



**ST.MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES**

**PRACTICES AND CHALLENGES OF MARKETING  
STRATEGY, THE CASE OF OROMIA FOREST &  
WILDLIFE ENTERPRISE**

**BY  
ADEM MOHAMMED HUSSEIN**

**MAY, 2015  
ADDIS ABABA, ETHIOPIA**

**PRACTICES AND CHALLENGES OF MARKETING STRATEGY,  
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ADEM MOHAMMED HUSSEIN**

**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF  
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ADDIS ABABA, ETHIOPIA**

**ST.MARY'S UNIVERSITY  
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SGS4Z/0345/2005**

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## **DECLARATION**

I, Adem Mohammed Hussein, the undersigned, declare that this project work entitled “Practices and Challenges of Marketing Strategy in the case of Oromia Forest & Wildlife Enterprise” is my own original work. I have carried out it independently with the guidance and suggestions of the research advisor. And it has not been presented in St. Mary University or any other University.

Adem Mohammed

(The Researcher)

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Signature

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Date

**St.Mary’s University, Addis Ababa**

**MAY, 2015**

## **ENDORSEMENT**

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

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Advisor

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Signature

**May, 2015**

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## **Acronyms**

- AMA -----American Marketing Association
- BCG -----Boston Consulting Group
- CEO----- Chief Executive Officer
- CPG-----Consumer packaging Goods
- E.C.-----Ethiopian calendar
- HBR -----Harvard Business Review
- OFWE -----Oromia forest and wild life enterprise
- PLC ----- Product Life Cycle
- STP -----Segmentation, targeting and positioning
- SWOT -----Strength,Weakness,Opportunity and Threats
- U.S. -----United States
- 4Ps -----Production, price, promotion, place

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## **Abstract**

*This is a descriptive research study was conducted to assess and evaluate the current practices and challenges of the marketing strategy of the OFWE's lumber business unit with the frame work of the 4P's marketing mix elements by employing purposively selected 18 traders and 72 experts and management members of the company selected and studied using structured questionnaire, interviews and group discussions.*

*Both primary and secondary data were used and analyzed, the major findings of the study, shows, the company is following mass marketing strategy with production system that doesn't satisfy customers need and offered to the market at bid sales operation that didn't allow the company to reach all customers and not able to attract others.*

*The result of the study indicates that, the existing market strategy is full of challenges and problems in all 4P's variables studied. The absence of product standards, the higher price charged than competitors, the increasing supply of competitors product, difficulty of improving the quality of the product, and the poor promotional measures and service delivery leads to significant customers compliant, that worsen the company's business operation. Therefore, it is recommended that the company should conduct a periodic market survey and put to place the most relevant strategy as soon as possible.*

*Key words: Marketing mix, Target marketing, Oromia forest and wild life enterprise (OFWE), Marketing Strategy*

# CHAPTER ONE

## INTRODUCTION

This section is designed to address the background of the study, statements of the problem, Objectives of the study, Methodology, Significance of the study, Scope and limitation of the study.

### 1.1. Background of the study

According to U. S. General, Omar Bradley, the role and value of strategy in the military sector is stated as “In war, there is no second prize for runner-up”, (December 2011), indicates that how far the role of strategy is decisive in the military operations.

It’s analogous to the military principle of concentration of force to overwhelm energy. Concentration of marketing energy is the essence of all marketing strategies and market segmentation, targeting and positioning is the conceptual tool to help in achieving this focus. “Market segmentation is to divide a market into smaller groups of buyers with distinct needs, characteristics, or behaviors who might require separate products or marketing mixes.” (Charles W. Lamb 2003).

Marketing strategy is the goal of increasing sales and achieving a sustainable competitive advantage. It includes all basic and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contributes to the goals of the company and its marketing objectives. (<http://en.wikipedia>, (May 2009))

Business dictionary also defines marketing strategy as; an organization’s strategy that combines all of its marketing goals in to one comprehensive plan. A good marketing strategy should be drawn from market research and focus on the right product mix in order to achieve the maximum profit potential and sustain the business and recognized as a foundation of marketing plan. (<http://www.businessdictionary.com>)

A contemporary definition given by American Marketing Association which is most emphasizes on the 4Ps marketing mix elements as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”.(*Marketing Principles (index.html) (v. 1.0)*).

- a) Creating offerings - related with the product dimension
- b) Communication – which is related to the Promotion dimension ,
- c) Delivering – related to the Place dimension of the mix ,
- d) Exchange – related to the Price dimension of marketing mix element

Another writer David Aaker defines Marketing strategy as a process that can allow an organization or a company to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving sustainable competitive advantages. (*Strategic Market Management 2008*).

In order to develop and implement a sound marketing strategy firms need to conduct a careful and precise scanning of their internal and external environmental factors, giving due attention for internal factors of the marketing mix elements i.e. the 4Ps.

Today, business firms recognize that they cannot appeal to all buyers in the market place or at least to all buyers in the same way. Buyers are too numerous, too widely scattered, and too vary in their needs, and buying practices. (<http://toolkit.smallbiz.nsw.gov.au/part/3/>)

Thus business enterprises have moved away from mass marketing and toward the market STP- segmentation targeting, and positioning, to serve which means identifying and grouping various customers in to segments that have common needs or will respond similarly to marketing actions. Each segment will respond to different marketing mix strategies.

After segmenting markets based on demographic, Psychographic, behavioral characteristics and geographic locations select and target one or more target group by choosing among the alternative strategies; undifferentiated/mass marketing, concentrated/targeted and product verity /differentiated targeting strategies available in selecting that best suit to the company’s marketing strategy or selecting one or more of

them, and developing marketing mix strategies and programs tailored to each instead of scattering their marketing efforts.(Philip Kotler and Gray Armstrong, pp194).

The potential benefit of a well developed STP strategy enables the organization to establish and strengthen its position in the market and in this way operates effectively. Not only does it then become far more difficult for a competitor to attack but it also allows the organization a greater degree of market sector knowledge and customer loyalty. (Richard M.S.Wilson and Colin Gilligan (2009), PP321).

Brodrechtova (2008), explained that marketing strategy is a roadmap of how a firm assigns its resource and relates to its environment and achieves a corporate objective in order to generate economic value and keep the firm ahead of its competitors.

The overall concept of marketing strategy of STP is relies on the marketing mix elements, which consists of the 4P's strategies; the product marketing strategy, the price marketing strategy, the place/distribution marketing strategy and the promotion marketing strategy.

Among the 4 P's, Product dimensions are an important part of a marketing mix. Leonidou, et al (2002), have studied about marketing strategy. They synthesized empirical studies about marketing strategy and concluded that product design, brand mix (name, sign, symbol, and design), warranty, customer service as pre- and after-sales services, and product advantages (such as luxury, prestige, and quality) are an important variables of product marketing strategy.

The study of Lee and Griffith (2004), conducted on the the marketing strategy in Korea concluded that adjustment of prices to market situation have positive influence on the market share and adaption of pricing strategy would increase the market share, and the pricing method has positive relation with proportion of sales and profit level, this can be studied or treated under the second P's of price marketing strategy.

Other variable related to one of the marketing mix element is promotion (the third P's). It indicate that firms which have a greater commitment to their target market use higher



level of advertising, and find themselves better off, than firms who have less commitment that used low level of advertising (Lee & Griffith, 2004).

In recent days active and advanced exporters have more control on distribution activities, as well as the time of delivery of the product, and distribution channel more successful in business, which can be addressed as a fourth P's of place marketing strategy. (Eusebio et al, 2007).

Therefore, it is clear that the availability and on-time delivery are very important and firm with better distribution method of the Place marketing strategy, is successful in a competitive market environment.

Today's intense global competition around the globe affects the offerings of business organization in the market place in different ways. In order to beat and remain competitive companies need to have developed a sound marketing strategy. The purpose of having marketing strategy is to modify/ influence/shape the affect, cognition and behaviors of customers and consumers in ways that are conducive to their acquisition, possession and consumption of specific product offerings of an organization (Carpenter et al. 1997).

Companies who have developed their marketing strategy by considering proper segment, appropriate targeting and positioning strategy by aligning the 4Ps marketing mix strategy properly, can meet the target customers need at the best of affordable price and better than competitors, provided that, the company is better off in the market place and will be able to achieve its goals.

Implicitly the very purpose of any business organization is to maximize the profit through building valuable customer relationship. So to realize this, the company need to organize its marketing strategy around the marketing mix elements of the 4Ps i.e. product, promotion, place or distribution and price of the products or services (Philip Kotler and Kelvin Lane, 2009)

For a company to effectively market a product or service the 4ps should be get right and viewed as one unit and structured to support each other, otherwise the marketing strategy will be confusing and uncoordinated ([www.learnmarketing.net](http://www.learnmarketing.net)).

The motive that makes the researcher to study this business unit's marketing strategy is as follows:

It the largest source of revenue among the business units the company is operating. The researcher believes that, if the marketing problems, and challenges in the current marketing practices of this business unit is properly identified and well solved, it can be used as step stone to replicate the study for the rest of other business units.

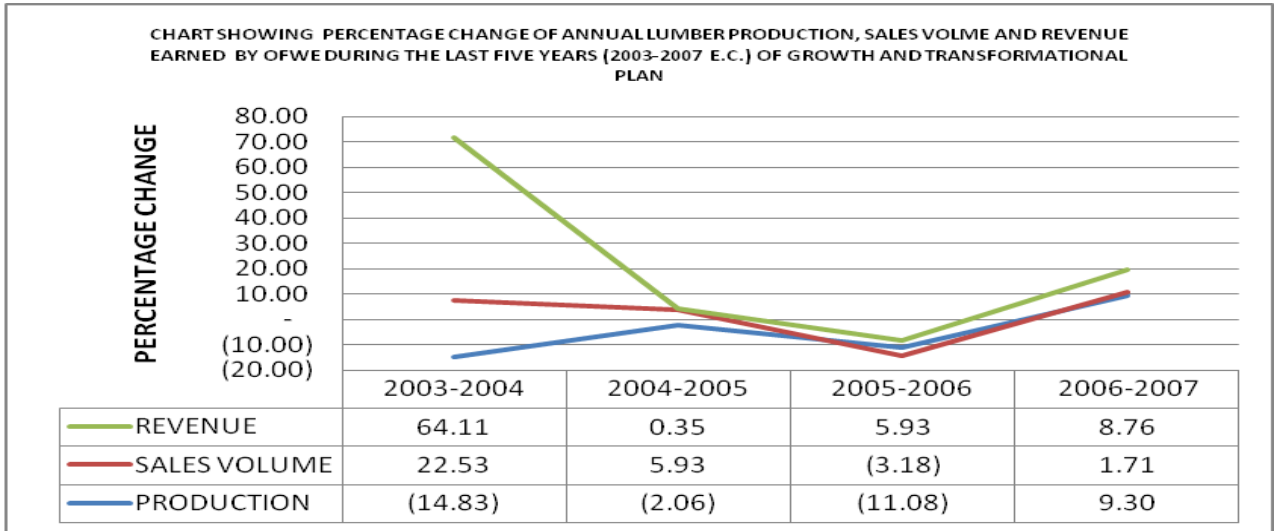
Another reason for this study is to see whether the company's marketing practice is comply with the accepted scientific marketing approaches, and to identify what major problems and challenges hinders the implementation of target marketing strategy.

Another reason for this study is the observed situation of the business operation showing the inconsistency of production, quantity sold, and revenue collected over the last five years that shows abnormal business operations that requires attention and corrective actions.

On the other hand customers of the company buying this product is few in number as compared to the large volume of product offered and reasonably high demand for the product is one of the reason the researcher is motivated to conduct the research on the marketing issues of the product.

There is a customer's complaint issue, which has been reported from the preliminary study of recently conducted market research that shows because of poor service delivery.

**Fig1:- chart showing Marginal production quantity sold and marginal revenue collected during the last five years.**



**Source:- OFWE Data base (2007).**

It is observed that, the official data of the company reveals that the percentage change in the production volume of lumber (Marginal product) from year 2003E.C. onwards shows increasing at an average of 4.67% annually.

The percentage change of sales volume (Marginal Quantity) was at 22.53% between year 2003 & 2004 E.C., and shows declining until year 2006, and shows a better change of rising between years of 2006 & 2007E.C.

The graph of percentage change of revenue earned (Marginal Revenue) from sales of lumber shows that the change in the percentage between year 2003 E.C. and 2004 E.C. was 64.11%, and shows sharp declining by the end of 2005E.C. from year 2006 onwards the revenue shows significant change of increments than both percentage changes of production and sales volume.

The summary of performance data of five years pattern of sales shows the company's undesirable trend of operation which is not as good as required. The marginal revenue shows decreasing at an average of 19.79 % (OFWE data base 2007 E.C.)

The overall situation of the company shows that the firm understudy is in trouble of marketing operations. Therefore, it is worth mentioning that the company has to conduct research and fetch for solutions that can better off the firm under study.

Failure to do so will lead to a host of unfavorable consequences on the decline or loss of sales and customers, remains with poor product quality and services, leads to high cost of operation, loss of competitive advantage, more over suffers from intense competition and leads to bankruptcy.

### **1.1. 1. Company Profile**

The Oromia Forest and Wildlife Enterprise (OFWE) is a public enterprise established at regional level by regulation No.122/2009, issued by Oromia Regional State. Its main objective is to attain sustainable management and utilization of forest and wildlife resources of the region through co-ordination and integration of the available physical, financial, and human resources.

The enterprise has been established with a fully paid up capital of birr 1,409,422,000 and the formation of this public enterprise having nine branches is organized under the newly incepted forest and wildlife enterprise, (regulation No.122/2009).

The enterprise in general has a mission of conserving natural forest, involving in the development and management of manmade (plantation) forest for commercial purposes. The enterprise has given the total forest concession area of 1,742,488 hectares, out of this figure 74,215 hectares is covered by manmade (plantation) forest, 1,209,955 hectares are of natural, and the rest is open and bush lands, (Regulation No.122/2009).

Both the natural forests and plantation forests managed by the enterprise provides important forest goods and services. Its protective function comprises nature conservation and protection of biodiversity, soil protection, carbon storage, water recharge and water quality and its productive function involves timber production, biomass for bio-energy, construction wood, and non-timber forest products.

The official performance report documents of the company, shows that 33 saw mills have been employed that yields 27,076 cubic meters of mean annual production of lumber and being sold for Birr 122,337,244 per annum. Among many business units the company used as a source of income, lumber product has a lion share that provides 57% of the total

revenue. The rest 43% of the revenue comes from sales of primary forest products /Construction wood, Fuel woods, Logs, Transmission poles/, sales of Non-timber forest products (honey, Gum, bamboo, Essential oils, Forest Coffee), Ecotourism services and from hunting of wild life, and other services like rates and rents, are businesses undertaken by the enterprise. Among the many business units a company is operating, the researcher has selected the lumber product business unit in order to study the current “practices and challenges of its marketing strategy” with the frame work of the 4P’s marketing mix elements.

## **1.2. Statement of the problem**

OFWE is one of the public enterprises producing significant volume of lumber products of different dimensions and features in most of its branches and make available for sale in mass market. Currently, the firm is exhibiting frequently occurring customers’ complaint for product quality, being charged in tremendously increasing product (lumber) price and poor service delivery of sales operation for the last consecutive years which is not resolved yet, is becoming a concern of the management in every quarterly performance evaluation meetings.

The firm offers the product with different dimensions and features in mass without having differentiated features and clearly known brand name and image to the existing mass market. Without knowing which product type is more demanded and provides immediate return and make the business more profitable in the market and where there is no clear market strategy, can threaten the company’s business operation.

The problem now becomes critical and gets emphasis and the management of OFWE starts to react on in conducting market research to identify the major reason/s for the customers’ dissatisfaction and compliant, about the offerings and reducing the quantity and frequency of buying the product than before.

One of the existing situations observed in the area of the firm’s marketing strategy needs assessment is lack of using target marketing, rather practicing mass marketing through bid sales policy. It is worth mentioning that, some of the loyal customers and heavy buyers of the product are going to resist involving in bid sales programs of the enterprise.

This leads the firm to be in a position of sales decline and loss of customers, provided that it is adversely affect the balance of working capital and fear of fail to cover the major costs, including the fixed costs of basic business operations of the firm under study.

Another area of the existing problem is the customers' significant complaints on the company's service delivery. This in turn has got the attention and concern of management. As a result, the actions of conducting market survey has been employed, based on the results, certain actions like a price cut, has been taken to attract the existing customers, and filling the current gap in the practices and procedures of doing the business. On the other hand, the company is following procedures, and methods used in setting price and methods employed in selling the product is the only auction bid sales policy.

In order to attract customers and build brand image the need for advertisement is unquestionable. However, the practice of the firm under study in implementing this 4P is not sound enough. The practice of linking and synchronizing each marketing mix elements (the 4P's) specifically the promotional mix elements which are most appropriate to the particular business unit of the company under study is seemed to be overlooked; thus the reason for this is may be the company's existing sales policy or other marketing strategy gap which should be clearly identified by the ongoing research study.

As indicated on the above discussions, it is clear that the firm's marketing strategy practices and challenges have certain deficiencies that should be assessed and the gap in STP and marketing mix strategy should be identified and appropriate strategy should be developed, implemented, and maintained in order to improve the existing situation and keep moving with the ever changing environment of the market.

Though, recently the enterprise has tried conducting market research in order to identify the ongoing problems and reasons with short term solutions, yet the problem is going on. Therefore, it requires intensive market research and developing a sound marketing strategy in order to overthrow the problem permanently.

Despite the efforts made so far, the problem of customer's compliant, poor service delivery, fail to produce and market based on market need, using bid sales mass marketing strategy rather than target marketing, fail to compete with import products, and challenged by domestic product suppliers and fail to attract new customers, and threatened to lose the existing ones, fail to aware customers, and create strong and attractive channel of distributions and fail to set attractive price are among the many problems remains unsolved and will continue to affect the marketing activity of the enterprise and if not solved, it leads to the question of survival at large.

