differentiating strategy practices to differentiate its product and service from its competitors. It positions itself to be a competent, and the leading technological pioneer company in modern irrigation and water supply technology development by offering best quality of products and services (study, design, and installation) at competitive price in the East Africa. However, the price of the company is not competitive in the central market out of Tigray Region. The customers found in Tigray Region, and majority of employees of the company assume that the price is fair and competitive but the company has been failing to win a competitive bid in the central market in spite of the good quality of its product. Besides the company does not use the other positioning components like price, place/ distribution, and promotion/communication as part of its positioning strategy.
- The company has devised the four Ps marketing mix elements (product, price, place, and promotion), and are all aligned to its target market. However, the alignment of those marketing mix elements with its target market is disproportionate because the company uses product at its most effective for its target market, and the other elements are being used at their less and least effective manner. As a result, there is still customers' knowledge gap on the company's product as it is new technology to the country and needs effective promotional, price, and distribution channel strategy. Moreover, there is delay in delivering the

product on time to the customers, and failures of winning several bids in the central market due to the price of the company's product regardless of its quality.

- The key variables that may contribute to the in efficiency of the marketing strategy practices of the company are; (1) Absence of strategic planning, lack of focus on designing the right strategy, lack of adequate training to marketing people, (2) Absence of proper internal marketing strategy which has an adverse effect on serving customers properly (3) lack of coordinated and continuous marketing research (4) Lack of exposure to follow up the implementation of the company's marketing strategy.

In return these variables have contributed to the shortage of working capital (improper resource allocation), less attention to pricing, promotion, and distribution strategy, shortage of raw materials, low sales volume, and inconsistency of employees' commitment in carry out the marketing strategies practice of the company.

5.3 Recommendations

Based on the conclusion drawn above the following recommendations are presented for the company's management consideration to help in their effort to improve the company's present position in terms of its marketing strategy practices in general and its future direction in particular.

- ✓ The company should design a strategic plan which incorporates a short term and long term plan of the company in order to achieve its objectives, and accomplish its mission and vision.
- ✓ As the company is introducing a new technology in modern irrigation and water supply development in the country, and indeed it has a vision to be competent and the leading technological pioneer company by offering best quality products and services, and competitive price in East Africa; it should focus on designing the right strategy to enhance the current situation of its marketing programs (promotional mix, distribution channels, and pricing policy), and strategy in line

with coordinated marketing research. Moreover, the company should be able to position its products by using the marketing mix (product, price, Place/distribution, and promotion) elements designed for its target markets all together effectively. Because positioning using only quality product cannot bring expected substantial profit unless the other elements (price, place, and promotion) communicate the same message about the product of the company in the mind of customers.

- ✓ Guided by its objectives the company must develop a set of pricing policies, spelling out what price situations the firm will face and how it will handle them. These policies should explain (1) how flexible price will be; (2) at what level they will be set over the product life cycle, (3) to whom and when discounts and allowances will be given, and (4) how transportation costs will be handled
- ✓ The company should also adopt a low cost strategy by taking advantage that accrues from efficient and increased utilization of production and distribution capabilities with application of penetrating price technique when ever market situation demand in order to increase its market share and sales volume. Moreover, it should also adopt a policy involving sales terms for extending credit facilities to well establish and reputable customers, especially to boost sales volume.
- ✓ The company should acquaint its entire staff members with the knowledge of marketing principles in order to play their own roll in marketing the company's product, and increase their commitment to perform the marketing strategy of the company effectively.
- ✓ The company should appropriately follow up the proper implementation of the overall marketing strategy and evaluate its effectiveness.

Bibliography

- Anderson Carol H., & Vinczer Julian W. (2000). *Strategic Marketing Management: Global Marketing Challenge*. USA: Houghton Mifflin Company.
- Baker Michael J. (Ed), (1995). *Marketing: Theory and Practice*, London: Macmillan Press Ltd
- Best Roger J. (2005). *Market-Based Management: Strategies for Growing Customer Value and Profitability*. New Delhi: Prentice-Hall of India Private Limited.
- Belch George E. & Belch Michael A. (2001). *Advertising and promotion: An Integrated Marketing Communications Perspective*, New York: Irwin/McGraw-Hill Companies Inc.
- Brooksbank Roger (1994). *The Theory and Practice of Marketing Positioning Strategy: Marketing Intelligence and Planning*, Vol.12 No. 4, 1994. PP.10-14
- Chalachew Adege, (2010). Assessment of Marketing Strategy Practices in the Case of St. George Brewery. Unpublished Master's Thesis, Addis Ababa University.
- C. Beri G. (2004). *Marketing Research*, New Delhi: Tata McGraw-Hill Publishing Company Limited
- Cooper Donald R. and Schindler Pamela S. (2003). *Business Research Methods*. New Delhi: Tata McGraw-Hill Publishing Company Limited
- Cravens David W., & Piercy Nigel F. (2009). *Strategic Marketing*, New Delhi: Tata McGraw-Hill Publishing Company Limited
- Doyle Peter (2002). *Marketing Management and Strategy*. England: Pearson Education Limited.
- Dwyer F. Robert ,and Tanner John F. (2006). *Business Marketing: Connecting Strategy, Relationships, and Learning*. New York: McGraw-Hill Companies, Inc.
- Etzel Michael J., Walker Bruce J., & Stanton William J. (2004). *Marketing*. New Delhi: Tata McGraw-Hill Publishing Company Limited

