



**ST. MARY'S UNIVERSITY COLLEGE  
SCHOOL OF GRADUATE STUDIE**

**MARKETING STRATEGY PRACTICE AT EDGET YARN &  
SEWING THREAD SHARE COMPANY**

**BY  
AZMERAW GEREMEW ID No. 0068/2003**

**FEBRUARY, 2013  
ADDIS ABABA, ETHIOPIA**

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THREAD SHARE COMPANY**

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**AZMERAW GEREMEW ID No. 0068/2003**

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

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

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## **DECLARATION**

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

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Name

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Signature

**St. Mary's University College, Addis Ababa**

**February, 2013**

## **ENDORSEMENT**

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

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Advisor

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Signature

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**February, 2013**

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## **LIST OF ACRONYMS**

**EYSTSC:** Edget Yarn & Sewing Thread Share Company

**CTWPLC:** Crown Textile Weaving Private Limited Company

**PPESA:** Privatization & Public Enterprise Supervisory Agency

**PLC:** Private Limited Company

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## ABSTRACT

The ultimate goal of any business establishment is to remain in business profitably through production and sales of products or services. Marketing strategy outlines the strategic directions and tactical plans that help companies achieve overall business objectives including increasing revenue, growing profits, reducing costs. A marketing strategy contains a number of important decisions about product offerings, pricing, communications, and distribution channels. The main activity of a business company is to develop a marketing strategy that can help to stay in business. The ultimate success or failure of a company depends on its marketing strategy. Hence, Edget Yarn & Sewing Thread Share Company has to implement effective marketing strategy to achieve the company's objectives

The study was conducted based on the quantitative research technique to investigate the problem. In an effort to address the problem, both primary and secondary data were used. The study mainly focuses on the marketing strategy practices of the company with respect to marketing mixes (Product, Pricing, Promotion, and Place (distribution)) strategy that constitute for marketing strategy practices. The selections of the respondents were carried out by using purposive sampling research method. To gather the data 34 questionnaires were distributed to the employees of the organization, from these 32 questionnaires were properly filled. In analyzing the data quantitative data analysis method was used.

The company's marketing strategy is not effectively practiced by its employees, managers and owners because of their inefficient performance, in promoting its product, its low product quality, poor delivery system of the product to customers.

***Key words:*** Strategy, Marketing, Marketing Strategy, Marketing mix, Target marketing,

## 1. INTRODUCTION

### 1.1. Back ground of the study

To achieve a set of organizational goals and objectives, companies conceptualize, design, and implement various strategies. These strategies can be corporate, business, or functional. Marketing strategies constitute one of the functional strategies amenable to application by contemporary companies in order to enhance performance. In this competitive and ever changing environment, companies can ensure their survival and gain a competitive edge through the emphasis of using marketing strategy as a means of differentiation. The success of a company is determined by the marketing ability to determine and implement appropriate marketing policy in the right circumstances. The history of marketing strategy is described from its roots in early marketing management and later corporate management to its present state.

**The historical perspective demonstrates how various strategic approaches ,such as Borden’s marketing mix, Dean’ pioneer pricing strategies, Smith’s differentiation and segmentation strategies, Forrester’s product life cycle , Andrew’s SWOT analysis, Ansoff’s growth strategy, Porter’s generic strategies, and BCG’s growth-share matrix, can be integrated into a comprehensive conceptual framework for marketing strategy as it is cited by (Eric and Kendall,2005).**

Marketing is a major stakeholder in new product development, customer management, and value/supply chain management, and marketing strategy provides concepts and processes for gaining a competitive advantage by delivering superior value to the business’s customers. Therefore, to deal with the current challenges, the businesses must have more distinctive and purposeful marketing strategies and they should be effectively implemented (Jain, 1997).

As a part of the strategic planning process, a company has to formulate a marketing strategy before entering a new market. For company marketers, formulation of a good marketing strategy is of big importance since it contributes benefits, including raising the efficiency of new products launches, cost reduction and improving product quality and market share performance. So, before beginning to develop a product, the entrepreneur must show that the product will be accepted by a target audience and their marketing strategy will accomplish this goal (Zelalem, T. and Negi, R. 2009).

The strategic marketing planning process flows from a mission and vision statement to the selection of target markets, and the formulation of specific marketing mix and positioning objective for each product the organization will offer. Additionally, organizations consider internal strengths and how these strengths can be leveraged through strategy to achieve sustainable competitive advantage. Nowadays, most companies face some form of competition, no matter what the industry, because of deregulation and because of the globalization of many industries. Consequently, marketing strategy has become all the more important for companies to continue being profitable.