Therefore, the purpose of this study is, to assess the practices and challenges of marketing strategy of the enterprise (OFWE) and to come up with a solution to overthrow the ongoing problems.

### **1.3. Research questions**

In order to achieve the research objectives, the following basic research questions were used in guiding the study;

- Why sales decline and customer complaints become serious issue?
- What are the features and dimensions of the products available for sale, and how does OFWE is practicing the offer to reach its customers?
- What is the degree of compatibility between the existing pricing policy practices and accepted pricing strategy?
- What promotional measures are being adopted and why not being effective in creating as many customers as possible?
- What distribution systems and channels are available and how do they operate?
- What are the challenges of marketing strategy of OFWE in segmentation and marketing mix strategies?

#### **1.4. Objectives of the study**

The general objective of the study is to assess and evaluate the challenges and practices of marketing strategy of OFWE, with the frame work the 4P's marketing mix elements.

The specific objectives of the study are the followings:

- To identify the reasons for sales decline and customers' compliant.
- To identify the features and dimensions of the products available and the practices of the company's offerings to reach its customers
- To analyze the degree of compatibility between the existing pricing policy practices and accepted pricing strategy.
- To identify the promotional mix elements being practiced and the reason for not being effective in creating significant number of customers.
- To examine the type and availability of market channels and systems and how they are operating in meeting the customers' need?
- To assesses the challenges of marketing strategy of OFWE in segmentation and marketing mix strategies and recommend for possible solutions.

#### **1.5. Significance of the study**

This research study is believed to have the following significances:

It has a practical significance in shading light in the OFWE. The study can be used by the management of the enterprise OFWE to resolve the problem related to marketing strategy of the particular business unit under study and other business units the company is undertaking. It can serve as a stepping stone for the company to conduct a research on the area of marketing of the same product for further study or, other business units. Conducting this study enhances the researcher's skill and knowledge for further research in the area.



## **1.6. Scope of the study**

OFWE is operating in nine branches in Oromia Regional States in almost all zones of the region, where seven of them are located outside of Addis Ababa and two of them are located in Addis Ababa. Due to limitations of finance, time, information and logistics, the researcher is limited to the three purposively selected branches.

Because of purposive sampling is employed the target population is limited to 18 customers and 72 experts and management members and only three relevant departments.

There is a limitation on data analysis and presentation methods that employs frequency tables and percentage computations.

Among many business units operated under the company, this research study considered only lumber product business unit.

## **1.7. Limitations of the study**

There is no well developed forest product market in Ethiopia; therefore, it is one of the limitations in obtaining relevant information.

Because of time and resource limitation, it is not easy for the researcher to reach the branches far from Addis Ababa like Jimma and Borena. Therefore, the researcher has limited to employ purposive sampling techniques in selecting target respondents

The company under study is established recently and lacks certain necessary information, like market shares, market destinations and market channels, to support the study undertaking by the researcher.

There is limitations of data analysis instruments used for the study.

## **1.8. Organization of the study**

This project report is organized under five chapters. Chapter one consists of introductory part that comprises background of the study, statement of the problem, objectives of the study, Basic research questions, significance of the study and scope of the study. The second chapter deals with review of related literature. The third chapter deals with

methodology of the study which comprises study areas, source of data, data collection method, sampling techniques, data analysis method, reliability and validity of data, and the ethical consideration. The fourth chapter deals with the results and discussions of the study, the fifth chapter deals with the conclusions and recommendations of the study.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1. Introduction**

In this part of the study, the most relevant and appropriate literatures have been reviewed so as to link the theoretical and empirical studies made on marketing and marketing strategy, particularly on marketing mix strategies, which enable the researcher to analyze the results obtained from the data collected, for the study and to link with the practices of the company under study.

#### **2.2. What is marketing?**

Different meanings and definitions have been given from early classical narrow views to today's contemporary and broader views. Some of the writers show their views as a set of process; others mention as a system of activity and some of them as a performance of different activities. Here are some of the lists of the meanings given among many definitions provided by different scholars.

Kotler, in one of his writings, states that Marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.

American Chartered institute of marketing also defines marketing as a management process which identifies, anticipates and supplies customer requirements effectively and at a profit.

(Evans and Berman) also forwarded his views as a process; marketing is the anticipation, stimulation, facilitation, regulation and satisfaction of consumer and public's demand for products, services, organizations, people, places, and ideas through the exchange process.

Santon, also wrote his view as a set of system of business activities designed to plan, price, promote and distribute want satisfying goods and services to present and potential customers.

(AMA) wrote as one of the classical views of marketing that defines the marketing as the performance of business activities that direct the flow of goods and services from producers to consumers (AMA).The classical views most emphasizes on distribution aspect of a marketing., and therefore, it is too narrow to describe what marketing is.

However, (Kotler), in his marketing management books wrote, the contemporary and broader view of marketing as stated and summarized as an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. In broader terms marketing is defined as a system of business activities designed to plan, price, distribute and promote want satisfying products (goods and services) to present and potential customers.Hence, the aim of marketing is to meet and satisfy target customers' needs and wants better than competitors. Marketers must have a thorough understanding of how consumers think, feel, and act and offer clear value to each and every target consumer. (Kottler ,– PP 151)

By 2004, the official definition of marketing adopted by American Marketing Association (AMA) states that “Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.” (*Marketing News 2004, p. 1*):

By 2007, the AMA adopted the following as its new official definition of marketing Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (*Marketing News 2008, p. 28*):

### **2.3. What is strategy?**

Different meanings of strategy are forwarded by different scholars. According to business dictionary.com the definition of strategy is given as “Strategy is about broad business options and choices that have organization-wide impact. There is always more than one way to achieve a vision or support a mission. Strategy is a hypothesis of the best way for the organization to achieve its vision and mission. Strategy requires selection among alternative ways of doing things, focusing on a few things, and deferring or rejecting the rest. Strategies can be long-term (e.g., “What must we do to achieve our vision?”), or short-term (e.g., “What should we do to achieve our short-term business goals?”).

The importance and value of strategy is highly emphasized in the course of military operation, as stated and quoted by one of the U.S. general Omar Bradley. “In war, there is no second prize for runner-up”, (Far East Journal of Marketing and Management Vol. 1 No. 1 December 2011).

Strategies answer the broad question “What approach(s) should we pursue to get the results we want?” Strategy is different than tactics; tactics answer more narrow questions, such as: “What specific actions should we take at our level, which is consistent with the organization’s overall strategy?”

### **2.4. Definition of marketing strategy**

According to business dictionary definition, marketing strategy of an organization is an organization’s strategy that combines all of its marketing goals in to one comprehensive plan.

A good marketing strategy should be drawn from market research and focus on the right product mix in order to achieve a maximum profit potential and sustain the business.

According to the Wikipedia, free encyclopedia (May 2009) definition, “Marketing strategy is the goal of increasing sales and achieving a sustainable competitive advantage. Marketing strategy includes all basic and long-term activities in the field of marketing that deals with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives.

Business firms, whether it is a private or a public owned, need to develop a comprehensive marketing strategy in order to realize their mission and objectives. According to Phillip Kotler and Gray Armstrong (2004), marketing strategy is defined as “the marketing logic by which the business unit according to OFWE, the Lumber business, hopes to achieve its marketing objectives.

## **2.5. Why is marketing strategy?**

The followings are among many advantages marketing strategy provides for organizations.

Marketing strategy is used to facilitate an organization to achieve and sustain a competitive advantage in the marketplace and enables the organizations to create market based relational assets and market-based intellectual assets for the organization (Srivastava et.al 1970).It enable an organization to establish and nurture mutually beneficial exchange relationships with customers (Bagozzi 1975). It also help to modify/influence/shape the affect, cognition and behaviors of customers and consumers in ways that are conducive to their acquisition, possession and consumption of specific product offerings of an organization (Carpenter et al. 1997). It is also used to identify and leverage new points of differentiation (MacMillan and McGrath 1997).and enhance the salience of non-price criteria vis-à-vis price or vice versa in buyers’ choice decisions.

## **2.6. Types of marketing strategies**

As the problem of market and its environment is diverse, the marketing strategies implemented in smoothening the business operations are also vary. These are some of the marketing strategy organizations are adopting and implementing in order to win their marketing objectives.

In the early growth stage of market according to Borden, Ansoff, Kerin and Peterson (1978), it is advisable to use a market growth strategy that provides the manager to choose among additional strategies, (segment expansion and brand expansion.

Another type of market strategy which has been developed by Boston Consulting Group, is a market maturity strategy, whereby used in correcting among the market failures, like

when sales growth slows, stabilizes and starts to decline. In early maturity, it is common to employ a maintenance strategy (BCG), where the firm maintains or holds a stable marketing mix”.

A market decline strategy is characterized by at some point the decline in sales approaches and then begins to exceed costs. And not just accounting costs, there are hidden costs as well; as Kotler (1965, p. 109) observed: At some point, with declining sales and rising costs, a harvesting strategy becomes unprofitable and a divesting strategy necessary.

Borden’s “marketing mix” is an early marketing strategy concept in his review article of the marketing mix, Borden (1964) credits James Culliton, in 1948 describing the marketing executive as a 'decider' and a 'mixer of ingredients.' This led Borden, in the early 1950s, to the insight that what this mixer of ingredients was deciding upon a 'marketing mix'".

In differentiation and segmentation strategy according to Smith (1956, p. 5), a firm tries bending the will of demand to the will of supply.' That is, distinguishing or differentiating some aspect(s) of its marketing mix from those of competitors,

In a mass market or large segment, where customer preferences are relatively homogeneous (Hunt, 2011, p. 80), revealed that, a greater quantity is sold for a given price and makes it less amenable to substitutes. With segmentation, a firm recognizes that it faces multiple demand curves, because customer preferences are heterogeneous, and focuses on serving one or more specific target segments within the overall market.

The Dean’s skimming and penetration strategy is also one of the marketing strategies that can be characterized by when a firm introduces a product with a high price and after milking the least price sensitive segment, gradually reduces price, in a stepwise fashion, tapping effective demand at each price level. With penetration pricing a firm continues its initial low price from introduction to rapidly capture sales and market share, but with lower profit margins than skimming".(Dean’s).

Andrews' SWOT analysis, is the widely used marketing strategy at a corporate level, to intensively analyze company's internal and external factors that enable to identify weaknesses and threats along with company's strengths and existing opportunities to build up competitive strategy. (*Business Policy: Text and Cases (Learned et al., 1965)*).

Ansoff's Growth Strategies in the marketing is a popular type of strategy characterized by 'product-market' strategy. The product-market concept results from Ansoff's new and existing products with new and existing markets in a two by two matrix'.

Porter's generic strategies, relies on the dimensions of strategic scope and strategic strength. Strategic scope refers to the market penetration while strategic strength refers to the firm's sustainable competitive advantage. The generic strategy framework comprises two alternatives each with two alternative scopes. These are Differentiation and low-cost leadership each with a dimension of Focus-broad or narrow (porter 1984).

The innovation strategy is also among the strategies, deals with the firm's rate of the new product development and business model innovation. It asks whether the company is on the cutting edge of technology and business innovation. There are three types: Pioneers, Close followers, and late followers.

Managements seek to know how they are going to make their market grow, like the OFWE, in this case, These ways of growth are termed as organic growth (horizontal integration, Vertical integration, diversification and intensification). Horizontal growth is whereby a firm grows towards acquiring other businesses that are in the same line of business for example a clothing retail outlet acquiring a food outlet. The two are in the retail establishments and their integration lead to expansion. Vertical integration can be forward or backward. Forward integration is whereby a firm grows towards its customers for example a food manufacturing firm acquiring a food outlet. Backward integration is whereby a firm grows towards its source of supply for example a food outlet acquiring a food manufacturing outlet.



## 2.7. Marketing mix strategy

To effectively market a product or service there are four things you need to get right: Product, Price, Place and Promotion. These four elements are known as the marketing mix or the 4Ps. The four elements should be viewed as one unit and structured to support each other; Otherwise a firm's marketing strategy will be confusing and uncoordinated.

Borden's "marketing mix" is an early marketing strategy concept in his review of the marketing mix, Borden (1964) credits James Culliton, in 1948 describing the marketing executive as a 'decider' and a 'mixer of ingredients.' This led Borden, in the early 1950s, to the insight that what this mixer of ingredients was deciding upon a 'marketing mix'".

**Fig.2: diagrammatic representation of set of marketing mix elements (4P's)**



**Source:- [www.learnmarketing.net](http://www.learnmarketing.net)**

## 2.8. Critics of marketing mix strategy

The contemporary definition of American Marketing Association of marketing is defined as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (Marketing Principles (index.html) (v. 1), emphasizes on the activities that marketers have to do and shows similarities and differences with marketing mix of 4Ps.

- a) Creating offerings - related with the first P of the marketing mix element i.e. Product (goods and service).

- b) Communication – which is related to the Promotion dimension
- c) Delivering – related to the Place dimension of the mix
- d) Exchange – related to the Price dimension of marketing mix element but shows certain difference, in scope and dealing with early marketing mix elements of the 4p's.

This marketing definition most describes and emphasize on what marketers or marketing professionals do, where the marketing mix elements or the 4Ps fail to capture all the activities of marketing. In general terms this means that the four Ps are not exactly the same as creating, communicating, delivering, and exchanging. Another central theme of this definition lies on the benefits marketers create for customers termed as value creation. Those Firms who are operating with this philosophy are said to be market oriented. Hence, a marketing orientation is not an excuse to fail to make profit.

## **2.9. The product dimension**

### **2.9.1. What is a product**

Business dictionary.com defines a product as follows: A product is a good, idea; method, information, object or service created as a result of a process and serves a need or satisfies a want it has a combination of tangible and intangible attributes (benefits, features, functions, uses) that a seller offers a buyer for purchase.

As the product is the item being sold to the customer, the thing that will bring in money, its features and design need careful consideration. Whether the firm is manufacturing the product or purchasing the product for resale, they need to determine what product features will appeal to their target market. Lumber is defined as a manufactured wood product derived from a log through sawing or planing (American soft wood Standard).The marketing practice covering the lengths, width and thickness of lumber permit the buyer to obtain specified dimension or specified assortments of the product.

### **2.9.2. Lumber product dimension**

Lumber products has to be designed, produced, assorted and categorized and standardized according to the purpose they are intended to be used in the market.

Therefore, companies producing lumber and market them in the best way their products fits the demand of the market. For example one of the American lumber companies “Stimson lumber”, producing different standardized dimensions of lumber set by the “American soft wood lumber standard “and categorized according their purpose. Here is an example of the company’s lumber product dimensions offered to international market. A lumber dimension named Stepping-lumber designed to be used for stair treads. Customarily surfaced three sides and bull-nosed on one edge. Finish is another dimension designed and produced for - a high-quality piece of lumber graded for appearance, often used for interior trim or cabinet work, Flooring is as its name indicates, a product type designed as a tongue and grooved piece of lumber typically used as a finished floor, Ceiling is also another type of dimension of lumber designed and produced as a piece of patterned, tongue and grooved lumber, used to cover the ceiling of a room, porch or other partially enclosed areas, the Partition as its name indicates a product having a tongue and grooved piece of lumber with the same pattern run on both sides.(<http://stimson-lumber.s3amazonaws.com>). In Ethiopia such kinds of standard for this particular product is not yet known.

OFWE is producing 42 different lumber dimensions and offer to domestic market, which is not yet subject to foreign market. The dimension assigned and the standard of the product set by the company, doesn’t consider customers need, rather it is based on the natural characteristics of the raw materials. The size of lumber is depends on the width size of log material. As the width size of the log increases, the width of lumber is larger, the larger the width of the lumber, the higher is its demand and price and vise versa.

The table below shows how the “American soft wood lumber product” standards, help the company to produce different lumber dimensions based on the purpose the product is fit for.

**Table1:- “American soft wood lumber product” standards,**

Item	Thicknesses			Widths		
	Nominal Inch	Minimum Dressed		Nominal Inch	Minimum Dressed	
		mm			mm	Inch
<b>Finish</b>	3/8	8	5/16	2	38	1-1/2
	1/2	11	7/16	3	64	2-1/2
	5/8	14	9/16	4	89	3-1/2
	3/4	16	5/8	5	114	4-1/2
	1	19	3/4	6	140	5-1/2
	1-1/4	25	1	7	165	6-1/2
	1-1/2	32	1-1/4	8	184	7-1/4
	1-3/4	35	1-3/8	9	210	8-1/4
	2	38	1-1/2	10	235	9-1/4
	2-1/2	51	2	11	260	10-1/4
	3	64	2-1/2	12	286	11-1/4
	3-1/2	76	3	14	337	13-1/4
	4	89	3-1/2	16	387	15-1/4
<b>Flooring</b>	3/8	8	5/16	2	29	1-1/8
	1/2	11	7/16	3	54	2-1/8
	5/8	14	9/16	4	79	3-1/8
	1	19	3/4	5	105	4-1/8
	1-1/4	25	1	6	130	5-1/8
	1-1/2	32	1-1/4			
<b>Ceiling</b>	3/8	8	5/16	3	54	2-1/8
	1/2	11	7/16	4	79	3-1/8
	5/8	14	9/16	5	105	4-1/8
	3/4	17	11/16	6	130	5-1/8
<b>Partition</b>	1	18	23/32	3	54	2-1/8
				4	79	3-1/8
				5	105	4-1/8
				6	130	5-1/8
<b>Stepping</b>	1	19	3/4	8	184	7-1/4
	1-1/4	25	1	10	235	9-1/4
	1-1/2	32	1-1/4	12	286	11-1/4
	2	38	1-1/2			

**Source: National Institute of Standards & Technology Voluntary Product Standard PS 20-10 Natl.**

**Inst. Stand. Technol. Prod. Stand. PS 20-10, 50 pages (June 2010)**

## **2.10. The price dimension**

### **2.10.1. What is a price?**

Alike the product business dictionary.com gives definitions of price. i.e. “price is a value that will purchase a finite quantity, weight, or other measure of a good or services, as the consideration given in exchange for transfer of ownership,” price forms the essential bases of commercial transactions. It may be fixed by a contract, left to be determined by an agreed up on formula at a future date, or discovered or negotiated during the course of dealings between parties involved.