- Etzel Michael J., Walker Bruce J., & Stanton William J. (2001). *Marketing*. New York: McGraw-Hill/Irwin, 1221 Avenue of Americans,
- Eric N. Berkowitz, Rorer A. Kerin, Steven W. Hartley, & William Rudelius (1994). *Marketing*. USA: Richard D. Irwin. Inc.
- Farese Lois Schneider, Kimbrell Grady & Woloszyk Carl A. (2003). *Marketing Essentials*. USA: Glencoe/McGraw-Hill
- Ghose Amitabha (Ed), (2008). *Impact of Government Policies on Marketing Strategies*, India: The Icfai University Press.
- Govindarajan M., (2004). *Industrial Marketing Management*, New Delhi: Vikas Publishing House Pvt Ltd
- Gross Andrew C., Banting Peter M., Meredith Lindsay N. and Ford I. David (1998). *Business Marketing*. New Delhi: A.I.T.B.S. Publishers and Distributors
- Havaldar Krishna K (2002). *Industrial Marketing*. New Delhi: Tata McGraw-Hill Publishing Company Limited
- Hill Richard M., Alexander Ralph S., & Cross James S. (2001). *Industrial Marketing*. New Delhi: A.I. T.B.S Publishers and Distributors
- Jobber David (2001). *Principles & Practice of Marketing*. England: McGraw-Hill Publishing Company (UK).
- Kotler Philip & Armstrong Gray (1999). *Principles of Marketing*. New Delhi: Prentice Hall of India Private Limited.
- Kotler Philip & Keller Kevin Lane (2006). *Marketing Management*. India: Dorling Kindersley Private Limited.
- Kotler Philip (1999). *Marketing Management: Analysis, Planning, Implementation, and Control*, New Delhi-110001, Prentice Hall of India Private Limited.
- Kotler Philip (2002). *Marketing Management: The Millennium Edition*. New Delhi: Prentice Hall of India Private Limited.

- Kotler Philip, Armstrong Gray, Agnihotri Prafulla Y. & Hauque Ehsan Ul (2010). *Principles of Marketing. A South Asian Perspective*. India: Pearson Education, Inc.
- Leed, P., D., Newby, T.J., & Ertmer, P.A (1997). *Practical Research: Planning and Design*, Upper Saddle Reviver, N.J.: Merrill.
- Moghaddam F.M, and Amir Flroughi (2012 March). “*Influence of Marketing Strategy elements on Market Share of Firms*”, IJFPSS, Vol.2 No.1, PP 19-24
- Perreault William D., McCarthy, Parkinson Stephen & Stewart Kate (2000). *Basic Marketing: European Edition*. Italy: McGraw-Hill Publishing Company.
- Perreault William D. & McCarthy E. Jerome (2005). *Basic Marketing: A Global Managerial Approach*. New York: McGraw-Hill companies Inc.
- Ramaswamy V S & Namakumari S (2004). *Marketing Management: Planning, Implementing & Control*, New Delhi: Macmillan India Ltd
- Reeder Robert R., Brierty Edward G. & Reeder Betty H. (2005). *Industrial Marketing: Analysis, Planning and Control*, New Delhi: Prentice Hall of India Private Limited
- Rorer A. Kerin, Eric N. Berkowitz, Steven W. Hartley, & William Rudelius (2003). *Marketing*. New York: McGraw-Hill/Irwin
- Sedaghat Nafishe, Sedaghat Maedeh & Moakher Amir Koohkan (2012). *The Impact of Promotional Mix Elements on Brand Equity*, American Journal of Scientific Research, ISSN 1450-223X 43(2012). Pp.5-15
- Solomon Michael R, Marshall Greg W., & Stuart Elnara W. (2006). *Marketing: Real People, Real Choices*. New Jersey: Pearson Prentice Hall, Upper Jaddle River New Jersey 07458