According to Ramaswamt and Namakumari (2002) marketing strategy is the complete and unbeatable plan, designed specifically for attaining the marketing objectives of the firm/business unit. The marketing objectives indicate what the firm wants to achieve; the marketing strategy provides the design for achieving them. Marketing practice of an organization is how marketing is done in the organization. Marketing need to affect every aspect of the customer experience, and it must also be heavily involved in key general management activities, such as product innovation and new business development. The purpose of the study is to see the marketing strategies applied by the share company and to identify whether it is aligned with the marketing mix to satisfy customer requirements.

Edget Yarn and Sewing Thread Share Company (EYSTSC) was established in 1953 as a private company to sell yarn for the local market under the name of Dabaco Cotton Factory Privet Limited Company by four foreign investors. The factory was originally established with cotton ginning and spinning plant situated in Addis Ababa city, Nifas Silk Lafto Sub cit, 03 Administration to produce different yarn counts to local market. The sewing threads factory includes the yarn preparatory, dyeing, bleaching and finishing sections and full facility of waste water treatment and caustic soda recovery plants. The major raw material, cotton, is locally available from its main supplier, Middle Awash Agricultural Development Enterprises and Upper Awash Agro Industry Enterprise. Other raw materials such as chemical and spare parts are imported.

## **1.2 Statement of the problem**

To achieve a set of organizational goals and objectives, companies conceptualize, design, and implement various strategies. The marketing environment comprises all the actors and forces influencing the company's ability to transact business effectively with its target market. A company's marketing environment is made up of both the micro and macro environment (Etzel, Walker, and Stanton, 2004). The micro environment consists of other actors close to the company that combine to form the company's value delivery system or which affects its ability to serve its customers, and the macro environment consist of large social forces that affect the entire micro environment. These forces shape opportunities and pose threats to the company. In this competitive and ever changing environment, companies can ensure their survival and gain a competitive edge through the emphasis of using marketing strategy as a means of differentiation.

McCarthy (1964) offered the "marketing mix", often referred to as the "4Ps", as a means of translating marketing planning into practice (Bennett, 1997). Marketing mix has been extremely influential in informing the development of both marketing theory and practice (Möller, 2006). Marketing mix involves many crucial decisions relating to each element of the mix. Organizations have to carry out market analysis constantly to make necessary changes in the marketing mix.

The sole purpose of marketing strategy is to enable companies to gain more competitive advantage over its competitors. However, business managers have a big challenge of making the right strategic choice and setting their strategic priorities in order to allocate their resources to different functions in an efficient manner for business success. From the preliminary survey under taken most companies are not in a position to develop a sound strategy in general and a sound marketing strategy in particular. Even if they are developing a sound marketing strategy they are falling short of achieving objective and goals pointed out in the strategy document. Thus, it is commendable to make rigorous assessments of the marketing strategy practice of Edget Yarn & Sewing thread Share Company and propose remedial action to be taken by the company management.

### **1.3 Research questions**



This study tried to answer the following questions:

- ❖ How is the company's product strategy? How is the quality of the company product?
- ❖ Which pricing methods are used by the company to succeed?
- ❖ What promotion strategy is employed in the company to introduce its products?
- ❖ What criteria are used by the company in selecting distributors?
- ❖ What is the target marketing of the company?

## **1.4 Objectives of the study**

### **1.4.1 General objective**

The general objective of the study was to assess the marketing strategy practice at Edget Yarn and Sewing Thread Share Company located in Addis Ababa city Administration in sarbet.

### **1.4.2 Specific objectives**

The specific objectives of the study were:

- ❖ To assess the company's product strategy & the quality of the product.
- ❖ To assess how the company sets its price strategies.
- ❖ To identify how the company promotes its product.
- ❖ To identify how the distributors are selected by the company.
- ❖ To identify the target market of the company and make recommendation.

## **1.5. Definition of Terms.**

**Marketing** is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals (Kotler, 2002). According to Kotler (2002) marketing is a social process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.

**Strategy** is the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals (Chandler, 1962). Strategy is a process of translating perceived opportunity into

successful outcomes, by means of purposive action sustained over a significant period of time. Strategy is the direction and scope of an organization over the longer term ideally, which matches its resources to its changing environment, and in particular, to its markets, customers and clients to meet stakeholder expectations (Johnson and Scholes, 1993).