In Marketing principle book sited on <http://2012book.lardbucket.org>, shows and briefly states that price has a lion share of price dimension in the product mix strategy. “Price is the Only Revenue Generator”. Price is the only marketing mix variable or part of the offering that generates revenue. Buyers relate the price to value. They must feel they are getting value for the price paid.

Prices can be easily changed and easily matched by competitors. Consequently, product’s price alone might not provide a company with a sustainable competitive advantage. Nonetheless, prices can attract consumers to different retailers and businesses to different suppliers. (<http://2012book.lardbucket.org>)

An article cited on the <http://www.learnmarketing.net>, highly emphasizes that among the 4Ps marketing mix elements pricing is one of the most important elements of the marketing mix, as it is the only mix, which generates a turnover for the organization.

The remaining 3p’s are the variable cost for the organization. It costs to produce and design a product; it costs to distribute a product and costs to promote it. Price must support these elements of the mix. Pricing is difficult and must reflect supply and demand relationship. Therefore, pricing a product too high or too low could mean a loss of sales for the organization. (<http://www.learnmarketing.net/Price.htm>).

Alike the determinants stated in the marketing principle cited in business dictionary.om, [learnmarketing.net](http://www.learnmarketing.net) also considers the factors that should be considered in pricing products or services as, fixed and variable costs, Competition, company objectives,

proposed positioning strategies, and target group and willingness to pay. This implies that the decisions made with regard to price and pricing is highly critical, therefore, companies need to have a carefully designed pricing strategy that should be aligned with company's objectives.

### **2.10.2. Pricing framework**

The marketing principle cited above and other marketing management and marketing strategy books emphasizes that there should be a framework for companies to follow in setting a price for their products and services.

Before pricing a product, an organization must determine its pricing objectives. Companies do accomplish their objectives with their pricing strategies. For example, one firm may want to capture market share, another may be solely focused on maximizing its profits, and another may want to be perceived as having products with prestige, another may focus on to maintain its status quo including the analysis of estimating the demand for the product or service, the costs, and analyze all factors (e.g., competition, regulations, and economy) affecting price decisions.

### **2.10.3. Price determination**

Business dictionary definition.com and a book of principles of marketing suggest that in commerce, price of goods and services is determined by any of the following three factors.

- 1) A buyer is willing to pay: - indicates that buyers have the upper hand of setting price and sellers will be the receivers of the price. It is impossible for a seller to set high price to earn maximum return from its operation, therefore, this shows that it is not recommended to follow profit maximization strategy.
- 2) A seller is willing to accept: - this shows the opposite position of the parties stated above; this favors the sellers better than buyers. This provides better opportunity for the seller to have set a price as high as buyers are able to afford, provided that sellers are able maximize their return.

- 3) The competition is allowing to be charged: - with this regard, the seller has no option as compared to buyers, weather the return he/she earn is enough or not.

With product, promotion, and place of marketing mix, it is one of the business variable over which organizations can exercise some degree of control. It is a criminal offence to manipulate price in collusion with other suppliers, and to give a miss leading indication of price, such as charging for items that are reasonably expected to include in the advertised, list, or quoted price.

([http//business deictionary.com](http://business deictionary.com))

#### **2.10.4. Pricing strategies**

There are lots of different pricing strategies but every strategy must cover at least business's costs unless the price is being used to attract customers to the business (loss leader pricing). A product is only worth as much as people are prepared to pay for it. The amount your target markets are prepared to pay for your products/services depends on product features and the target market's budget. You will also need to consider competitor pricing and factors within your marketing environment. Effective pricing involves balancing several factors.

Pricing is one of the most important elements of the marketing mix, as it is the only mix, which generates a turnover for the organization. The remaining 3p's are the variable cost for the organization. It costs to produce and design a product; it costs to distribute a product and costs to promote it. Price must support these elements of the mix. Pricing is difficult and must reflect supply and demand relationship. Pricing a product too high or too low could mean a loss of sales for the organization.

#### **2.10.5. Pricing factors**

Pricing should take the following factors into account; these are the fixed and variable costs, the market competition, the company objectives, the proposed positioning strategies, and the target group and willingness to pay. The pricing strategy will usually based on the organization's corporate objectives.([http//learnmarketing.net](http://learnmarketing.net))

### **2.10.6. Types of pricing strategy**

Today, there are so many pricing strategies of pricing are used by thousands of companies all over the world. Among many strategies available, learnmarketing.net highlights the following lists of pricing strategy along with the appropriate desirable applications, with are presented below. ([http//learnmarketing.net](http://learnmarketing.net)).

Penetration strategy, this pricing strategy is applied and used as setting a lower price initially until the desired market share is met, then automatically increase price, this type of strategy is applicable in businesses like rents of television satellite.

Skimming pricing, is a type of pricing strategy that is objectively targeting profit maximization by setting higher price initially until the product is available to a wider market. Another type of pricing strategy is competition pricing, this strategy is mostly applicable in many of business organizations, with three options, of lower, the same or the higher. Product line pricing is also another type of pricing strategy, setting different prices for the same product having different features.

A bundle pricing is also one of the pricing strategy implemented, this is mainly applicable and used as a promotional measures like, “Buy one and get one free”. A psychological pricing is another pricing strategy, in order to help as a price positioning strategy. Premium pricing is a type of pricing strategy which enable to price products or services of superior quality or highly valued ones.

Optional pricing is also another strategy to set product price, this is more applicable for regular products if ordered with some special features or designs, added or incorporated or as special order on the regular product. Cost based pricing and cost plus pricing strategies are employed as adding mark up price of certain percentage to meet the desired profit. The cost based strategy is somewhat different from cost plus strategy in a way that it considers the regularly changing or volatile cost of production, thus pricing is this type of product is done frequently.



## **2.11. The promotion dimension**

A successful product or service means nothing unless the benefit of such a service can be communicated clearly to the target market. Promotion is any activity to raise awareness of a product or to encourage customers to purchase a product.

The different types of marketing communications an organization uses compose its promotion or communication mix, which consists of advertising, sales promotions, public relations and publicity, personal selling, and direct marketing.(marketing principles (index.html) (v.1.0).

Advertising is one of the promotional measures employed in many organizations including OFWE; it is characterized by the elements of paying to disseminate a message that identifies a brand (product or service) or an organization being promoted to many people at one time. The typical media that organizations utilize for advertising of course include television, magazines, newspapers, the Internet, direct mail, and radio. One of the biggest factors an organization must determine is the media that provides the biggest bang for the buck, given a product's characteristics and target market.

Public relations (PR), is one of a means of disseminating the desired information that helps improve and promote an organization's image and products by putting a positive spin on news stories. Public relations materials include press releases, publicity, product placement, and sponsorships. One of the OFWE's PR practices as promotional measures is participating on sponsorship of many large events or public ceremonies celebrated at regional level. However the fact that the company's PR involvement in the public relation mostly emphasizing and giving priority for forest development part of the company than the marketing and production activities, and not practiced with the intention of marketing objectives. Many companies also use PR to promote products and to supplement their sales efforts. PR is often perceived as more neutral and objective than other forms of promotion because much of the information is tailored to sound as if it has been created by an organization independent of the seller.

### 2.11.1. Promotion through the product life cycle

As products move through the four stages of the product lifecycle different promotional strategies should be employed at these stages to ensure the healthy success and life of the product.

When a product is new, that is at introductory stage, the organization's objective will be to inform the target audience of its entry. Television, radio, magazine, coupons etc may be used to push the product through the introduction stage of the lifecycle. Push and Pull Strategies will be used at this crucial stage. At growth stage the product organization will employ strategy to increase brand awareness and customer loyalty, at maturity stage of the lifecycle the product will be experiencing increased competition and will need persuasive tactics to encourage consumers to choose their product over their rivals. At the decline level the product reaches the decline stage of its life cycle, all the organization can do is use strategy to remind consumers about the product in a bid to slow the inevitable.

Fig 3:- Types of promotional strategies employed at different stages of product life cycle



Source:- www.learnmarketing.net

### 2.12. The place dimension

#### 2.12.1. Distribution, marketing channels and channel partners

Distribution refers to how an organization will distribute the product or service they are offering to the end user. The organization must distribute the product to the user at the

right place at the right time. Efficient and effective distribution is important if the organization is to meet its overall marketing objectives. If an organization underestimate demand and customers cannot purchase products because of it, profitability will be affected.

A marketing channel is the specific avenue a seller uses to make a finished good or service available to you for purchase for example, whether you are able to buy it directly from the seller, at a store, online, from a salesperson, and so on is referred to as the product's marketing channel (or distribution channel). The firms a company partners with to actively promote and sell a product as it travels through its marketing channel to users are referred to by the firm as its channel members (or partners). Companies strive to choose not only the best marketing channels but also the best channel partners.

The two types most frequently known channel partners are wholesalers and retailers. Market environment is changing from time to time, in recent years, the lines between wholesalers, retailers, and producers have begun to blur considerably. For example, Microsoft is a producer of goods, but recently it began opening up its own retail stores to sell products to consumers, much as Apple has done. (Daniel Lyons, "The Lost Decade," Newsweek, November 9, 2009, 27).

Two types of channel of distribution methods are available. Indirect distribution involves distributing your product by the use of an intermediary for example a manufacturer selling to a wholesaler and then on to the retailer.. Direct distribution involves distributing direct from a manufacturer to the consumer For example Dell Computers providing directly to its target customers. The advantage of direct distribution is that it gives a manufacturer complete control over their product. (Principles of Marketing, Philip Kotler 15<sup>th</sup> editions)

### **2.12.2. Distribution strategies**

Depending on the type of product being distributed there are three common distribution strategies available:

1. Intensive distribution Used commonly to distribute low priced or impulse purchases products e.g. chocolates, soft drinks.

2. Exclusive distribution Involves limiting distribution to a single outlet. The product is usually highly priced, and requires the intermediary to place much detail in its sell. An example of would be the sale of vehicles through exclusive dealers.

3. Selective Distribution A small number of retail outlets are chosen to distribute the product. Selective distribution is common with products such as computers, televisions household appliances, where consumers are willing to shop around and where manufacturers want a large geographical spread.

If a manufacturer decides to adopt an exclusive or selective strategy they should select a intermediary which has experience of handling similar products, credible and is known by the target audience.

## **CHAPTER THREE**

### **RESEARCH MRTHODOLOGY**

#### **3.1. Chapter Overview**

This chapter provides research methodology to be used in the study in order to achieve research objectives. The chapter presents research design, population and sampling technique, types of data and instrument of data collection, procedure of data collection and methods of data analysis.

The study area of this research is the Oromia Forest and Wild life Enterprise located its head quarters in Addis Ababa, and has nine branches operating in different zones of Oromia regional states out of which sample respondents were selected.

#### **3.2. Research approach and methods**

Descriptive research study design was employed to analyze the current practices and challenges of the marketing strategy of the selected business unit (Lumber). Qualitative data was used for the study in order to help the researcher to understand the existing situation, events, experiences and challenges and action of the participants to address the issues raised in the basic research questions of the study.

Relevant variables of each marketing mix elements of the 4P's i.e. the product, the price, the promotion and the place were involved and analyzed to bring about the desired results. Categorization of the variables under the study area includes; the followings:

The product aspect of the first 4P's variables studied includes the features, the dimensions, the quality, the attractiveness, the availability of product. The price aspect of the 4P's variables studied includes the price level, the perceived value of product, the affordability and profitability, The third category of this project study is designed to address, the promotional measures employed and their attractiveness, effectiveness, and efficiencies. The place aspect of the strategy, involves, the availability of channels for distribution, the channels' attractiveness, the service delivery approaches and its quality and the provision of after sales benefits.

### 3.3. Sampling Design

Purposive sampling is employed using the production performance as a criterion, five branches of top performers (Arsi, Borena-Guji, Jima, Sheger, Finfine) were selected, Experts from Marketing, Production and Finance departments and managements working for these branches including the head quarters were selected as a target respondents.

**Table 2: relative comparison of lumber production in branches**

<b>Name of Branch</b>	<b>Mean Annual production (M<sup>3</sup>)</b>	<b>Relative contribution (%)</b>
Arsi	18,485	71%
Borena-guji	2,119	8%
Jima	1,607	6%
Sheger	1,122	4%
Finfine	1,031	4%
Others (sum of 4 branches )	1702	7%
<b>Total</b>	<b>26,066</b>	<b>100%</b>

**Source: OFWE data base 2005EC.**

Target respondents of the customer group is all existing customers or traders involved in centralized bid sales operations of the enterprise that are common to all of the branches organized under the company were considered for the study.

Jima and Borena branches are excluded from the study due to distance, time and financial constraint of the researcher; therefore, three branches Arsi, Sheger and Finfine were selected for the study.

The target respondents of employees/experts for the study were experts working in production, marketing and finance, departments at head quarters and branches.

#### 3.3.1. Population of the Study

The total population of the study were a mix of customers and staff (experts and Management), the total customers employed for this study were the traders involved in the bid sales operation of the company, and the entire employees (experts) and management of the company working at head quarters and branches.

#### 3.3.2. Sampling size

All existing traders of the lumber products were selected and studied. Experts working in the marketing department including the marketing managers at each selected branches

and head quarters were selected and being studied. Experts of production dep't are relevant for the study were involved from selected branches and head quarters. In finance department experts working on inventory management, control and valuation were selected and involved in the study. The management members at each selected branch and head quarters were selected and involved in the study undertakings by the researcher. For simplicity the total respondents the researcher has used in the course of study is displayed using the following table:

**Table 3: Sample frame and sample size computation**

Description of respondents	Units	Branch	HQ	Sample frame	Sample size
<b>Customers</b>					
Lumber traders involved in bid sales	No	-	18	18	18
<b>Staff</b>					
Experts - Marketing Department	No	4 x 3 = 12	3	15	15
Experts - Production Department	No	3 x 3 = 9	2	11	11
Experts - Finance Department	No	3 x 3 = 9	2	11	11
Management - both at branch & head quarters	No	8 x 3 =24	11	35	35
<b>Total No of Respondents</b>	<b>No</b>	<b>54</b>	<b>36</b>	<b>90</b>	<b>90</b>

**Source: - Survey of 2015**

As we see from table based on the criterion used the sample size for the study area were 18 for traders and 72 for staff (experts & Management), provided that the total sample frame is equal to the total sample size of 90.

### **3.3.3. Sampling Techniques**

Purposive sampling method was employed using the production performance as a criterion for target branch selection, target respondents of experts were selected based on the information expected from the respondent that is most relevant to the study were considered. All management members were considered relevant to the study and were selected; traders of lumber who were buying the product sold through bid sales were considered relevant and were selected for the study.

### **3.4. Sources of data**

Data were collected from both primary and secondary sources.

### **3.4.1. Primary data**

The primary data source were information collected from target respondents using structured and semi-structured questionnaires, filled by target respondents of traders and experts selected from branches and head quarters, and the managements arguments, judgments, opinions and reflections collected and organized during group discussions made at head quarters and selected branches with managements.

### **3.4.1. Secondary data**

Secondary sources of data were documents available at the company's head quarters and branch offices. These were official documents of the company, annual performance reports, magazines, and data bases available at head quarters and branches.

### **3.5. Research instruments**

Instruments used for primary data collection were structured and semi-structured questionnaires, filled by target respondents of traders and experts selected from branches and head quarters. Check lists for group discussions with management at branches and head quarters were employed in order to get balanced information. Secondary data were obtained by reviewing of the available documents at company's head quarters and branch offices, such as the official documents of the company, annual performance reports, magazines, and data bases.

### **3.6. Methods of data analysis**

Data processing or analysis is an important part of the whole survey operations. Descriptive statistical tools such as percentage, frequency distribution, mean, and charts were used to describe and present the analysis of the research. The major findings were presented by using figures, percentages and statement computations.

### **3.7. Ethical issues**

There were opportunities to debrief all those who have been involved in the research. All activities that required the involvement of the respondents were carried out with the full consent of the respondents. Respondents' right to privacy were respected.



## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.1. Chapter Overview

In this part of the research, the researcher has presented the major findings of the study in five sections. The first section deals with the analysis of the sample respondents of both the employees' and customers' general profile. The second section presents the analysis of the first 4Ps (product Dimension) marketing of the marketing mix. The third section provides the analysis of the second 4Ps (Price Dimension) marketing in the mix, under the study area. The fourth section covers the third 4Ps (Promotion Dimension) marketing. The fifth part discusses about the last part of the 4ps (Place Dimension) marketing.

To meet the objectives of these study questionnaires were distributed to sample respondents. All target respondents of customers and employees were responded to the questionnaires; and all the accepted responses were complete and found to be valid for analysis.

#### 4.2. Respondents Profile

##### 4.2.1. Customers' respondents

**Table 4:- Demographic analysis (Gender)**

Gender		Frequency	Valid Percent	Cumulative Percent
Valid	Male	17	94	94
	Female	1	6	100
	Total	18	100	

**Source:- Survey 2015**

Out of 18 customers respondents involved in the study, only 6% is female, the remaining 94 % (17) are male.

**Table 5:- Demographic analysis - (Age category)**

	Age category	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	0		0	0
	26-35	5		28	28
	36-45	6		33	61
	46-55	7		39	100
	above 55	0		0	
	<b>Total</b>		<b>18</b>		<b>100</b>

**Source:- Survey 2015**

Almost all of the respondents are at productive age. 28% (5) of them are between age of 26 and 35, 33 %(6) of them are between age of 36 and 45, the rest 39%(7) of the respondents belongs to 46 to 55 age group. The analysis of the educational level of respondents shows that, about 11%(2) of them are those who are able write and read, 56%(10) of them are the 12<sup>th</sup> or 10<sup>th</sup> grade complete as per the old and new curriculum of education, 28% (5) of them are diploma holders, the rest 6%(1) respondent belongs to university graduate. About 89 %(26) of the respondents are married, the remaining 11%(2) are unmarried.