- Walker Orville C., Boyd Harper W. Mullins John & Jarreche Jean-Clavide (2003). *Strategic Marketing: A Decision-Focused Approach*. New Delhi: Tata McGraw-Hill Publishing Company Limited.
- Webster Fredrik E., (1991). *Industrial Marketing Management*, USA: Jon Wiley & Sons, Inc.
- Wilson Richard M.S. & Grilligan Colin (2010). *Strategic Marketing: Planning, Implementation and Control*. India: Elsevier, a division of Reed Elsevier, India Private Limited.
- Yin, R.K. (1996). *Case Study Research Design and Methods*, Newbury Pak, CA; Sage
- Yoon Eunsang & Lilien Gray L. (1988). *Characteristics of Industrial Distributor's Innovation Activities: An Exploratory Study*, JPROD, INNOV MANG 1998: 227- 240
- Zikmund William G. & d'Amico Michael (1999). *Marketing*. Ohio: South-Western College Publishing.
- Zelalem Anley, (2011). *The Assessment of Marketing Mix in Promoting Customer Satisfaction: A Case Study on National Alcoholic and Liquors Factory*. Unpublished Master's Thesis, Addis Ababa University.

Appendix

Annex - I

**St .Mary’s University College School of Graduates Studies
Masters of Business Administration (MBA)**

**Questionnaire to be filled by Managers and Technical Staff Members of Bruh Tesfa
Irrigation and Water Technology Plc**

Dear respondents

The purpose of this questionnaire is to enable me to carry out a research for partial fulfillment of the requirement for Masters of Degree in Business Administration (MBA). The research focuses on Bruh Tesfa Irrigation and Water Technology Plc with the topic of *“Assessment of Marketing Strategy Practices”*. Marketing Strategy questionnaires are tools used to collect data from respondents regarding marketing strategy practices. Hence, to gather information, I kindly request your assistance in responding to the questions listed below. Any information you present will be kept absolutely confidential and will only be used for academic purpose. Your cooperation and prompt response will be highly appreciated.

Thank you very much in advance!

Tarekegn Yimesel
(Graduating student)

N.B:

- Writing your name is not necessary
- You can give more than one answers
- Please put “√” for your choice in the box

Department _____

- Position Department Head (Senior Manager)
 Division/Section Head (Middle Level Manager)
 Branch office Manager
 Technical Staff

Educational Level

- 12 complete Certificate Diploma 1st Degree 2nd Degree PhD

1. How long have you been an employee of Bruh Tesfa Irrigation and Water Technology (Plc)?
 Less than one year
 Two to three years
 Four to five years
 Six to seven years
 above seven years
2. Who are the company's product major customer groups?
 Ministry/ Bureau of Agriculture
 Flower and Horticulture Farms
 Ministry/Bureau of Water and Energy
 Non-Governmental Organizations (NGOs)
 Others, (please specify) _____
3. What would you suggest as a best strategy of advertising the company's product?
 Media (News papers, Magazines, Radio, TV, Yellow Pages, brochures,
 Public spaces
 Billboard
 Website
 I have no clue

4. What would you suggest as a best strategy of sales promotion of the Company's product?
- Trade promotion
 - Business and sales force promotion
 - Consumer promotion
 - Others (please specify) _____
 - I have no clue
5. What is your opinion concerning the price of the company's products?
- Cheap
 - Fair
 - Expensive
 - Very expensive
 - I have no clue
6. How is the company's products availability and accessibility?
- Very good
 - Good
 - Fair
 - Poor
 - I have no clue
7. What is your opinion about the company's product quality?
- Very good
 - Good
 - Fair
 - Poor
 - I have no clue
8. On the rate 1 to 5 **1** represents "least effective",
2 represent "effective"

- 3 represent more effective
- 4 represent “most effective”
- 5 represents I have no clue.

How do you rate the company’s overall marketing strategies?

- 1
- 2
- 3
- 4
- 5

9. On the rate 1 to 5 1 represents “least effective”,
 2 represent “effective”
 3 represent more effective
 4 represent “most effective”
 5 represents I have no clue.

How do you rate the appropriate application of the following promotional mixes by the company? (Please put “√” for each on the provided box)

Promotional Mixes	1	2	3	4	5
Advertising					
Personal Selling					
Direct marketing					
Sales Promotion					
Public Relation					
Events and experiences					
Word -of -mouth marketing					
Interactive marketing					

10. On the rate 1 to 5 1 represents “Poor”,
 2 represent “Fair”
 3 represent “Good”
 4 represent “Very good”

5 represents I have no clue.