**Marketing strategy** is commonly defined as a strategy employed by a firm to attain its marketing objectives, which in turn is related to the achievement of the firm's business objectives. In other words, marketing strategy refers to the marketing goals and action plans that address matters of product/ service price, distribution, communication, and the process of new product development. Marketing strategy involves careful scanning of the internal and external environments which are summarized in a SWOT analysis. Internal environmental factors include the marketing mix, plus performance analysis and strategic constraints.

### **1.6. Significance of the Study**

The findings of this study will help Edget Yarn and Sewing Thread Share Company to better diagnose its marketing strategy. It would also play a role in identifying the present situations and future strategies for giving better services to customers and will help to identify the problems, gaps and then ultimately find out solutions to fill the gaps between customer expectation and perception of products. The study may serve as a reference material for other textile companies to learn from the sample organization. Finally, this study would serve as a stepping stone for those who wanted to conduct further studies in the same sector.

### **1.7 Delimitation/Scope of the Study**

Due to time, finance constraints the study was delimited to the assessment of marketing strategy practice of Edget Yarn and Sewing Thread Share Company. This study was also delimited due to the possibility of unwillingness of the employees to give honest responses due to their personal biases.

The scope of the study was covered the marketing strategy practices of the organization that aligned to the marketing mix. Any other marketing strategy practices of the organization other than the above mentioned ones were not included in the study.

## **1.8. Organization of the Study**

The study is organized into five chapters. The first chapter deals with introduction part of the study such as; background of the study, problem statement, objectives of the study, significance of the study, scope of the study, organization of the study. Chapter two deals with the review of the related literature. Chapter three explains with the methodology of the study. Chapter four is about data analysis and interpretation. Finally, chapter five contains summary, conclusions and recommendations of the result.

## **CHAPTER TWO**

### **2. REVIEW OF RELATED LITERATURE**

#### **2.1 A Theoretical Frame Work**

##### **2.1.1 Historical Overview of Marketing Strategies.**

The history of marketing strategy is described from its roots in early marketing management and later corporate management to its present state. Strategy formation has been at the heart of strategic management for more than three decades (Mintzberg, 1973) and is concerned with how effective strategies are shaped within the firm's (Chakravarthy and Doz, 1992). An effective strategy formation capability is a complex organizational resource a dynamic capability that should lead to superior performance. Marketing strategy focuses on long-term company objectives and involves planning marketing programs so that they help a company realize its goals. Marketing strategy deals with adapting the marketing mix elements to environmental factors.

##### **2.1.2 Meaning & Definitions of Marketing Strategy**

Marketing strategy is one of the most important areas that need to be carefully examined by the corporate. Marketing strategy is commonly defined as a strategy employed by a firm to attain its marketing objectives, which in turn is related to the achievement of the firm's business objectives. The firms in order to have a formulation of the marketing strategy should have a marketing objective. The marketing objectives include: maximization of Profits, maximization of market share, maximization of sales, enhance brand image, improve customer satisfaction, provide customer value, and maintain price stability. In other words, marketing strategy refers to the marketing goals and action plans that address matters of product/ service, price, distribution, communication, and the process of new product development. "Marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage" (Nanda and Khanna, 2011).

#### **2.2 Development of the Marketing Strategy**

Marketing strategy consists of the analysis strategy development, and implementation activities in: developing a vision about the market, of interest to the organization, selecting market target strategies, setting objectives, and developing, implementing, and managing the marketing program positioning strategies designed to meet the value requirements of the customers in each market target. Any company develops a marketing strategy, based on which two types of analysis, that is strategic marketing (external) analysis and internal analysis. The strategic marketing analysis involves customer management analysis, market management analysis, environmental scanning and future building. Management of relationships with the customers and important external bodies such as dealers, suppliers and the government is a major part of the marketing strategy formulation and management (Rahul and Khanna, 2011). As Rahul and Khanna (2011) mentioned the second analysis is the internal analysis which includes strengths, weaknesses, core competencies, resource constraint analysis. This involves the decisions on the 4 P's i.e., product, price, place and promotion. Then the marketing strategy which is developed is implemented and any deviations from the marketing plan are the feedback to the marketing objectives and thus, the development of marketing strategies.

### **2.3 Elements of Marketing Strategy**

The basic task of marketing is the delivery of product(s) to consumers so that their needs are fulfilled and organizational objectives are also achieved. This involves several important decisions, e.g. deciding about the product or products which should be offered for sale, price of the product, markets where products may sell and the means of communication with the consumer for the sale of the product. All these decisions form part of marketing-mix. Marketing mix, simply stated, is the process of designing and integrating various elements of marketing in such a way as to ensure the achievement of enterprise objectives. The elements of marketing mix have been classified under four heads - product, price, place and promotion (Littler and Wilson, (1995).