Their business relationship with the company in buying lumber product (since 2000 E.C.) shows, majority of customers 78%(14) have more than seven years relationship, the remaining have 5 years (17%) and 3 years and below (5%) respectively.

33% (6) of the customers respondents are found to be operating their business in the capital of Ethiopia, (Addis Ababa) 56% (10) of them are operating their business in different zonal capitals or cities, only 6%(1) respondent said their business is located in the woreda town.

#### **4.2.2. Employees respondents'**

**Table 6: - demographic profile -Gender**

	Gender	Frequency	Valid Percent	Cumulative Percent
Valid	Male	26	83	83
	Female	9	17	100
	<b>Total</b>	<b>35</b>	<b>100</b>	

**Source;- Survey 2015**

Out of the sample size (37) of employees, 94% (35) of them have been respondents of the study. Among the participants involved 83% of the respondents are male; the remaining 17 % (6) are female.

**Table:- demographic analysis – Age**

	<b>Age category</b>	<b>Frequency</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	18-25	0	0	0
	26-35	15	43	43
	36-45	14	40	83
	46-55	5	14	97
	above 55	1	3	100
	<b>Total</b>		<b>35</b>	<b>100</b>

**Source:- Survey 2015**

The age category of respondents shows majority of them falls between the age of 26 and 45, and small portion of them falls from age 46 up to 55 and only one employee is found to be at the age of above 55. The survey of educational status of respondents under study shows that, 80 %(28) of them are those who are graduates of having first degree and above, the remaining 20% (7) are diploma holders. Nearly half of the respondents are 21-30 years of work experience, about 31%(11) of them have, below ten, 14%(5) of them have 21 up to 30 years, the rest 2 employees (6%) were served above 31 years. The marital status of the respondents shows 86% and 14% married and unmarried respectively. The composition of employees respondents job location (area) shows 43%(15), 26%(9), 17%(6) and 14%(5) of them is from Arsi, Head quarters, Sheger and Finfine branches respectively.

#### **4.3. Rationale for sales decline**

The analysis of data shows that, the reasons for the company's sales decline is due to increasing customers compliant because of poor service delivery of the company, and the possibility of getting alternative sources of supply with relatively cheaper price than the company's offerings.

#### **4.4. Company product profile**

OFWE is a public enterprise whose source of business operation is forest and forest products, among many offerings of forest products; the company has producing 42 different lumber products (dimensions) at an average of about 27 thousands of cubic meter of lumber annually, by employing 33 semi modern and out dated machineries found in nine branches of the company and offering to domestic mass market using bid sales policy at center of head quarters. The product design, the dimension and the

standard of the product is set by the company. There is no available national standard for the product under study. This is a critical problem in marketing the product, because the current standard set by the company doesn't consider the purpose like the one we observe in the study, which has been produced based on the purpose it is intended to use that allows manufactures to produce and offer on the bases of the market need.

**Table 8: 42 different Standard of lumber dimensions produced and offered by OFWE**

S.NO.	Product Dimension (Mt)		
	Length Dimension	Thickness Dimension	Widths Dimension
1	4	0.05	0.05
2	4	0.05	0.075
3	4	0.05	0.1
4	4	0.05	>12<20
5	4	0.05	>20<25
6	4	0.05	>25<30
7	4	0.05	>30
8	4	0.025	<12.5
9	4	0.025	>12<20
10	4	0.025	>20<25
11	4	0.025	>25<30
12	4	0.025	>30
13	3.5	0.05	>125
14	3.5	0.05	<125
15	3.5	0.025	>125
16	3.5	0.025	<125
17	3	0.05	>125
18	3	0.05	<125
19	3	0.025	>125
20	3	0.025	<125
21	2.5	0.05	--
22	2.5	0.025	--
23	2	0.05	--
24	2	0.025	--
25	1.5	0.05	--
26	1.5	0.025	--
27	1.3	0.05	--
28	1.3	0.025	--
29	1.2	0.05	--
30	1.2	0.025	--
31	1	0.05	--
32	1	0.025	--
33	0.9	0.05	--
34	0.9	0.025	--
35	0.8	0.05	--
36	0.8	0.025	--
37	0.7	0.05	--
38	0.7	0.025	--
39	0.6	0.05	--
40	0.6	0.025	--
41	0.5	0.05	--
42	0.5	0.025	--

Source:- OFWE data base (2007 E.C.).

## 4.5. Product Dimension

### 4.5.1. Customers response analysis of product

The survey, conducted on the opinions of their current business relationship with the company in relation to the experience they have before reveals that, 28%(5) of them said that they have an intimate relationship with the company, 39%(7) of them said that the relationship is loose, 17%(3) of them said that they have recognized as not bad not good to mean in between, the rest 17%(3) of the respondents said that the relationship we have with the company is offensive.

The analysis of respondents current and future state of buying opinion shows that, 50%(9) of them said they want to continue buying as much as the available offerings, 39%(7) of them said that they want to continue buying in being highly selectively, and the rest 11%(2) of them said they will be in different to mean they want to react accordingly.

Customers' current and future state of purchasing is affected by many reasons, among the alternatives identified and listed below, respondents' rate according to the priority they perceived that affect their buying decision.

**Table 9: 'factors affecting customer' current and future state of buying**

<b>Factors/ Reasons</b>	<b>Frequency</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Less product quality than import	9	50	50
Higher or equal price compared to import	4	22	72
Poor information accessibility	5	28	100
Poor service quality	0	0	0
Availability of similar product	0	0	0
<b>Total</b>	<b>18</b>	<b>100</b>	

**Source:- survey of 2015**

Customers are asked to respond their buying preferences of different product dimensions, by prioritizing the length and width dimension, and the analysis of data obtained from data base of the organization reveals that customers have different preferences.

**Table: 10 analysis of Respondents' preference rate of width dimension**

Product Dimension	Frequency	Valid percent	Cumulative percent	Rank
20-25	9	50	50	1
12_20	6	33	83	2
0.1	1	6	89	3
25-30	1	6	95	3
>30	1	6	100	3
	<b>18</b>	<b>100</b>		-

**Source:- survey of 2015**

Customers' preference for the OFWE's offerings is highly different. The analysis shows that 50% of the respondents preferred the product with width dimension of 20-25 as their first priority, followed by product dimension with width dimension of 12-20 accounting 33% of respondents. Products with dimensions 25-30,>30,and 0.1 each accounts 6% preference rate as a customers' first priority next to the two dimensions selected before.

evaluation of the current practices and procedures OFWE is following in its marketing strategy in matching their needs and reaching others shows that 33%(6) of them are somewhat agree with the operation, 28%(5) of them said that they are strongly disagree 17% (3) said that they are somewhat disagree and 11%(3) said that they are in neutral and strongly agree, respectively.

The survey of rating the company's product quality when compared to similar domestic products reveals that 22% (4) of the respondents said its quality is excellent, the same percent of respondents said its quality is very good and good respectively. 28% (5) of the respondents recognize as not good and not bad to mean it is an average, the rest 6% (1) respondents said that its quality is poor as compared to similar domestic products.

The analysis of rating the company's product quality when compared to similar imported products reveals that 28% (5) of the respondents said its quality is very good, the same percent of respondents said its quality is good and poor respectively. 11% (2) of the respondents recognize as not good and not bad to mean it is an average.

The most influential attributes/features of lumber product of the company that influence the buying behavior of customers have been assessed. The result shows that, about 28%(5) of the respondents said that it is because of the brand image of the product, 23%(6) of them said it is due to the high perceived value of the product, 22%(4) of them said it is because of the product quality, 11%(2) of the respondents said that it is due to the availability of different variety of product, the rest 6%(1) shows that it is because of the physical appearance or attractiveness of the product.

Among the possible reasons listed, the results of the analysis shows that, 33% of the respondents said that, it is due to lack of advertisement, 17% of them said, it is because of sales practices is only limited to bid sales system, 25% of them said that it is because of sales operation is being practiced on head quarter only, and the availability of domestic and import products in the market are equally contributes to the existence of the problem.

#### **4.5.2. Employees Response analysis of product**

Current practices of OFWE's marketing strategy from targeting strategy effectiveness prospective reveals that 29% of respondents said it is somewhat attractive and average, 23% said attractive 11% said highly attractive and the rest 9% said not attractive.

The analysis of rating the company's product quality when compared to similar domestic products reveals that 34%(12) of the respondents said it is relatively comparable, 26%(9) of the respondents recognize as superior, 17%(6) of them said it is the same with domestic products supplied by competitors, about 11%(4) of the employees said that the product of OFWE is superior 9%(3) of them said it is incomparable.3 of the employees didn't respond.

The quality aspect analysis of the product when compared to import products shows that 46 %(16) of the respondents said it is relatively comparable, 29%(10) of them said that it

is incomparable with import product, 20% (7) respondents said less superior, only 6% (1) said superior.

**Table: 11 Employees perceived width dimension preference**

Dimension	width dimension preference			
	20-25	25-30	>30	12_20
Frequency	18	28	18	10
Percent	51.4	80.0	51.4	28.6
Rank	2	1	2	3

**Source:- survey of 2015**

As shown above, the perceived preference rate of customers has been analyzed and rated by employees of the company; each dimension category is evaluated independently. 80% (28) of the respondents said that customers preference of buying this dimension (25-30) has a first priority, followed by either of the dimensions (20-25 or > 30) available which is preferred equally (51.4% each) as a second priority; and (12-20) dimension is preferred next to the two alternatives when the supply and demand forces are in balance, in which this can't be realistic in the market environment.

Analysis of the view of employees with the attractiveness of the product dimensions /feature/ compared to the competitors' domestic products shows that only 20% (7) of the respondents recognize that it is more attractive, others said that 37% (13) attractive, 26% (9) somewhat attractive, 14% (5) said less attractive, and only 3% (1) said not comparable.

Analysis of the view of employees with the attractiveness of the product dimensions /feature/ compared to the competitors' Import products shows that only 11% (4) of the respondents recognize that it is more attractive, others said that 20% (7) attractive, 34% (12) less attractive, 9% (3) said not comparable respectively.

Among the possible lists of attributes of lumber product of the company that affect and most influence the buying behavior of customers has been listed and subjected to rating by customers according to their views has been analyzed as follows,



**Table 12: product attributes affecting customers buying decision**

Code	Attributes of the product	Frequency	Pref. rate (%)	Rank
I	availability of different product variety/product dimension/	3	8.57	3
II	physical appearance	-	-	-
III	brand image	2	5.7	4
IV	quality of the Product	14	40	1
V	perceived value of consumers	8	22.8	2
VI	Scarcity of the product	8	22.8	2
	<b>Total</b>	<b>35</b>	<b>99.87</b>	

**Source:- survey of 2015**

40%(14) of the respondents rate, product quality, 22.8%(8) of them said that the perceived value of the customers & scarcity of the product accounts equally, and followed by the availability of different dimension (8.57%) and brand image of the product 5.7% respectively.

#### **4.5.2. Employees Response analysis of product**

#### **4.6. The price dimension**

##### **4.6.1. Customers' Response analysis of Price**

The analysis of the current price of OFWE's lumber compared to similar domestic products shows that 17% of the respondents said that the price of the company is exorbitant, 33%(6) of them said that it is very expensive, 28%(5) of them said it is expensive, 17%(3) of the respondents said it is economical or fair and 6%(1) of the respondents said that the price is inexpensive or cheap. On the other hand the same product if compared to similar import products shows that 17%(3) of the respondents said that the price of the company is exorbitant and very expensive and cheap respectively 11%(2) of them said that it is expensive, 39%(7) of the respondents recognized as economical or fair.

Survey of the perception of the customers towards the use value of the company's product shows that 6%(1) of the respondents perceived as excellent, 22%(4) of them

perceived as an average majority of them 72%(13) perceived as good , and none of them are said poor and very poor.

The assessment on the affordability and profitability of the customers' business in buying the company's product shows that above half of the respondents 63% (12) said yes, 33%(6) of them said no. following the above response, survey of customers interest in buying the company's product continually is conducted. The result shows, that half (50%)of them said average, 22%(4) of them showing high interest, 17%(3) and 11%(2) of them explains they have a minimum interest and have no interest respectively.

#### **4.6.2. Employees Response analysis of Price**

About 46% (16) of the respondents shows that the price of the company is more expensive and 14%(5) said it is much more expensive than domestic product, 31%(11) and 9%(3) of them only said the price is less expensive and cheap than domestic offerings.

the respondents opinion shows that 29% (10) and 37% (13) indicates that the company's price compared to import products is cheap and less expensive, 29%(10) and 6%(2) of respondents opinion survey result shows it is more expensive and exorbitant than competitors'.

Customer's perceived use value analysis shows that 37%(13) and 29% (10) of respondents replies as poorly valued and not valued at all.29%(10) and only 6%(2) of the respondents perceived as less valued and highly valued respectively.

### **4.7. The promotion dimension**

#### **4.7.1. Customers Response analysis of Promotion**

Respondents' analysis shows that customers have different sources of information about the lumber product of OFWE. About 44% (8) of them get information from News paper, each of 17% (3) of them said that they have got information from TV and Public relations (PR). The rest 22% (4) of the respondents shows there is no means of information about the product.

respondents are asked to rate the effectiveness of promotion adopted by the company in providing necessary information to them and others about its offerings, is examined as half(50%) the respondents said that it highly effective, 33%(6) of them said moderately effective, 11%(2) said less effective, the rest 6%(1) said in effective.

The analysis of respondents asked to evaluate the advertisement practice of the company in attracting customers, shows that 39% said attractive, 28% said more attractive, 17% said that it is less attractive, the rest 11% and 6% said that it is indifferent and unattractive respectively.

Assessment of respondents to rate the perceived brand image of the company's lumber product, shows that 39% of the respondents said that it is popular, 28% said very popular, 17% said less popular, 11% and 6% said that extremely popular and unpopular respectively.

#### **4.7.2. Employees Response analysis of Promotion**

In the analysis the result shows 69%(24) of the employees said customers have got information from newspaper 17% from public relation program and 9%(3) said from TV, the rest 6% (2) of them said among the alternatives given none of the means's are employed for transmitting company product information.

The attractiveness and effectiveness of the promotion system have been studied and yields the following results. More than half (51%) and 20%(7) of the respondents shows the in effectiveness of the system, the remaining 23%(8) and 6%(2) of them responds as effective.

The Brand image perception analysis shows that, 40%(14) of the respondents said it is popular, 14%(5) said less known 23%(8), 11%(4)and 9%(3) of the respondents perceives as biased, wrongly differentiated or as undifferentiated respectively.

Advertisement practice of the company in creating as many customers as possible have been subjected to survey, the data indicates that 57%(20) said that the practice is less attractive, 6%(2) of them said highly attractive, 26%(9) and 9%(3) of the respondents shows unattractiveness and a practice that doesn't make sense respectively.

## **4.8. The place dimension**

### **4.8.1. Customers response analysis of Place**

The survey conducted on the opinion of the availability of the product shows that 39%(7) of the respondents said that the product is mostly available, about 28%(5) of each of them said that it is both often and occasionally available, and only 6%(1) of them said always available.

The assessment undertaken to know what kinds of benefits of after sales services provided by the company in order to attract and retain customers shows that 44%(8) of the respondents said that there is no service provision, 17%(3) of them said that there is a sort of warranty for undelivered product and 11%(2) of them said, a provision of sales return for defected or sold products yet not received or being unavailable during the time of delivery, about 28% (5) of them gave no response.

Survey conducted and rated on the delivery systems and approaches of the company reveals that about 50% of the respondents said it is good, 22%(4) and 11%(2) of them said very good and excellent respectively, the rest 11%(2) and 6%(1) responds as very poor and poor respectively.

The evaluation of after sales service of the company reveals that, about 56% of the respondents said that it is good, 28%(5) of them said very good, about 11%(2) of them said excellent, the rest 6% of the respondents reply as it is very poor.

Respondents have been asked whether or not they have been made compliant about the offerings, and responds as 50% of them said yes, the rest said no.

The most probably occurring reasons for customers compliant have been rated by respondents as follows, 50% of the respondents said the occurrence of delivering defected products, and the bureaucratic and lengthy procedures are equally affecting our smooth relationship and business operations, requesting for sales return for products sold and being not available on stock during delivery accounting 37.5% of the respondent.

The absence of deliverers, and pass perimeters and signatories of sales and agreement documents are not available is recorded as 62.5% as a fourth reason of compliant to be occurred.

Respondents' have been asked to rate the overall service quality the company is providing shows that 33%(6) of them said average and good respectively, about 28%(5) of them said very good and the rest 6% of the respondents said it is excellent

#### **4.8.2. Employees response analysis of Place**

80% of the employees under study respond as they have been involved in customer's complaint resolution; the remaining 20% didn't involved. The Service delivery Quality of the company when analyzed shows the following results. about 31%(11) 14%(5)and 11%(4) replied as good, average and poor; the remaining respondents 17%(6) and 9%(3) reply as very good and excellent respectively.

The survey result of the availability of product shows that 49% of the respondent indicates it is always available. 26% of the respondents said it is mostly available and others 11% said that it is often and rarely available; the remaining 3% of them said it is occasionally available.

Respondents have been asked whether or not the delivery systems and approaches is exist, shows that 63%(22) said yes, and 31%(11) No, the rest 3%(2) doesn't respond.

The effectiveness and efficiency of delivery system was studied. Among the respondents 34%(12) said less in effective and in efficient 11%(4) said highly in efficient and in effective 31%(11) said moderately effective and efficient 11%( 4) of them said highly effective and efficient the rest 11%(4) doesn't give any response.

What after sales service benefits the company have experienced has brought to the study, the result of analysis provides the following information. It shows that 46% (16) of the respondents said sales return, 17%(6) said warranty and 9%(3) are said transportation 29%(10) of them doesn't reply at all.