How do you rate the practical application of the following tools for competitive differentiation by the company? (Please put “√” for each on the provided box)

Differentiation tools	1	2	3	4	5
Product differentiation					
Service differentiation					
Personnel differentiation					
Channel differentiation					
Image differentiation					

11. On the rate 1 to 5 **1** represents “Poor”,
2 represent “Fair”
3 represent “Good”
4 represent “Very good”
5 represents I have no clue.

How do you rate the practical application the following service differentiation strategies by the company? (Please put “√” for each on the provided box)

Service Differentiation	1	2	3	4	5
Ordering ease					
Delivery					
Installation					
Customer Training					
Customer Consulting					
Maintenance and Repair					

12. What marketing mix strategies does the company use?

- Product
- Price
- Promotion
- Place
- I have no clue

13. Which marketing mix elements does the company use **effectively**?
- Product
 - Price
 - Promotion
 - Place
 - I have no clue
14. How do you rate the communication effectiveness of the marketing department and other functional departments of the company.
- Very good
 - Good
 - Fair
 - Poor
 - I have no clue
15. How do you rate the marketing research effectiveness of the company
- Very good
 - Good
 - Fair
 - Poor
 - I have no clue
16. What are customers' primary reasons for buying the company's product?
- Quality of product
 - Convenience of delivery
 - Lower price than others
 - Effective promotion
 - I have no clue

17. What are the bases of segmenting the market at macro level?
- Geographic location
 - Organizational size
 - Industry sector
 - Others (Please specify) _____
 - I have no clue
18. What are the bases of segmenting the market at micro level?
- Organizational Capabilities
 - Purchasing polices
 - Purchasing criteria
 - Buying situation/buying phase
 - I have no clue
19. Which of the following direct marketing methods does the company use **effectively** to sell its product?
- Catalog marketing
 - Telemarketing
 - Direct response media (TV and other major medias)
 - Direct mail
 - I have no clue
20. What distribution strategy does the company use?
- Intensive distribution
 - Exclusive distribution
 - Selective distribution
 - Others (please specify) _____
 - I have no clue
21. What product mix pricing strategies does the company use?
- Product line pricing

- Optional product pricing
- Product bundle pricing
- Others (please specify) _____
- I have no clue

22. What price adjustment strategies does the company use?

- Discount and allowance pricing
- Segmented pricing
- Geographical pricing
- No price adjustment
- I have no clue

23. I can perform the marketing strategy practices of the company effectively.

- Strongly disagree
- Disagree
- Undecided
- Agree
- Strongly agree

24. What are the major problems that the company encountered in implementing marketing strategies?

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

Annex - II

St .Mary’s University College School of Graduates Studies

Masters of Business Administration (MBA)

**Interview Questions for Department Managers of Bruh Tesfa Irrigation and Water
Technology Plc**

Dear respondents

The purpose of this interview question is to enable me to carry out a research for the partial fulfillment of the requirement for Masters of Degree in Business Administration (MBA). The research focuses on Bruh Tesfa Irrigation and Water Technology Plc with the topic of “*Assessment of Marketing Strategy Practices*”. A marketing strategy interview questions are tools used to collect data from respondents regarding marketing strategy practices. Hence, to gather information, I kindly request your assistance in responding to the questions listed below. Any information you present will be kept absolutely confidential and will only be used for academic purpose. Your cooperation and prompt response will be highly appreciated.

Thank you very much in advance!

Tarekegn Yimesel

(Graduating student)

1. What are the bases used by the company to segment its market?
2. Who are your target customers? And how does the company positioning its products?
3. What is the company's overall business strategy (differentiation, cost leadership and focus strategy)?
4. Is there a competition? Who are your competitors? What are your major competitive advantages?
5. What are the marketing mix elements applied by the company (in terms of 4Ps)?
6. What factors do you consider in setting pricing strategy? Or what are the bases for your pricing strategy?
7. What distribution strategies does the company use?
8. What Promotional mixes does the company use? How effectively does the company use these mixes?
9. What is the role of advertisement in the promotional campaign? When is the best time to advertize your product? Is there any seasonality in the market?
10. Does the company provide credit sales in order to encourage its customers?
11. What is your future plan of expanding your products or to increase your market share?
12. How frequent does the company conducts marketing research (customers and competitors research)?
13. In general how do you evaluate the company's current marketing strategies?