Decisions relating to the product include product designing, packaging and labeling and varieties of the product. Decision on 'Price' is very important because sales depend to a large extent on product pricing. Whether uniform price will be charged or different prices will be charged for the same product in different markets are examples of decision pertaining to the price of the product. The third important element is 'place', which refers to decision regarding the market where products will be offered for sale. 'Promotion' involves decisions bearing on the ways and means of increasing sales. Different tools or methods may be adopted for this

purpose. The relative importance to be attached to the various methods is decided while concentrating on the element of 'promotion' in marketing mix. Lastly, the marketing manager has to take into account the impact of external factors like consumer behavior, competitors' strategy, and government policy on each element of marketing mix.

## **2.4 Segmentation, Targeting and Positioning.**

### **2.4.1 Segmentation**

The concept of market segmentation was first proposed as an alternative market development technique in imperfectly competitive markets that is in markets where there are relatively few competitors selling an identical product. Companies can't serve all consumers in a given market, at least not all consumers in the same way. Thus, each company must divide up the total market, choose the best segment and design strategies for profitably serving chosen segments.

**As a key component of marketing strategy, market segmentation implies the process of dividing a market into distinct groups of buyers with different needs characteristics or behavior, who might require a separate product or marketing program is called market segmentation ( Pillai. Dr. K. R. Rao, Dr. M. S.,Thampy Jaik K., and Peter.J, 2011).**

#### **2.4.1.1 Bases for Segmentation**

According to Kotler P, Armstrong G, (2008) consumer markets can be segmented on the following customer characteristics.

A). Demographic Segmentation divides the market into group based on variables such as gender, age, income, housing type, and education level are common demographic variables. Some brands are targeted only to women, others only to men. Music downloads tend to be targeted to the young, while hearing aids are targeted to the elderly.

B). Geographic Segmentation: - This is perhaps the most common form of market segmentation, where in companies segment the market by attacking a restricted geographic area. Geographic segmentation can take many forms (urban versus rural, north versus south, seacoasts versus interior, warm areas versus cold, high-humidity areas versus dry areas, high-elevation versus low-elevation areas, and so on).

C). Behavioral Segmentation divides buyers into groups based on actual customer behavior toward products. Some behavioral variables include: Benefits sought, usage rate, brand

loyalty, user status: potential, first-time, regular, etc., readiness to buy, occasions: holidays and events that stimulate purchases

D). Psychographic Segmentation divides based upon multivariate analyses of consumer attitudes, values, behaviors, emotions, perceptions, beliefs, and interests.

#### **2.4.1.2 Requirements for Effective Segmentation.**

There are many ways to segment a market, according to Kotler P, Armstrong G, (2008) effective segmentation is based on:

A). Measurability: - refers to the degree to which the size and purchasing power of the segments can be measured.

B). Accessibility: - refers to the degree to which a market segment can be reached and served.

C). Substantiality refers to the degree to which the segments are large or profitable enough to service.

D). Actionability: - is the degree to which an effective marketing program can be designed for attracting and serving segments.

#### **2.4.2 Target Marketing**

Target market involves evaluating each market segment's attractiveness and selecting one or more segments to enter. Target marketing is the decision to identify the different groups that make up a market and to develop products and marketing mixes for selected target markets. There are three major targeting strategies: undifferentiated, concentrated, and differentiated. During this process the business must balance its resources and capabilities against the attractiveness of different segments (Kotler, P, 2007, pp.360).

#### **2.4.3 Positioning**

Positioning was firstly appointed to the marketing communication agenda by Ries and Trout (1972-1978) as cited by Mustafa, (2002). Market position of a product in this case, is its relative location in customer's mind among opponent products. Positioning can be formed according to the specific features, benefits or the usage of the product, and also a positioning can be developed as directly against the major opponent or as being different from the opponent. Positioning is the development of the image of a product directly against to the competitor products and other products produced by the company's. Thus, marketers plan positions that distinguish their product from competing brands and give them the greatest strategic advantage in their target markets. Positioning is a process that tries to identify

consumers' perceptions, attitudes and product use patterns in order to determine the best place for product or organization from the point of competitive conditions and company opportunities (Kotler, and Armstrong, 2006.).