#### **4.9. Analysis of the managements' group discussion**

The third category of target respondents under this study is the management groups who have a total sample size of 36; out of them 88.7% (31) of them is participated in the discussion and respond for interview questions. In the course of discussion their different reflections and views have been observed.

1. The first question for the entry of the discussion was about what challenges and the possible reason/s pertaining for the company's customers being few in number and no significant number of new entrants is being added?

The followings are mentioned and agreed up on: the company has no clear marketing strategy, rather a sort of sales policy and procedures employed for bid sales operation , bid sales operation which is based on lot system that allows a competing buyer in bid sales to buy a mass product containing all types of dimensions produced in one batch in a given product site has been practiced to be sold for an individual buyer, which favors those buyers who have a capacity of buying large volume of products and discourages others. This in turn creates a sense of monopolistic behavior of few individuals to buy the company's product. The current situation shows there is an increasing volume of import products entering in to the market backed with a significant amount of domestic illegal products supplied to the market brings about a better choice for buyers of the product provided that the company's market or sales is going to threaten. On the other hand the company's production system is not market oriented as stated and concluded by all of the management followed by in capability of producing quality products due to outdated machineries that can't exactly fit the required standard or resembles the standardized import product is becoming less demanded than competitor's products. Another possible reasons mentioned by management is the poor service delivery systems and applications, and bureaucratic lengthy procedures that exhibits many customer complaints.

2. a. Managements have been asked and discussed up on the top most preferred dimension of the product is rated accordingly. Their preference is mostly affected by the availability of the offering in types and quantity. However they have rated their customers demand preference using width dimension as a criterion shows, that about

- half 48%(15) of them agreed on 20-25 with dimension as first priority preference, followed by the same dimension and 12-20 dimension as equally preferred as a second priority and 80.64% (25) members recognized that 25-30 is their customers' third priority preference.
- b. Does each product dimension (type) is properly targeted to customers according to their needs? If not, what are the reasons? The discussion made with management provides the following answer: Almost all members replied as NO with justifiable reasons and common consensus, having no clear marketing strategy is the main reason among many, it is not worth mentioning about applying a targeting strategy in any business organization like OFWE. on top of this the production system is also far away from demand driven production strategy, the current marketing practices OFWE exhibiting is depend on bid sales operation of mass marketing than target marketing. No market research is exhaustively conducted since establishment, that can identify the problems and suggest the possible solutions, management said. Machineries used and raw materials employed as a factor of production is not to the required standard that yields standardized lumber products as per the market need is another reason and challenges the company is encountering.
- c. management's views in evaluating OFWE's current practices, of marketing strategy in satisfying and retaining the existing customers and in attracting and reaching others is mentioned in detail under question number one above. In general it is incapable of satisfying and retaining the current customers and attracting the prospects.
3. The third question is all rounded and too vast in answering questions related to the 4Ps marketing mixes by comparing the company's current position with competitors, Evaluation of company's offerings compared to Domestic and import products offered by competitor's, the availability and the quantity of the product offered is perceived as good, but lacks consistency, the perceived quality of the product according to management is perceived as good in relative terms. The price charged by the company is high (expensive) and the advertisement practices is poor, Demand for the product is high, said the management.

4. The evaluation of the effectiveness of bid sales operation, of the company is brought to discussion by management, and reaches on consensus, that it is not always effective and efficient, it can be effective in selling non standardized and defected products for which pricing the product difficult is getting difficult.
5. Currently, the company is subjected to certain marketing problems and threats observed. Managements argue that there is a significant change on the sales that shows declining and few customers are observed in buying the product selectively. Some of the management group said there is inventories not sold and kept on stock, others said no, with unidentified reasons. Decisions made in resolving the problem is not prompt as required.
6. the overall evaluation of production and marketing strategy of the company in meeting the long term Company's objectives needs emphasis, because the company currently have no sound and clear marketing strategy, therefore, in order to withstand the current competition it is desirable to develop and implement appropriate marketing strategy, otherwise.
7. Managements arguments and suggestions of what OFWE's marketing strategy in the future should be identified and stated as :the need for market research, improving the production systems to make it customer driven, developing and implementing appropriate management models that can improve performance, quality, effectiveness and efficiency in production, operation, marketing and provision of service. The need for regular discussion with employees, customers and stakeholders enable the company in identifying problems and fetching opportunities in order to with stand the current and future market forces. Opening large retail out lets in different corners of Addis Ababa, and other regional or zonal capitals to reach prospects. Another means of improving sales and increasing market share is to enter in to international market by improving the product quality using modern production technologies backed with skilled and knowledgeable human resources is highly emphasized.



## **4.10. Discussion of the Results**

### **4.10.1. Introduction**

To effectively market a product or service there are four things business organizations need to get right: Product, Price, Place and Promotion. The four elements make the marketing mix or the 4Ps and should be viewed as one unit and structured to support each other, otherwise a firm's marketing strategy will be confusing and uncoordinated.

### **4.10.2. Product**

Among the 4 P's, Product dimension is an important part of a marketing mix. Leonidou, et al., (2002) in his studies, synthesized the empirical studies about marketing strategy and concluded that product design, feature, brand mix (name, sign, symbol, and design), warranty, customer service as pre- and after-sales services, and product advantages or values (such as luxury, prestige, and quality) are variables of product marketing strategy.

The lumber product of OFWE is characterized by lengths, width and thickness which form the product dimension or feature that permits the buyer to obtain specified dimension or specified assortments of the product.

In one of the study undertaken about the company's product feature variables is to study the preference rate of customers of top three dimensions among the 42 "dimension" offered for sale.

As the analysis customer's respondents shows, for the width dimension preference shows that 20-25 as 1<sup>st</sup>, the 25-30 as 2<sup>nd</sup>, and the >30 as a 3<sup>rd</sup> priority respectively. The employees survey analysis shows 25-30 as 1<sup>st</sup>, both the >30 and 20-25 dimension as 2<sup>nd</sup> and 12-20, as a third priority. The management group discussion result fall on the argument of the 20-25, 12-20, and 25-30 followed by >30 dimensions are among the highly preferred width dimensions customers frequently buy. As a result the 20-25, is rated as first, 25-30, as a second and 12-20 width dimension is chosen as a third priority preference, therefore, it is clear that these dimensions are the highly preferred product features by the company's customers.

This is the challenging part of the marketing practices of the company; therefore it is desirable to conduct an intensive market research in order to identify the customers' demand level of each 42 dimensions to serve each market segment according to their preference. This is the most important part of the product feature in the applications of target marketing strategy.

The fact that, the current practice of the company is a mass marketing strategy, which doesn't enable the company identify customers' preferences, and the entire dimensions are not equally available at a time, customers have no options to decide on buying the dimension they prefer and continued buying based on the supply of the company.

However, today business Organizations recognizes that they cannot appeal to all buyers in the market place or at least to all buyers in the same way. Because, buyers are too numerous, too widely scattered, and too vary in their needs, and buying practices. Therefore, business enterprises have moved away from mass marketing strategy toward the target marketing strategy in order to serve according to their need and respond for product features they most prefer.

All respondents including the management, proves that the current practices, procedures and marketing strategy in retaining the existing customers and attracting new entrants is viewed as not capable enough of doing so. Many practical reasons are forwarded and agreed up on that can exacerbates the problem, it is clear that, using outdated machineries yield poor quality products, illegal suppliers can provide poor quality and non standardized products with lees price, availability of domestic and import product can provide options/choices for buyers, using less sized raw material yields less sized lumber, poor service delivery dissatisfy /repel/ customers, unclear marketing strategy can't give clear directions for marketing practitioners and the management as well. The application of the only bid sales policy in lumber marketing of the company, is another bottleneck of the customer's satisfaction and attracting of others, because there are many other options of sales policy available in free market economy system. The rigidity of the system can't improve the existing situation.

On the other hand the product feature or dimension the company is currently offering for sale is designed and produced based on the natural behavior of the product, not on the bases of the purpose the product is going to use. Because, customers satisfaction is based on the benefits the product provide for them. Therefore, the company should emphasize in designing and producing of the product on bases of the purpose it is marketed for, and have think of standardizing the product in order to make fit for the purpose and meet the customers need at both local and global levels.

The strong relationship between customers and business firms on the bases of mutual benefit is a base for customer retention and loyalty. The customers view towards the relationship shows that, above half of them perceived not as good as required, significant number of them replied as moderate and good. Only half of them prefer continue buying as much as the available offerings. customers who have, a line share of buying the company's product (heavy buyer), who are being benefited, may prefer the current mass marketing practice of the company in order to build their comfort zone being dominating the existing fewer buyers and protecting new entrants. The view of others (half of the customer respondents) might be different and as per the contemporary marketing operations which would really be.

**Table 13: -list Heavy Buyers and qty of lumber sold for them during the last 6 months**

No	Buyers' Name	Qty Bought Cubic meter)	Share of Buying (%)
1	Hysem pine General Trading	1652	24.0
2	Hani Mahadi(Amard wood products Spp.Ent	1507	21.9
3	Jemal Waballa	1008	14.7
4	Abrico Manufacturing	604	8.8
5	Katama Laggase	593	8.6
6	Haji Buno	338	4.9
7	3F	269	3.9
8	Heyru shariif	248	3.6
9	Wedesa metal and wood work micro enterprise	155	2.3
10	Service along the Nile	134	1.9
	Total	6877	100.0

**Sources: - OFWE customers' record data base (Head quarter - 2007)**

The relationship between buyer and seller can be enhanced by many factors, the product quality, and the service delivery, the provision of after sales services, the accessibility, warranty, terms of payments and credit facilities, discounts, and many others. The company under study doesn't provide any of the above benefits, and therefore, the customers' judgment is quite right in expressing the existing situation of the company as it is consistent with marketing theories.

The emphasis have been given on the study of the product quality of the company, given the fact that it is the abundantly used semi processed raw material for producing many products like, house and office furniture, doors and windows in buildings of house and villas, roads and other construction sectors. The survey conducted incorporates customers, employees and management members. On the course of the study, more than half of both the customer and employees perception and including the result of discussion analysis of management reveals that the quality and attractiveness of the product when compared to both similar domestic and import lumber product offered by competitors is perceived as good.

The result of the relative comparison shows good not to mean, the best of all, and doesn't have limitations; the survey result itself shows that about quarter of the respondents replied as not good not bad, to mean it is not as satisfactory as required. On the other hand the same number of customers said that it is poor when compared to import product. This indicates that the quality of the product is good but it is not as to the desired requirement.

Views of customers and employees in identifying the attributes of the company's lumber is differently reported, Thus the report shows, about quarter of customers, said brand image 23%, said perceived value, while the employees respondents of 40% said product quality and 31% said perceived value. Therefore, these attributes of the product could be considered as a company's product feature identity which could be kept as the area of a competitive advantage of the firm if worked on better and developed to the desired standards. This enables the company in designing and implementing promotional mixes.

The existing situation of the company in dealing with few customers shouldn't be recognized as healthy business operations. Customers have been studied to reasonably identify and prioritize the reasons. About half of them prioritized two reasons equally, as the supply of domestic and import product and lack of promotion and the practice of sales being limited to bid sales.

The fact that the demand for and the value of forest products particularly, lumber product increases from time to time import of lumber products from abroad and the production of domestic product increases to fill the market needs. About half of the respondents, reason is the increasing supply of the product from alternative sources. This indicates that customers have got alternatives or choices. However OFWE is continue computing with only bid sales mass marketing strategy with limited promotion activities, that doesn't effectively persuade customers in buying the product. Besides, mass marketing strategy is not desirable for heterogeneous market preferences; however, the existing customers of OFWE as well as the prospective ones, have different preferences and needs, and react as per their preferences. Therefore the company should get prepared to serve them according to their preferences, to meet mutual benefits. As a result, as competition becoming tougher and customers' choice increase will lead the company's marketing system in trouble. In order to be in safe position, prompt and corrective action is desired to be taken and appropriate marketing strategy should be in place, otherwise.

#### **4.10.3. Price**

Price is the only marketing mix element that can generate revenue. Pricing a product too high or too low could mean a loss of sales for the organization. It is advisable that price should have an objective and strategy. Companies are setting prices for their products based on objectives set at corporate level. OFWE is experiencing pricing for lumber at head quarter. However, the objective of setting price is not yet clearly identified.

Being a public enterprise, the pricing policy objectives and procedures should be kept in to account and the price to be set is just and fair. Therefore, the existing pricing practice and procedures lacks clear objectives of pricing and pricing policy, as there are many selling policies or methods exist, the firm is depend on only bid sales policy.

The comparison analysis of the company's product with competitors' have been brought to study and analyzed. The survey result shows that, if the company's lumber price is compared to domestic lumber product, the view of 78% of customer's respondents said, expensive, nearly half of them said expensive in relative terms, when compared to import products because of quality difference with export product. The analysis of management group discussion also reveals that the price of the company's lumber product in relative terms is recognized as expensive.

Price and pricing in an business organization needs careful decisions as it is the key element in the marketing mix elements. It is the only revenue generator that can cover the others' three costs. OFWE has a practice of setting the price at corporate level, but it is not clearly stated weather the pricing objective, is aligned with the overall objectives of the company, and mission. Because pricing in public enterprise have got social responsibility in its marketing activities, hence customers, stakeholders and the community have interest on the company's product price and pricing. Therefore, the objective of pricing should consider the responsibility the company has as a public enterprise, however, the result of this study shows that, the company is charging higher price than others, which is no comply with the theory that it could be fair and just as much as possible.

Even though, the price of lumber offered by OFWE is expensive, all customers studied and about three-fourth of employees said that the product is liked by consumers, which indicates that the use value of the product is appreciable by consumers. Therefore, this evidence shows that, the demand for the product is high. All customers respondents witnessed that, trading this product with the company can provide reasonable profit, and most of them said that, they want to continue buying the product, while others prefer continue buying selectively.

By now the company is doing the business setting the price by referring competitor's price, this may leads the company in losing the social responsibility part of its objectives and missions of establishment. Therefore, it is worth considering this part in pricing to the extent of complying with the legal and theoretical aspects of charging

customers/citizens. It is better to be in a position of improving the quality of the product to the import standards and be able to substitute the import products, in order to gain the price advantage.

#### **4.10.4. Promotion**

Promotion is any activity to raise awareness of a product or to encourage customers to purchase a product. The aim of promotion is to put the image of product or service in the mind of customers.

The intension of studying this part is to see how customers perceived, the practical applications of the promotion and whether, the practice of OFWE is comply with the accepted theory.

Customers and employees of the company have been studied, about half of the customers and nearly three fourth of employees respond as customers found information from News letter, few of the respondents said TV, is also used as a media of information of the company's product.

The attractiveness and effectiveness of the promotion activity, while subjected to study shows that customers of 83% and 67% said effective and attractive, while 71% of employee's respondent said effective and almost all of the respondents said the promotion system is unattractive.

News paper used as media of promotion is the Addis Zemen, which a company is used with the intension to disclose few information bid sales of particular product of limited quantity and place, that is going to be sold on a fixed period of time, rather than displaying the entire information of product availability, quality, market out lets or channels of distribution, terms of payments and other benefits, which enable the company to persuade the existing and prospective customers, to be convinced and decide to buy the offerings of the company, than participating on a single auction (Bid) with limited criterion that allows only few buyers.

Respondents of customers and employees perception about the attractiveness of the promotional measures employed and its effectiveness and efficiency is different. Customers studied are those who are involved and bought the company's product on the

basis of bid sales operation, there is no way of buying lumber product from OFWE other than Bid (auction) displayed on the Addis Zemen News paper, and no one can involve on the bid sales system other than those who have qualified the set criterion set for the engagement. Therefore it is naturally limited and applicable to certain target group, and not for mass market, or different segments of markets.

#### **4.10.5. Place**

The place dimension of the 4P's recognizes all activities to market products available to customers with the required quantity, as well as quality, at the right time and place. It is about how to manage the entire resources in order to deploy the intended product to the customers to achieve the mutual benefits.

Employees and customers are subjected to the study, where, 80% of employees and half of customers responded as there is a significant customers compliant is reported with the reasons mentioned by 66% of customers and 56% of employees perceived as poor service delivery of the company which is still approved by the managements' members argument. Provided that, the result of the study shows that the problem with the company in customers' compliant is highly significant because of poor service delivery of the company.

On the other hand, both customers' and employees' response analysis reveals that the problem with regard to product availability is minimal. However, the effectiveness and efficiency analysis of that customers' response when summarized shows it is not as effective and efficient as required, on the other hand the employees response analysis shows that the service is significantly in effective and in efficient followed by the managements inefficient and ineffective argument, provided that the company's service delivery system and approach is not effective and efficient as required

The result of analysis shows that, among the customers involved in the survey, about half (50%) of them have complained for not being served properly and clearly prioritized their reasons, as the absence of relevant staff at the time of delivery (62%), bureaucratic and lengthy procedures (50%) and receiving (hand over) of defected products (50%).



In general, the overall evaluation of the company's service delivery analysis from customers' prospective, result shows, about 33% of customers replied as good and average, 28% as very good and only 6% as excellent indicates that, there is significant problem with place marketing activities of the company.