Thank You!

Annex - III

St .Mary’s University College School of Graduates Studies

Masters of Business Administration (MBA)

**Interview Questions for Customers of Bruh Tesfa Irrigation and Water
Technology Plc**

Dear respondents

The purpose of this interview question is to enable me to carry out a research for the partial fulfillment of the requirement for Masters of Degree in Business Administration (MBA). The research focuses on Bruh Tesfa Irrigation and Water Technology Plc with the topic of *“Assessment of Marketing Strategy Practices”*. A marketing strategy interview questions are tools used to collect data from respondents regarding marketing strategy practices. Hence, to gather information, I kindly request your assistance in responding to the questions listed below. Any information you present will be kept absolutely confidential and will only be used for academic purpose. Your cooperation and prompt response will be highly appreciated.

Thank you very much in advance!

Tarekegn Yimesel
(Graduating student)

1. What is your opinion about the company's product quality?
2. What is your opinion concerning the price of the company's products?
3. How is the company's products availability and accessibility?
4. What are your primary reasons for buying the company's product?
5. How do you rate the practical application the following service differentiation strategies by the company?

Service Differentiation	1	2	3	4	5
Ordering ease					
Delivery					
Installation					
Customer Training					
Customer Consulting					
Maintenance and Repair					

Frequency Table

Annex-IV

What would you suggest as a best strategy of sales promotion of the company's product?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Trade Promotion	26	6.2	24.5	24.5
	Business and Sales force promotion	38	9.1	35.8	60.4
	Consumer promotion	35	8.4	33.0	93.4
	Others, please specify	3	.7	2.8	96.2
	I have no clue	4	1.0	3.8	100.0
	Total	106	25.3	100.0	
Missing	System	313	74.7		
Total		419	100.0		

How do you rate the company's overall marketing strategy?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Least effective	12	2.9	14.1	14.1
	Effective	29	6.9	34.1	48.2
	More effective	24	5.7	28.2	76.5
	Most effective	12	2.9	14.1	90.6
	I have no clue	8	1.9	9.4	100.0
	Total	85	20.3	100.0	
Missing	System	334	79.7		
Total		419	100.0		

Which marketing mix elements does the company use effectively?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Product	62	14.8	57.4	57.4
	Price	18	4.3	16.7	74.1
	Promotion	19	4.5	17.6	91.7
	Place	7	1.7	6.5	98.1
	I have no clue	2	.5	1.9	100.0
	Total	108	25.8	100.0	
Missing	System	311	74.2		
Total		419	100.0		

What are the customer's primary reasons for buying the company's product?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Quality of product	78	18.6	75.0	75.0
	Continenence of delivery	11	2.6	10.6	85.6
	Lower price than others	11	2.6	10.6	96.2
	Effective Promotion	4	1.0	3.8	100.0
	Total	104	24.8	100.0	
Missing	System	315	75.2		
Total		419	100.0		

Which of the following direct marketing methods does the company use effectively

	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Catalog marketing	37	8.8	37.0	37.0
	Telemarketing	11	2.6	11.0	48.0
	Direct response media (TV and other major media)	32	7.6	32.0	80.0
	Direct mail	10	2.4	10.0	90.0
	I have no clue	10	2.4	10.0	100.0
	Total	100	23.9	100.0	
Missing	System	319	76.1		
Total		419	100.0		

What product mix pricing strategies does the company use?

	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Product line pricing	52	12.4	58.4	58.4
	Optional Product Pricing	16	3.8	18.0	76.4
	Product bundle pricing	6	1.4	6.7	83.1
	I have no clue	15	3.6	16.9	100.0
	Total	89	21.2	100.0	
Missing	System	330	78.8		
Total		419	100.0		

What Price adjustment strategies does the company use?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Discount and allowance pricing	36	8.6	39.6	39.6
	Segmented Pricing	14	3.3	15.4	54.9
	Geographical Pricing	22	5.3	24.2	79.1
	No price adjustment	7	1.7	7.7	86.8
	I have no clue	12	2.9	13.2	100.0
	Total	91	21.7	100.0	
Missing	System	328	78.3		
Total		419	100.0		

I can perform the marketing strategy practices of the company effectively

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	10	2.4	11.8	11.8
	Disagree	8	1.9	9.4	21.2
	Undecided	12	2.9	14.1	35.3
	Agree	48	11.5	56.5	91.8
	Strongly agree	7	1.7	8.2	100.0
	Total	85	20.3	100.0	
Missing	System	334	79.7		
Total		419	100.0		