In place marketing strategy, the availability, distribution channels and channel strengths, the service deliveries and after sales services are among the variables to be studied. When we come to the practical aspect of the company, the company, is producing lumber products in all of its nine branches using 33 sawmills out of which about half of them are old and out dated models. Sales is made at the head quarters, resides in Addis Ababa, without deploying a single item to the center, sales is made using bid sales announcement printed on the Addis Zemen News paper, to invite respective customers, after winners are selected, the process of delivering the product is processed at the second hierarchy (Branch level), and the final hand over is completed at the third (Distirict) level of hierarchy. The deal of channels and channel distributions is completed forming a producer to whole seller (Bulk buyers), channel of distribution.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5. 1. Summary of the major findings**

- A total of 90 respondents were selected from total population using purposive sampling in such a way that, 18 from traders, 37 from experts and 35 from management members respectively. All 18 traders 35 employees/experts and 31 management members were studied provided that 93.33% of the target respondents were studied.
- Lumber product offered by OFWE is characterized and identified by a feature of length, width and thickness dimensions only. With these assortments of dimensions the company forms its own 42 different standard items of lumber products, and made available for sale at undifferentiated market segments or mass market. This shows that, in OFWE there is no practice of reaching and serving customers based on their need, because the product is not manufactured on the bases of the purpose it should be made for, and there is no national standards of lumber product that could allow the manufacturer to produce as per the standards and offer the product based on the customers' preferences.
- If there is a national standard of the product, the company can produce and market as per the standard to meet the customers need. On the other hand customers can react on the bases of their preferences of dimensions and the differences they feel the one most suit their need which is the base for the firm to set and implement segmentation, targeting and positioning market strategy to reach and serve each customers group.
- Lumber products OFWE is offering for sale with width dimensions of the 20-25, 25-30 and the 12-20 are the most preferred top three identified products, shows that

there is a need for identifying the rest of each of 42 product dimension's preference rate of customers which enables the company to produce and market based on the needs and preferences of the customers, that allows the company to develop and implement target marketing strategy, which is still impractical unless certain changes in the sales policy is come to exist.

- The identified current practices, and major challenges OFWE is encountering includes the following:

#### **A. Challenges**

- ✓ the absence of national standards of the product
- ✓ the use of out dated machineries, provides poor quality product
- ✓ Excessive supply of illegal trade of log and lumber product currently flooding the market, and the adverse effect of trade policy to encourage importers in supplying tax free lumber from abroad.
- ✓ Shortage of logs with larger width size that enable to produce lumber of larger width dimension that is more preferred and valued.

#### **B. Current practices**

- ✓ There is a poor service delivery systems,
- ✓ Lack of clear marketing strategy, (pricing policy, and factors to be considered in pricing, pricing objectives) is not clearly stated in the company's sales policy guide line.
- ✓ using only bid sales operation,
- ✓ Fail to follow market based production system
- ✓ poor accessibility of information
- ✓ higher price charging than competitors do, customers pay because of the quality and attractiveness of the company's product is good,
- ✓ Customers make profit out of product purchased at higher price that encourages them to continue buying the product, because of the good perceived value of the product

- ✓ Newsletters (Addis Zemen) is the only promotional measures used by the company which is not attractive except that it is believed effective, for traders involved in bid sales operations.
- ✓ There is inefficient and ineffective service of delivery that leads to significant customers' complaint.
- ✓ The relationship between customers and the firm is not as good as required.
- ✓ The perceived value and the brand image of the product is recognized as good

## **5. 2. Conclusion of the study**

### **5.2.1. Product dimension**

- 1) The fact that the quantity of the entire dimension is not equally available at a time, customers have purchased according to the supply of the company. However, the analysis of the first top three lumber dimension preference made concludes that, 20-25 is preferred as first, followed by the 25-30 width dimension as a second, and 12-20 width dimension of the product is chosen as a third priority preference of OFWE's lumber product dimension.
- 2) The current practices, procedures and marketing strategy in retaining the existing customers and attracting new entrants is recognized as negative, with reasons identified as major challenges and problems.
- 3) Only half of the respondents view indicates the positive aspect of good relationship of the customers with the company, in response for buying the company's product.
- 4) It is the supply of the product from other sources (import & Domestic supply) enabling the customers to have alternatives or choices, followed by poor promotion activities and the centralized bid sales operation of the company that makes the company being remain with few customers.
- 5) Factors affecting the buying behavior of the company's customers are "the quality of the product compared to import products, the poor accessibility of information and the higher or relatively the equivalent price charged by the company" are rated as 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup>, reasons respectively.

- 6) The perceived quality and attractiveness of the company's product when compared to both similar domestic and import products offered by competitors is recognized as good.
- 7) The perceived quality and brand image of the company's lumber is recognized as equally important attributes of the product

### **5.2.2. Price dimension**

1. The summary of the price analysis results shows that the price of the company in relative terms when compared to both domestic and import price of competitors' ranges from expensive and very expensive to exorbitant reveals that the price charged by the company is recognized as expensive.
2. The perceived value of the company's product is recognized as good, by all respondents and above half of employees studied and the consensus of management group discussion results.
3. Even though, the company's price is perceived expensive than it could be, customers are willing to continue buying because, it is believed that they are still making profit out of it.
4. The fact that most of the customers showing strong desire to continue buying the company's product with recognized higher price than competitors' is due to the accepted perceived value of the product.
5. The summary result shows that bid sales operation of the company is not as effective as required.
6. Some of the major problems and challenges the company is currently facing are identified by the management group discussions.
  - a) absence of national standards of lumber product,
  - b) the illegal trade of log and lumber product currently flooding the market,
  - c) the adverse effect of trade policy to encourage importers to import tax free lumbers,
  - d) the use of outdated machineries and un availabilities of modern sawmill machines and related technologies that can improve the quality of product,

7. The performance data of five years pattern of sales shows the company's undesirable trend of operation which is not as good as required. The marginal revenue shows decreasing at an average of 19.79 % (OFWE data base 2007 E.C.)
8. The current practices of pricing, pricing policy, factors to be considered in pricing, and pricing objectives, and strategy of the company is not clearly set as a guide line to follow and to make use of as an instrument in the course of implementations and evaluations.

### **5.2.3. Promotion dimension**

1. OFWE's customers' source of information is News letter, with limitation of the use of the media as not to attract new customers, except used as to inform the existing ones, to inform them in order to participate on bid sales operation on a particular date, at a specified place on the bases of limited criterion.
2. The attractiveness and effectiveness of the promotion activity, while subjected to study shows that it is no effective and attractive as required.

### **5.2.4. Place dimension**

1. The reason for the significantly observed customers' complaint is argued by all respondents' shows, that it is due to poor service delivery of the company.
2. The problem with regard to product availability is recognized by all respondents as minimal, however, the effectiveness and efficiency of the company's service delivery system and approach is not effective and efficient as required.
3. About half of the customers respond as they have been complained for not being served as required, among the reasons identified are: the absence of relevant staff at the time of delivery, bureaucratic and lengthy procedures, forced to receive defected products. The overall evaluation of the company's service delivery survey shows that there is a significant problem with service provision of place marketing activities of the company.

### **5. 3. Recommendation of the study**

#### **5.3.1. Product Dimension**

- OFWE is currently practicing mass marketing strategy which doesn't enabling the company to serve its customers based on their needs and being challenged in , meeting the existing customers' need and attracting others. Therefore, it is desirable to conduct a market research to identify the preference level of each dimensions of the company's lumber product, in such a way to segment, position, target and serve customers according to their needs, if the company put this in to practice, it will be in a position of implementing target marketing strategy which enable the company to overthrow the existing problem and bringing about a significant change in business operation.
- On the other hand the product feature or dimension the company is currently producing and offering for sale is designed and produced based on the natural behavior of the product, not on the bases of the purpose the product is intended to be made for. Because, customers satisfaction is based on the benefits the product provide for them. Therefore, the company should emphasize in designing and producing of the product on bases of the purpose it is made for, and have think of standardizing the product in order to make fit for the purpose and meet both the local and global market needs.
- The perceived positive result of the product quality is not as satisfactory as required. Even though, the company's product quality is superior to domestic products, the result shows that, import product's quality is higher than the company's product. It is clear that, rivals can have strategies to withstand, the existing competition and to have the lion share in market place, in such a way that, they are going to have the upper hand in setting market price and providing different benefits of services that can attract more customers towards them. Therefore, it is desirable to improve production system and strategy that can improve the products quality, designs, Dimensions and features according to market need along with improving the service delivery in order to meet the market requirement, by employing modern research and development systems.

- Currently the brand image of the company's product and its perceived value is recognized in the analysis and conclusion part as good is mainly works for today, and it doesn't guarantee the tomorrow's market demand, Thus it could be developed more to the desired level consistently.
- The current practice of producing and offering lumber to the mass market is not comply with the contemporary marketing strategy, that makes the company's sales to decline or shows abnormal trends. Therefore, it should be either improved or replaced as much as possible by market oriented production system and target marketing strategy supported by the appropriate management model that can improve the service delivery systems.
- As the competition among the rival increases from time to time, companies should seek for currently existing and forecasted ones. There is a need for strong decisions and actions to be taken in order to make smooth functioning of the business relationship as revealed by the analysis that the current marketing practices is in trouble. Therefore, in order to see a better improvement of the company's business, the management has to bring the issues on board, and fetch for solution, that can improve the overall operations of the business. Among the solutions I recommend for the company's betterment is putting appropriate production and marketing strategy, i.e. target marketing and the best fit management model in place.

### **5.3.2. Price Dimension**

- Pricing a product too high or too low could mean a loss of sales for the organization, because price is the only marketing mix element that can generate revenue. It is advisable that price should have an objective and strategy. Companies are setting prices for their products based on objectives set at corporate level. OFWE is experiencing pricing for lumber at head quarter. However, the objective of setting price is not yet clearly identified.



- Being a public enterprise, the pricing policy objectives and procedures should be kept in to account and the price to be set is just and fair. Therefore, the existing pricing practice and procedures lacks clear objectives of pricing and pricing policy, as there are many selling policies or methods exist, the firm is depend on only bid sales policy.
- In the course of setting price appropriate pricing strategy and objective for each of the business units OFWE is undertaken should be considered properly. There should be a pricing policy and procedures to each of the bossiness units in the marketing strategy

### **5.3.3. Promotion dimension**

- Promotion is any activity to raise awareness of a product or to encourage customers to purchase a product. The aim of promotion is to put the image of product or service in the mind of customers. The one currently OFWE is practicing and customers of buyers involved in bid sales is perceived as an attractive and effective means of advertisement is perceived as effective and attractive by customers of concerned target group can be recognized. However, this means of advertisement can benefit only that target group and may be the regulatory body. Therefore, it is not worth mentioning that its advantage in attracting new entrants is equal to zero, which is in contrary to promotional measures undertaken to attract new customers. Therefore, the existing promotional system is not as to the standard, it doesn't comply with the accepted theories and could be replaced by new promotion system that could comply with the accepted promotional measures.

### **5.3.4. Place dimension**

- The analysis and conclusions of this part is related to the quality, effectiveness and efficiency of service delivery that leads to customers' compliant if not implemented as required. Unless the alternatives or choices are too narrow, no one customer is stay long with the company whose reputation with customer handling is poor. On the other hand, the marketing channels of lumber product

offered by the company doesn't have clear channels of distribution hence, the whole product at every round of sales is made on bid sales system, the company as a producer, and bulk seller of mass product, doesn't have any access of information, about the market situation next to the channel he made a bulk sales for. Therefore, it is impossible to mention any comment or suggestions on the effectiveness or attractiveness and efficiency of the channels.

- In order to withstand this problem the existence of proper place marketing strategy, which involve segmenting, positioning and targeting of different channels of distribution and creating appropriate strategy of targeting to serve each channel should come to place, along with sound and clear marketing and production strategy.

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## APPENDIX I

### A SELF ADMINISTER QUESTIONS TO BE FILLED BY CUSTOMERS ON “PRACTICES AND CHALLENGES OF MARKETING STRATEGY”, (ENGLISH VERSION)

#### Dear respondents;

The purpose of this questionnaire is to enable me to conduct a research for the partial fulfillment of MBA degree. This research questions focus on the OFWE’s marketing Strategy of Lumber product which is the main source of the enterprises income with the topic of *“Practices and challenges of marketing strategy”, the case of Oromia Forest and Wild Life Enterprise.*

A Marketing strategy questionnaires are tools used to collect data from relevant customers who have a direct relationship with marketing operations.

Hence, to gather relevant and reliable information for the study , I kindly request your kind and helpful assistance in responding to the questions listed below. Any information you disclosed will be kept ethically and will be used only for academic purpose. Your prompt response will be highly appreciated.

Thank you for your cooperation!

#### Note:

- ✓ Writing your name is not mandatory
- ✓ Select your answer by encircling or underlining your answer among the given choices

#### **I. General information (Personal Profile of the Respondents)**

##### **Part I. Demographic Profile of respondents**

1. Gender
  - i. Male
  - ii. Female
2. Age
  - i. 18-25
  - ii. 26-35
  - iii. 36-45
  - iv. 46-55
  - v. Above 55
3. Education level
  - i. Can read and write
  - ii. 10<sup>th</sup> or 12<sup>th</sup> grade complete as per the curriculum
  - iii. Diploma
  - iv. First Degree and above
4. Marital status
  - i. Married
  - ii. Unmarried
  - iii. Divorce
  - iv. Widowed
5. Geographic location - Business location of customers
  - i. Addis Ababa
  - ii. Zonal capitals
  - iii. Woreda Towns

##### **Part II. PRODUCT DIMENSION**

###### **A. For Customer’s opinion survey**

1. Are you a customer of OFWE? If your answer is yes, among many offerings of the company which one of the forest product you most buy for sale?
  - i. Logs
  - ii. Timber
  - iii. Construction woods
  - iv. Fire wood
  - v. Lumber



2. For how long you have been in relationship with the company in buying the company's lumber product?
  - i. Above 7 years
  - ii. 5-7 years
  - iii. 4-5 years
  - iv. 3-4 years
  - v. Less than 3 years
3. How do you perceive the current relationship of your business undertakings you have with the company in relation to the experience you have some years ago?
  - i. Intimately close
  - ii. Somewhat close
  - iii. Not good not bad
  - iv. Less offensive
  - v. Highly offensive
4. What is your current and future state of purchasing the company's lumber product?
  - i. Switched off the customer ship
  - ii. Decide to Switched off the customer ship
  - iii. I'm in different
  - iv. Continue buying selectively
  - v. Continue buying at increasing rate in frequency and volume of purchasing
5. If your answer for question No. 4 is different from choice No.V, the possible reason/s for your decision are provided by letters a,b,c, and d. rate them 1<sup>st</sup> through 4<sup>th</sup> according to the level of their influence on your decision and put them on the space provided.
  - i. Less in product quality than import product;
  - ii. Higher or equal in price compared to import product;
  - iii. Poor in accessibility of information and advertisement about the product accessibility, price and others;
  - iv. Poor in service delivery and customer chandelling.

1<sup>st</sup> \_\_\_\_\_, 2<sup>nd</sup> \_\_\_\_\_, 3<sup>rd</sup> \_\_\_\_\_ 4<sup>th</sup> \_\_\_\_\_

If your answer is different from the above possible reasons state it below as clearly as possible.

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6. Being a customer of OFWE, among the product dimensions offered by the company (shown on the table), which product dimension you most prefer purchasing? Rate your preferences by putting Numbers 1, 2, 3 etc. under width dimension, according to the degree of your preferences from highest to lowest. (Hint: 1 stands for the highest preference, then 2 and 3 follows).

Length	Thickness	Width dimension(cm)						
		>30	25-30cm	20-25cm	12-20cm	10cm	7.5cm	5cm
0.5mt-0.9Mt	0.025							
	0.05							
1Mt	0.25							
	0.05							
1.5Mt	0.25							
	0.05							
2Mt	0.25							
	0.05							
2.5Mt	0.25							
	0.05							
3Mt	0.25							
	0.05							
3.5Mt	0.25							
	0.05							
4Mt	0.25							
	0.05							

7. To what extent you agree with the current practices, procedures OFWE is following in its marketing strategy in matching your purchasing needs and reaching others?
  - i. Strongly disagree
  - ii. Somewhat disagree
  - iii. I'm in Neutral
  - iv. Somewhat agree
  - v. Strongly agree
8. According to your view, how do you rate the quality of lumber product of the company compared to similar products offered by domestic suppliers?
  - i. Poor
  - ii. Fair/not good not bad
  - iii. Good
  - iv. Very good
  - v. Excellent
9. Compared to import products?
  - i. Poor
  - ii. Fair/not good not bad
  - iii. Good
  - iv. Very good
  - v. Excellent
10. What attributes of lumber product of OFWE most influence you buying?
  - i. Variety of the product
  - ii. Physical appearance
  - iii. Brand image
  - iv. Product quality
  - v. Perceived value
11. According to your opinion what might the reason be for the number of customers becoming few in contrary to the availability of abundant features (i.e. 42 dimensions) of the product the company is offering? Rate the probable reason/s below and put numbers 1, 2, 3, or 4 on the blank space provided, according to their relative order you think they influence the issue.
  - i. Sales limited to bid sales operation \_\_\_\_\_
  - ii. Sales operations being practiced on head quarters only \_\_\_\_\_
  - iii. Lack of promotion or advertisement \_\_\_\_\_
  - iv. The availability of import and similar domestic products in the market \_\_\_\_\_

### **Part III. PRICE DIMENSION**

1. How do you rate the current price of OFWE's lumber relative to similar products of domestically produced and offered by competitors?
  - i. inexpensive
  - ii. Fair/economical
  - iii. Expensive
  - iv. Very expensive
  - v. Exorbitant
2. How do you rate the current price of OFWE's lumber relative to similar products of imported lumber offered by competitors?
  - i. inexpensive
  - ii. Fair/economical
  - iii. Expensive
  - iv. Very expensive
  - v. Exorbitant
3. How do you perceive the use value of the company's product as compared to its price?
  - i. Very poor
  - ii. Poor
  - iii. Good

- iv. Average
  - v. Excellent
4. Does the current price set by the company is affordable and profitable to you?
- i. Yes
  - ii. No
5. Based on your answer for question No. 4, how much is your interest to continue buying the company's product?
- i. High
  - ii. Average
  - iii. Minimum
  - iv. No interest

**Part IV. PROMOTION DIMENSION**

1. From where do you get information about the lumber product of OFWE?
- i. TV
  - ii. Radio
  - iii. News papers
  - iv. Trade magazines
  - v. Public relations
2. Being a customer of the company, how do you rate the effectiveness of promotion adopted by the company in informing you and others about its offerings in creating mutual benefits for both parties?
- i. Highly effective
  - ii. Moderately effective
  - iii. Less effective
  - iv. In effective
3. How do you rate the perceived brand image of OFWE's lumber product?
- i. Unpopular
  - ii. Less popular
  - iii. popular
  - iv. Very popular
  - v. Extremely population
4. How do you evaluate the advertisement practice of the company in creating as many customers as possible?
- i. Un attractive
  - ii. Less attractive
  - iii. Attractive
  - iv. More attractive
  - v. Indifferent

**Part V. Place Dimension**

1. What is your opinion on the availability of the product
- i. Rarely available
  - ii. Often available
  - iii. Occasionally available
  - iv. Mostly available
  - v. Always available
2. Based on your experience, how do you rate the delivery systems and approaches of OFWE?
- i. Very poor
  - ii. Poor
  - iii. Good
  - iv. Very good
  - v. Excellent
3. How do you rate the after sales services like warrantees, sales returns and insurance coverage provided by the company in order to safeguard the customers from the likelihood of occurring of risks of manmade and natural disasters?

- i. Not known
  - ii. Very poor
  - iii. Poor
  - iv. Good
  - v. Very good
4. In your experience, having a customer ship relation with the company, have you ever made a complaint about the offerings?
- vi. Yes
  - vii. No
5. If your answer to the question above is yes, based on your experience, what was the reason for your complaint? And rate the one you faced most and made you offensive? Put figures in the blank spaces provided in front of the case according to their weight you perceived to be ranked (1, 2, 3 and 4).
- i. delivery defected product compared to the amount paid \_\_\_\_\_
  - ii. Delayance in the delivery system \_\_\_\_\_
  - iii. Request for sales return of unavailable product being sold in Bid \_\_\_\_\_
  - iv. The absence of service providers, Deliverers, passes per miters etc. \_\_\_\_\_
6. How do you rate the service quality you received from the company's respective body or the department?
- i. Poor
  - ii. Average
  - iii. Good
  - iv. Very good
  - v. excellent

A SELF ADMINISTER QUESTIONS TO BE FILLED BY CUSTOMERS ON “PRACTICES AND CHALLENGES OF MARKETING STRATEGY”, (AMHARIC VERSION)

ቅድስት ማርያም የኒቨርሲቲ - የድህረ ምረቃ ት/ት

ST. MARY UNIVERSITY SCHOOL OF GRADUATES STUDIES

ውድ ተሳታፊዎች:

የዚህ መጠይቅ መሰረታዊ ዓላማ ተማሪው በቅድስት ማርያም የኒቨርሲቲ - የድህረ ምረቃ ት/ት የመመረቂያ ጽሁፍ ለማዘጋጀት በርእስ “Practices and challenges of marketing strategy”, the case of Oromia Forest and Wild Life Enterprise. ላይ ጥናታዊ ጽሁፍ ለማዘጋጀት በማለም በአሮሚ ደንና ዱር እንስሳት ድርጅት የጣውላ ምርት ገበያ ለይ ጥናቱን ይሰራል።

በመሆኑም ለዚህ ጥናታዊ ጽሁፍ መሳካት የርስዎ ቅንና ምልካም ምላሽ ከፍተኛ ግምት የሚሰጠውና ለውጤታማነቱ አቢይ ሚና ያለው ስለሆነ ከዚህ በታች የተዘረዘሩትን ጥያቄዎች በጥሞና በማንበብ እንዲሞሉ በትህትና ይለመናሉ። ለመጠይቁ የሚሰጡት ምላሽ ሚስጥርነቱ በጽኑ የሚጠበቅ ከመሆኑ በተጨማሪ አገልግሎቱ ለተማሪው መመረቂያ አገልግሎት ብቻ የሚውል በመሆኑ ማንኛውም ተሳታፊ ይህንን ታሳቢ በማድረግ ግዜውን ሰውቶ መጠይቁን በመሙላት ለሚያደርጉልኝ ቅን ትብብር በድጋሚ ላመሰግን እወዳለሁኝ።

መሳሰቢያ

- ስምዎን መጻፍ አየጠበቅቦትም
- መጠይቁን ስሞሉ ከተሰጡት አማራጮች መልስ ይሆናል ብለው የመረጡትን ፍደል ወይም ቁጥር በመክበብ ወይም ከስሩ በማስመር ይሙሉት

II. አጠቃላይ ሁኔታ

ክፍል I. የግል ሁኔታ

1. ጾታ
  - i. ወንድ
  - ii. ሴት
2. እድሜ
  - i. 18-25
  - ii. 26-35
  - iii. 36-45
  - iv. 46-55
  - v. ከ 55 በላይ
3. የትምህርት ደረጃ
  - i. ማንበብና መጻፍ የሚችል
  - ii. 10<sup>ኛ</sup> ወይም 12<sup>ኛ</sup> ክፍል ያጠናቀቀ
  - iii. ዲፕሎማ
  - iv. የመጀመሪያ ዲግሪና ከዚያ በላይ
4. የጋብቻ ሁኔታ
  - i. ያገባ
  - ii. ያላገባ
  - iii. የፈታ
5. የንግድ ድርጅትዎ የስራ አካባቢ
  - i. አዲስ አበባ
  - ii. የክልል ዞኖች ዋና ከተማ
  - iii. የወረዳ ዋና ከተማ

ክፍል II. የጣውላ ምርትን በተመለከተ

1. የአሮሚያ ደንና ዱር እንስሳት ድርጅት ደንበኛ ኖት መልስዎ አዎን ከሆነ ድርጅቱ ለገበያ ከሚያቀርባቸው የደን ምርቶች በይበልጥ የሚገዙት የትኛውን አይነት ምርት ነው
  - i. ግንድ
  - ii. የግንባታ እንጨቶች
  - iii. ማገዶ

- iv. ጣውላ
- 2. ከ2000 አ.ም. ጀምሮ ባለው ጊዜ በደንበኝነት የቆዩበት የጊዜ ገደብ ምን ያክል ይሆናል
  - i. 7 አመት
  - ii. 6 አመት
  - iii. 5 አመት
  - iv. 4 አመት
  - v. 3 አመት እና ከዚያ በታች
- 3. ባሁን ወቅት ከድርጅቱ ጋር ያለዎትን የንግድ ግንኙነት ቀደም ሲል (ከ2000 አ.ም. በፊት) ከነበራው አንጻር እንዴት ይመለከቱታል
  - i. ጥብቅ ግንኙነት
  - ii. መካከለኛ
  - iii. መጥፎም ጥሩም ያልሆነ
  - iv. ምሻት የሌለው
  - v. አሰልጣኝና አድካሚ
- 4. የድርጅቱን ምርት (ጣውላ) በመግዛት ረገድ ባሁን ወቅትና የወደፊት አቅምዎን እንዴት ይገልጹታል
  - i. ደንበኝነቱን ሰርዣለሁ
  - ii. ደንበኝነቱን ለመሰረዝ ወስኜያለሁ
  - iii. ለመወሰን ተቸግራያለሁ
  - iv. ውስን ምርቶችን ብቻ ለይቶ በመግዛት ለመቀጠል
  - v. የድርጅቱ አቅርቦት በፈቀደ መጠን ያለማቀረጥ መቀጠል
- 5. ለጥያቄ ቁጥር 4 የሰጡት መልስ ከቀረቡት አማራጮች ከ V የተለየ ከሆነ ለጉዳዩ እንደ ምክንያትነት ሊቀርቡ የሚችሉ ክስተቶች ከ a እስከ e ተዘርዝራል ለውሳኔዎ ምክንያት ይሆናሉ ብለው ያመነበትን እንደ ክብደታቸው ቅደም ተከተል በተሰጠው ባዶ ቦታ ላይ ፍደላቱን ያኑሩ
  - i. የምርቱ ጥራት ከውጭ አገር ከሚገባው የጣውላ ምርት ያነሰ በመሆኑ
  - ii. ዋጋው ከውጭ አገር ከሚገባው ጣውላ ጋር ስንጻጸር እኩል ወይም ከዚያ በላይ በመሆኑ
  - iii. የምርት መረጃ ማግኘት ያለመቻልና እና በድርጅቱ የማስታወቂያ ስራ ያለመኖሩ
  - iv. ደካማ የአገልግሎት አሰጣጥ እና የደንበኛ አያያዝ ግድፈቶች
  - v. የተመሳሳይ ምርት አቅርቦት በገበያ ውስጥ በበቂ ሁኔታ መኖር

1ኛ \_\_\_\_\_, 2ኛ \_\_\_\_\_, 3ኛ \_\_\_\_\_, 4ኛ \_\_\_\_\_, 5ኛ \_\_\_\_\_  
 መልስዎ ከላይ ከቀረቡት አማራጮች ውጭ ሆኖ ካገኙት ቀጥሎ ባለው ክፍት ቦታ ላይ አስተያየትን በዝርዝር ይግለጹ

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- 6. እንደ ደንበኝነትዎ ድርጅቱ ለገበያ ከሚያቀርባቸው በሰንጠረዥ ላይ ከተዘረዘሩት የጣውላ ምርቶች በይበልጥ የሚገዙትን ወይም ለመግዛት የሚመርጡትን የጣውላ አይነት በሰንጠረዥ ክፍት ቦታዎች ለይ እንደሚገዙት ምርቶች የቅደም ተከተላቸው 1፣2፣3፣4፣ 5፣ .... በማለት በምርቱ አካያ ይምሉ፡፡

ቁመት (ሜ)	ውፍረት (ሜ)	ስፋት(ሳ.ሜ)						
		>30ሳ.ሜ	25-30ሳ.ሜ	20-25ሳ.ሜ	12-20ሳ.ሜ	10ሳ.ሜ	7.5ሳ.ሜ	5ሳ.ሜ
0.5-0.9 ሜ	0.025							
	0.05							
1ሜ	0.25							
	0.05							

1.5%	0.25							
	0.05							
2%	0.25							
	0.05							
	0.05							
3%	0.25							
	0.05							
3.5%	0.25							
	0.05							
4%	0.25							
	0.05							

7. የኦሮሚያ ደንና ዱር እንስሳት ድርጅት ባሁን ወቅት እየተገበረ ያለውና የሚከተለው የገበያ ስልትና ሂደት የርስዎን እና መሰል ነባር ደንበኞቹን የግዥ ፍላጎት ያማከልና የሌሎች አዲስ ደንበኞችን ተደራሽነት በማረጋገጥ ረገድ ያለው ሚና ከፍተኛ ነው የሚለውን አሳቤ እንዴት ይመለከቱታል።

- i. በፍጹም አልስማማም
- ii. በመጠኑ አልስማማም
- iii. ከሁለቱም የለሁም
- iv. በመጠኑ እስማማለሁ
- v. በጣም እስማማለሁ

8. በርስዎ አመለካከት የድርጅቱን የጣውላ ምርት በአገር ውስጥ እየተመረተ በሌሎች አቅራቢዎች ለገበያ ከሚቀርበው የጣውላ ምርት ጋር ስነጻጻር ያለውን የጥራት ደረጃ እንዴት ይመለከቱታል።

- i. ደካማ ነው
- ii. ተመጣጣኝ /መጥፎም ሆነ ጥሩ ያልሆነ/ ነው
- iii. ጥሩ ነው
- iv. በጣም ጥሩ ነው
- v. እጅግ በጣም ጥሩ ነው

9. የድርጅቱን የጣውላ ምርት ከውጭ አገር ከሚገባው የጣውላ ምርት ጋር ስነጻጻር ያለውን የጥራት ደረጃ እንዴት ይመለከቱታል።

- i. ደካማ ነው
- ii. ተመጣጣኝ /መጥፎም ሆነ ጥሩ ያልሆነ/ ነው
- iii. ጥሩ ነው
- iv. በጣም ጥሩ ነው
- v. እጅግ በጣም ጥሩ ነው

10. የድርጅቱን የጣውላ ምርት ለመግዛትዎ በይበልጥ ምክንያት ከሆንዎት ወይም ካነሳሳዎት የምርቱ መገለጫዎች የትኛው ነው።

- i. የምርቱ አይነት በርካታ መሆን
- ii. የምርቱ ገጽታ ማራኪነት
- iii. የምርቱ መልካም ስምና ዝናው
- iv. የምርቱ ጥራት
- v. የምርቱ አገልግሎት/ፋይዳው

11. የኦሮሚያ ደንና ዱር እንስሳት ድርጅት ለገበያ ከሚቀርበው በርካታ የጣውላ ምርት (42 አይነት) አንጻር ያለው የጣውላ ደንበኞቹ በቁጥር አናሳ እንደሆኑ የታወቃል። ለዚህም በምክንያትነት የተጠቀሱት በተራ ቁጥር ከ i እስከ iv የተዘረዘሩ ቢሆኑም ከቀረቡ ዝርዝሮች በርስዎ አመለካከት እንደየ ክብደታቸው ቅደም ተከተል ከዝርዝሮቹ ፊት ለፊት ባሉት ባዶ ቦታዎች ላይ 1ኛ፣ 2ኛ፣ 3ኛ እና 4ኛ ይሆናሉ ብለው ያመኑትን ባዶ ቦታ ላይ ይምሉ።

- i. የሺያጭ ሂደቱ በጨረታ ብቻ የተወሰነ መሆኑ \_\_\_\_\_
- ii. ሺያጩ በዋና መ/ቤት ላይ ብቻ የተወሰነ መሆኑ \_\_\_\_\_

- iii. የማስታወቂያ ስራ እጥረት \_\_\_\_\_
- iv. ተሳሳይ የአገር ውስጥና ከውጭ አገር የሚገባ ምርት ገበያ ላይ መኖሩ \_\_\_\_\_

**ክፍል III. የምርት ዋጋ ሁኔታ**

1. የድርጅቱን የጣውላ ምርት ዋጋ በአገር ውስጥ እየተመረተ በሌሎች አቅራቢዎች ለገበያ ከሚቀርበው የጣውላ ምርት ዋጋ ጋር ስነጻጸር ያለውን ልዩነት እንዴት የገመገሙታል፡፡
  - i. ውድ አይደለም
  - ii. ተመጣጣኝ ነው
  - iii. ውድ ነው
  - iv. በጣም ውድ ነው
  - v. እጅግ በጣም ውድ ነው
2. የድርጅቱን የጣውላ ምርት ዋጋ ከውጭ አገር ከሚገባው የጣውላ ምርት ዋጋ ጋር ስነጻጸርስ ፡፡
  - i. ውድ አይደለም
  - ii. ተመጣጣኝ ነው
  - iii. ውድ ነው
  - iv. በጣም ውድ ነው
  - v. እጅግ በጣም ውድ ነው
3. የድርጅቱ የጣውላ ምርት የሚሰጠውን አገልግሎት ወይም ፋይዳ ከሚገባበት ዋጋ አንጻር ስገመገም
  - vi. በጣም ደካማ ነው
  - vii. ደካማ ነው
  - viii. ጥሩ ነው
  - ix. መካከለኛ ነው
  - x. እጅግ በጣም ጥሩ ነው
4. የርስዎ ድርጅት የኦሮሎሚያ ደንና ዱር እንስሳት ድርጅት ባሁን ወቅት በሚያወጣው ዋጋ በመግዛት ትርፋማ እየሆነ ነው ይላል፡፡
  - i. አዎን
  - ii. አይደለም
5. ከላይ በተራ ቁጥር 4 ላይ በተመለሰው መልስ መሰረት የድርጅቱን ምርት በቀጣይነት የመገዛት ፍላጎትዎን እንዴት ይገልጹታል፡፡
  - i. ከፍተኛ ነው
  - ii. አማካይ ነው
  - iii. አነስተኛ ነው
  - iv. ፍላጎት የለም

**ክፍል IV. ማስታወቂያን በተመለከተ**

1. ስለ ድርጅቱ የጣውላ ምርት መረጃ ከየት ያገኛሉ፡፡
  - i. ቲቪ
  - ii. ሬድዮ
  - iii. ጋዜጣ
  - iv. የንግድ መጽሔቶች
  - v. በድርጅቱ የህዝብ ግንኙነት ኮሚኒቴሽን
2. በድርጅቱ ስራ ላይ እያዋለ ያለውን የማስታወቂያ ስራ አስፈላጊውን መረጃ ለርሶም ሆነ ለሌሎች ከማድረሱ አንጻር ውጤታማነቱን እንዴት ያዩታል፡፡
  - i. በጣም ውጤታማ ነው
  - ii. መካከለኛ ነው
  - iii. በመጠኑ ውጤታማ ነው
3. ውጤታማ አይደለም የድርጅቱን የማስታወቂያ እንቅስቃሴ ደንበኞችን ከመፍጠር አንጻር እንዴት የመለከቱታል፡፡
  - i. የሚስብ አይደለም
  - ii. በመጠኑ ይስባል
  - iii. ይስባል
  - iv. በጣም ይስባል
  - v. አሻሚ ነው



4. የኦርኦሚያ ደንና ዱር እንስሳት ድርጅት የጣውላ ምርት መልካም ስሙን እና ዝናውን እንዴት ይገመግሙታል፡፡
  - i. ዝነኛ አይደለም
  - ii. በመጠኑ ዝነኛ ነው
  - iii. ዝነኛ ነው
  - iv. በጣም ዝነኛ ነው
  - v. እጅግ በጣም ዝነኛ ነው

**ክፍል V. አቅርቦት ስርጭትና አገልግሎት አሰጣጥን በተመለከተ**

1. የምርት አቅርቦትን በተመለከተ
  - i. በይበልጥ አይገኝም
  - ii. አልፎ አልፎ ይገኛል
  - iii. በተወሰኑ ወቅቶች ይገኛል
  - iv. በአብዛኛው ይገኛል
  - v. በማንኛውም ወቅት ይገኛል
2. ደንበኞችን ለመሳብና ለማቆየት ከሚደረጉ ከንግድ ግንኙነት እንቅስቃሴዎች አንጻር ከምርት ሺያዎቹ ሂደት በኋላ በድርጅቱ የሚሰጡ አገልግሎቶች ካሉ
  - i. ግድፈት ያለው ምርት መመለስ፤ ገንዘብ ተመላሽ መድረግ፤
  - ii. ዋስትና መስጠት
  - iii. የእንሹራንስ አገልግሎት መስጠት
  - iv. የተራንስፖርት አገልግሎት መስጠት
3. ካለዎት የንግድ ግንኙነት ልምድና ተሞክሮ አንጻር የድርጅቱን የምርት ማስተላለፍ፤ ስርጭት፤ ርክክብ ሂደትና ሲስተምን እንዴት ይገመግሙታል፡፡
  - i. በጣም ደካማ ነው
  - ii. ደካማ ነው
  - iii. ጥሩ ነው
  - iv. በጣም ጥሩ ነው
  - v. እጅግ በጣም ጥሩ ነው
4. የድርጅቱን የከሺያዎቹ (ከክፊያ) በኋላ አገልግሎቱን እንዴት ይመለከቱታል፡፡
  - i. በጣም ደካማ ነው
  - ii. ደካማ ነው
  - iii. ጥሩ ነው
  - iv. በጣም ጥሩ ነው
  - v. እጅግ በጣም ጥሩ ነው
5. ከድርጅቱ ጋር ባሳለፉት የደንበኝነት ዘመንዎ ከጣውላ ንግድ ስራ ጋር በተያያዘ ምክንያት ቅሬታ አቅርበው ያውቃሉ፡፡
  - i. አዎን
  - ii. አላቀረብኩም
6. ከላይ ለተጠየቀው ጥያቄ መልስዎት አዎን ከሆነ፤ በምክንያትነት ልነሱ የሚችሉ ክስተቶች በሮማውያን ቁጥር ከ1 እስከ 4 ተዘርዝራል፡፡ካለዎት ልምድ በመነሳት ከርስዎ እውቅ ክህሎትና ልምድ አንጻር የተዘረዘሩትን ምክንያቶች እንደየክብደታቸው ቅደም ተከተል 1ኛ፣ 2ኛ ፣ 3ኛ እና 4ኛ በማለት ክፍት ቦታ ለይ ይሙሉ፡፡
  - i. ጉድለት ያለው ምርት መረከብ ላይ \_\_\_\_\_
  - ii. ረዥም የርክክብ ሂደትና ቆይታው \_\_\_\_\_
  - iii. ድረጅቱ በእጁ ላይ የሌለውን ምርት ስሽጥና ተመላሽ ገንዘብ ስጠየቅ \_\_\_\_\_
  - iv. የአስተናጋጅ ሠራተኞች/ኞች አለመገኘት/ አለመኖር \_\_\_\_\_
7. ባጠቃላይ የድርጅቱን ሁለንተናዊ የአገልግሎት አሰጣጥ የጥራት ደረጃ እንዴት ይገልጹታል፡፡
  - i. ደካማ
  - ii. መካከለኛ
  - iii. ጥሩ
  - iv. በጣም ጥሩ
  - v. እጅግ በጣም ጥሩ

## APPENDIX II

### SELF ADMINISTER QUESTIONS TO BE FILLED BY EMPLOYEES OF THE COMPANY UNDER STUDY ON “PRACTICES AND CHALLENGES OF MARKETING STRATEGY”,

#### Dear respondents;

The purpose of this questionnaire is to enable me to conduct a research for the partial fulfillment of MBA degree. This research questions focus on the OFWE’s marketing strategies of Lumber product which is the main source of the enterprises income you are working for, with the topic of *“Practices and challenges of marketing strategy”, the case of Oromia Forest and Wild Life Enterprise.*

A Marketing strategy questionnaires are tools used to collect data from relevant people/employees and customers who have a direct contact with marketing operations and whose decisions and reactions affect the company’s business operation.

Hence, to gather information, I kindly request your kind and helpful assistance in responding to the questions listed below. Any information you disclosed will be kept ethically and will be used only for academic purpose. Your prompt response will be highly appreciated.

Thank you once again for your cooperation!

#### Note:

- ✓ Writing your name is not mandatory
- ✓ Select your answer by encircling or underlining your answer among the given choices

### III. General information (Personal Profile of the Respondents)

#### Part I. Demographic Profile of respondents

1. Gender
  - i. Male
  - ii. Female
2. Age category
  - i. 18-25
  - ii. 26-35
  - iii. 36-45
  - iv. 46-55
  - v. Above 55
3. Education level
  - i. Can read and write
  - ii. 10<sup>th</sup> or 12<sup>th</sup> grade complete as per the curriculum
  - iii. Diploma
  - iv. First Degree and above
4. Work experience (years of service in the company under study)
  - i. 0 to 10 years
  - ii. 11 to 20
  - iii. 21 to 30
  - iv. 31 and above
5. Marital status
  - i. Married
  - ii. Unmarried
  - iii. Divorce
  - iv. Widowed
6. Job location of the respondent in the enterprise
  - i. Arsi Branch
  - ii. Finfine Branch
  - iii. Shager Branch
  - iv. Head Quarters

**Part II. PRODUCT DIMENSION**

1. Being a member and actor of the company’s strategy, among the product dimensions offered by the company (shown on the table), which product dimension customers most prefer? Rate their preferences by putting Numbers 1, 2, 3 etc. (at least the top three) under width dimension shown in the table below, according to the degree of their preferences.

Length	Thickness	Width dimension(cm)						
		>30	25-30cm	20-25cm	12-20cm	10cm	7.5cm	5cm
0.5mt-0.9Mt	0.025							
	0.05							
1Mt	0.25							
	0.05							
1.5Mt	0.25							
	0.05							
2Mt	0.25							
	0.05							
2.5Mt	0.25							
	0.05							
3Mt	0.25							
	0.05							
3.5Mt	0.25							
	0.05							
4Mt	0.25							
	0.05							

2. How do you evaluate the current practices, procedures OFWE is exercising in its marketing strategy in matching the existing customer’s need and reaching prospective customers having abundant features of lumber product offered for market?
- i. Highly attractive
  - ii. attractive
  - iii. average
  - iv. Somewhat attractive
  - v. Not attractive
3. How do you evaluate the quality level of lumber product your company offered for market compared to similar products offered by domestic suppliers?
- i. incomparable
  - ii. The same as
  - iii. Relatively Comparable
  - iv. Less superior
  - v. Superior
4. According to your opinion how do you rate if compared to the import products?
- i. Incomparable
  - ii. The same as
  - iii. Relatively comparable
  - iv. Less superior
  - v. Superior
5. What is your view with the attractiveness of the product dimensions /feature/ compared to the competitors’ domestic product’?
- i. more attractive
  - ii. Attractive
  - iii. Somewhat attractive

- iv. Less attractive
  - v. Not comparable
6. Compared to the competitors' import product?
- i. more attractive
  - ii. Attractive
  - iii. Somewhat attractive
  - iv. Less attractive
  - v. Not comparable
7. Among the following possible attributes of lumber product of OFWE which one do you think that most influence the buying behavior of customers? Rate them 1,2,3.... According to their weight you perceived one comes after the other.
- i. The availability of different product variety/product dimension/
  - ii. Physical appearance
  - iii. Brand image
  - iv. quality of the Product
  - v. Perceived value of consumers
  - vi. Scarcity of the product

### **Part III. PRICE DIMENSION**

1. How do you rate the current price of OFWE's lumber compared to similar domestic products supplied by competitors?
- i. Inexpensive/cheap
  - ii. Less expensive
  - iii. More expensive
  - iv. Highly expensive/Exorbitant
2. Compared to similar products of imported lumber offered by competitors?
- i. Inexpensive/cheap
  - ii. Less expensive
  - iii. More expensive
  - iv. Highly expensive/Exorbitant
3. How do you evaluate the perceptions of customers about the use value of the product compared to its price they pay in purchasing the product?
- i. Not valued
  - ii. Poorly valued
  - iii. Less valued
  - iv. Highly valued
  - v. Superior value
4. According to your opinion does the current price of the company affect the buying behavior of the customers?
- i. Yes
  - ii. No

### **Part IV. PROMOTION DIMENSION**

1. From where do your company's customers most get information about the offerings of your company?
- i. TV
  - ii. Radio
  - iii. News papers
  - iv. Trade magazines
  - v. Public relations
2. Being a manager, or marketing manager, or marketing expert or as one of the company's employee having relevant information related to customer creation, how do you rate the effectiveness of promotion adopted by the company in creating as many customers as possible?
- i. Highly effective
  - ii. Moderately effective
  - iii. Less effective
  - iv. In effective

3. How do you evaluate the perceived brand image of your company's product?
  - i. Totally Unknown
  - ii. Undifferentiated
  - iii. Wrongly differentiated
  - iv. Biased
  - v. Popular
4. How do you evaluate the advertisement practice of your company in creating as many customers as possible?
  - i. Doesn't make sense
  - ii. Un attractive
  - iii. Less attractive
  - iv. Highly Attractive

**PART V. PLACE DIMENSION**

1. Being an actor of the marketing strategy of the company, have you ever been involved in resolving a customer's complaint?
  - i. Yes
  - ii. No
2. If your answer to the question above is yes, based on your experience, how do you evaluate your company's service delivery quality?
  - i. Poor
  - ii. Average
  - iii. Good
  - iv. Very good
  - v. excellent
3. What is your opinion on the availability of the product
  - i. Rarely available
  - ii. Often available
  - iii. Occasionally available
  - iv. Mostly available
  - v. Always available
4. Is there a delivery system and approaches existed in the company you are working for?
  - i. Yes
  - ii. No
5. Based on your answer above, how effective and efficient the delivery system and approaches of company is in reducing customers complaint to a minimum?
  - i. Highly in effective and in efficient
  - ii. Less in effective and in efficient
  - iii. Moderately effective and efficient
  - iv. Highly effective and efficient
6. What benefits of after sales services the company offer in order to attract and retain customers?
  - i. Sales return
  - ii. Warranty
  - iii. Insurance coverage

### APPENDIX III

#### CHECKLISTS FOR INTERVIEW AND GROUP DISCUSSION

1. Your company is producing 42 different standardized dimensions of lumber products and supplied to mass market of Ethiopia one of highest papules country in Africa. Therefore, the demand for lumber offered by OFWE is subjected to a national market; however, the company is currently dealing with only few customers on hand.
  - a. What do you think the challenges and the possible reason/s for being remain with very few numbers of customers and not able to attract others?
2. Among the product dimensions offered by the company (shown on the table below),
  - a) Which product dimensions your customers most prefer in buying? (Thick “x” in the boxes under product dimension in the table provided)

No.	Length	Thickness	Width dimension(cm)						
			>30	25-30cm	20-25cm	12-20cm	10cm	7.5cm	5cm
1	0.5mt-0.9Mt	0.025							
		0.05							
2	1Mt	0.25							
		0.05							
3	1.5Mt	0.25							
		0.05							
4	2Mt	0.25							
		0.05							
5	2.5Mt	0.25							
		0.05							
6	3Mt	0.25							
		0.05							
7	3.5Mt	0.25							
		0.05							
8	4Mt	0.25							
		0.05							

- b) How do you see the company’s practices and trends the way that each product type/dimension to be allocated to targeted customers or customer groups according to their buying needs?
- c) How do you see the current practices, OFWE is following in its marketing strategy in matching the offerings with the existing customers’ buying needs and reaching others?
- d) What do you think the possible reasons are?

3. How do you evaluate your company's offerings in comparison to competitors' both domestic and import lumber product?
  - i. the availability,
  - ii. the quantity,
  - iii. the quality
  - iv. the Price,
  - v. the advertisement practices
  - vi. the service delivery systems and procedures
  - vii. the overall demand and competition
4. OFWE's current practice of sales is bid sales operation
  - a) With regard to marketing strategy, what challenges most your company has been encountering?
  - b) What you think the company's marketing strategy should be in the future.
5. What significant change you observed in the current marketing operation of the company? What do you think the reasons for and what possible solutions you may suggest?
  - i. Decline in sales volume of the product compared to previous trends?
  - ii. The willingness of customers being involved in the bid sales shows declining?
  - iii. Large volume of inventory is observed than experienced before?
  - iv. Only few customers continue buying, small portion of selected features/dimensions, of the product?
  - v. Non customary actions were taken at head quarters, and some special decisions were made (like special offers) to bring back the customers?
  - vi. Revision of price level has been made provided that, price cut strategy has been come to exist and implemented?
6. How do you evaluate that the current pricing practice, procedures, objectives and sales systems, promotional practices and service deliveries your firm adopting can sustain the existing customers and sales in meeting the company's long term financial needs and objectives in a sustainable bases?

**APPENDIX IV**

**PRODUCT DIMENSION PREFERENCES OF TOP TE BUYERS (ARSI BRANCH)**

**Table:- the top ten heavy buyers and their preferences of buying different dimension of lumber product offered by OFWE since Tahsas (January) 2006 E.C.**

No	Cusotomer	Qty Bought (M <sup>3</sup> )	% share of buying	Product dimension preference			
				1 <sup>st</sup>	2nd	3rd	4th
1	Hysem Pine Gneral Trading	4142	34.7	4Mt	1-0.5mt	3.5, 3-1.5mt	3.5
2	Ketema Legesse	1533	12.9	3.5mt	1.5mt	3,2,1mt	0.5-0.9
3	Abrico Manufacturing	1304	10.9	4mt	–	–	–
4	Haji Buno	877	7.4	4mt	2mt	3.5,3,2.5	0.5-1.5
5	Amard wood products Enterprise	1474	12.4	2.5-3.5mt,4,3,1.5	0.5-2,0.5-1mt	4mt	–
6	EBAM Trading	576	4.8	4mt	–	–	–
7	Sevice along the Nile	230	1.9	4mt	–	–	–
8	Zinedin Kuma	59	0.5	4mt	–	–	–
9	3F	41	0.3	0.5-2mt	–	–	–
	Total	11,926	100.0				
	year tahsas 2006 to date						

Sources: - OFWE data base (Arsi Branch, 2007)



**APPENDIX V**

**Table:- Frequency table of Employees respondents for analysis**

Area of analysis	Frequency							Total	Percentage						
	i	ii	iii	iv	v	vi	na		i	ii	iii	iv	v	vi	na
<b>DEMOGRAPHY</b>															
1	29	6						35	83	17	0	0	0	0	0
2	0	15	14	5	1			35	0	43	40	14	3	0	0
3	0	0	7	28				35	0	0	20	80	0	0	0
4	11	17	5	2				35	31	49	14	6	0	0	0
5	30	5						35	86	14	0	0	0	0	0
6	15	5	6	9				35	43	14	17	26	0	0	0
<b>PRODUCTION</b>															
1															
2	4	8	10	10	3			35	11	23	29	29	9	0	0
3	3	6	12	4	9		1	35	9	17	34	11	26	0	3
4	10	0	16	7	2			35	29	0	46	20	6	0	0
5	7	13	9	5	1			35	20	37	26	14	3	0	0
6	4	7	9	12	3			35	11	20	26	34	9	0	0
7															
<b>PRICEE</b>															
1	3	11	16	5				35	9	31	46	14	0	0	0
2	10	13	10	2				35	29	37	29	6	0	0	0
3	0	4	8	20	2		1	35	0	11	23	57	6	0	3
<b>PROMOTION</b>															
1	3	0	24	0	6		2	35	9	0	69	0	17	0	6
2	2	8	18	7				35	6	23	51	20	0	0	0
3	3	4	8	5	14		1	35	9	11	23	14	40	0	3
4	3	9	20	2	0		1	35	9	26	57	6	0	0	3
<b>PLACE</b>															
1	28	7						35	80	20	0	0	0	0	0
2	4	5	11	6	3		6	35	11	14	31	17	9	0	17
3	4	4	1	17	9			35	11	11	3	49	26	0	0
4	22	11					2	35	63	31	0	0	0	0	6
5	4	12	11	4			4	35	11	34	31	11	0	11	0
6	16	6	0	3			10	35	46	17	0	9	0	0	29

**Source:- survey 2015**

**APPENDIX VI**

**Table:- Frequency table of customers respondents for analysis**

Area of analysis	Frequency							Total	Percentage						
	i	ii	iii	iv	v	vi	Na		i	ii	iii	iv	v	vi	na
<b>DEMOGRAPHY</b>															
1	17	1						18	94	6					100
2	0	5	6	7				18		28	33	39			100
3	2	10	5	1				18	11	56	28	6			100
4	16	2						18	89	11					100
5	6	10	1				1	18	33	56	6			6	100
								0							0
<b>PRODUCTION</b>								0							0
<i>1</i>	0	0	0	18				18	0			100			100
2	14	1	3					18	78	6	17				100
3	5	7	3	3				18	28	39	17	17			100
4	0	0	2	7	9			18			11	39	50		100
5								0							0
6								0							0
7	5	3	2	6	2			18	28	17	11	33	11		100
8	1	5	4	4	4			18	6	28	22	22	22		100
9	5	2	5	5	1			18	28	11	28	28	6		100
10	2	1	5	4	6			18	11	6	28	22	33		100
11								0							0
								0							0
<b>PRICEE</b>								0							0
1	1	3	5	6	3			18	6	17	28	33	17		100
2	3	7	2	3	3			18	17	39	11	17	17		100
3	0	0	13	4	1			18			72	22	6		100
4	12	6						18	67	33					100
5	4	9	3	2				18	22	50	17	11			100
								0							0
<b>Promotion</b>								0							0
1	3	0	8	0	3	0	4	18	17		44		17	22	100
2	3	3	4	8				18	17	17	22	44			100
3	9	6	2	1			0	18	50	33	11	6			100
4	1	3	7	5	2			18	6	17	39	28	11		100
								0							0
<b>Place</b>								0							0
1	0	5	5	7	1			18		28	28	39	6		100
2	2	3	0	0	8		5	18	11	17			44	28	100
3	2	1	9	4	2			18	11	6	50	22	11		100
4	1	0	10	5	2			18	6		56	28	11		100
5	9	9						18	50	50					100
6							11	11							0
7	0	6	6	5	1			18		33	33	28	6		100

Source:- survey 2015