## **2.5 History of Marketing Mix Strategies**

McCarthy (1964) regrouped Borden's 12 elements to four elements or 4Ps, namely product, price, promotion and place at a marketing manager's command to satisfy the target market. Many critics are raised on the importance priority of the (4ps). The introductory marketing texts suggest that all parts of the marketing mix (4Ps) are equally important, since a deficiency in any one can mean failure (Kellerman, Gordon and Hekmat, 1995). LaLonde (1977) found product related criteria to be most important, followed by distribution, price, and promotion. Kurtz and Boone (1987) found that on the average, business persons ranked the 4 Ps to be of most importance in the following order: price, product, distribution, and promotion. According (Londre L.S., (2009) marketing mix used by a particular firm will vary according to its resources, market conditions and changing needs of clients. The importance of some elements within the marketing mix will vary at any one point in time. Decisions cannot be made on one element of the marketing mix without considering its impact on other elements (Low and Kok, 1997).

### **2.5.1 Product Strategy**

Marketers broadly define a product as a bundle of physical, service, and symbolic attributes designed to satisfy consumer wants. It is a total product concept that includes decisions about package design, brand name, trademarks, warranties, guarantees, product image, and new-product development. Product strategy specifies market needs that may be served by different product offerings. It is a company's product strategies duly related to market strategies, which eventually came to dominate, overall strategy and the spirit of the company. Product strategies deal with such matters as number and diversity of products, product innovations, product scope, and product design.

#### **2 .5.1.1 Product Positioning Strategy**



Position of a product refers to a relative location in customer's mind among opponent products. Positioning is the development of the image of a product directly against to the competitor products and other products produced by the company's (Mustafa K. 2002). Positioning can be formed according to the specific features, benefits or the usage of the product, and also a positioning can be developed as directly against the major opponent or as being different from the opponent.

#### **2.5.1.2 Product Elimination Strategy**

The product elimination decision is a decision of great strategic importance in today's increasingly competitive marketplace (Mitchell .M.A., Taylor .R.D., Faruk Tanyel. F., 2004). An examination of the literature on product elimination suggests that there are two basic strategies which a company may follow once a product has been scheduled for removal according to (Avlonitis, George J., and James, Bert G.S., 1982). In the latter case, the company carries the product at a reduced level of promotion and costs to maximize its remaining value. Certainly, as the current economic environment has shifted the decision to drop unprofitable and obsolete products from an important to a critical position in corporate strategy, the actual disposal of such products in an economical and efficient way will, undoubtedly, demand more attention (George J. Avlonitis ,1983).

#### **2.5.1.3 New Product Development Strategy**

Products do not remain economically viable forever, so new ones must be developed to assure the survival of an organization. The creation of new products is the lifeblood of an organization. For many firms, new products account for a sizable part of growth in sales and profits. Among possible actions, new products can be a source of competitive advantage because they can be used to reinforce a firm's strategic direction by enhancing its competitive advantage in the market (Thomas, R. J.1993). Operations strategy must be designed to contribute to corporate strategy (Skinner, 1969).

#### **2.5.1.4 Product Identification**

Product identification is another important aspect of marketing strategy. Products are identified by brands, brand names, and trademarks. A brand is a name, term, sign, symbol, design, or some combination thereof used to identify the products of one firm and to differentiate them from competitive offerings.

## **2.6 Product Mix Strategy**

A product mix is the assortment of goods and/or services a firm offers consumers and industrial users. The product mix is a combination of product lines and individual offerings that make up the product line. Product mixes and product lines undergo constant change. To remain competitive, marketers look for gaps in their assortment and fill them with new products or modified versions of existing ones. Marketers must continually assess their product mix to ensure company growth, to satisfy changing consumer needs and wants, and to adjust to competitors' offerings.

## **2.7 Marketing Strategies through the Product Life Cycle**

Successful goods and services, like people, pass through a series of stages from their initial appearance to death; this progression is known as the product life cycle. Humans grow from infants into children; they eventually become adults and gradually move to retirement age and, finally, death. The four stages through which successful products pass are introduction, growth, maturity, and decline. Most product lifecycle curves are portrayed as a bell shape (Lancaster, G. A., 2004). The product life cycle concept provides important insights for the marketing planner in anticipating developments throughout the various stages of a product's life.

### **2.7.1 Product Life Cycle Stage**

#### **2.7.1.1 Marketing Strategies: Introduction Stage**

In the early stages of the product life cycle, the firm attempts to promote demand for its new market offering. Because neither consumers nor distributors may be aware of the product, marketers must use promotional programs to inform the market of the item's availability and explain its features, uses, and benefits. New-product development and introductory promotional campaigns are expensive and commonly lead to losses in the first stage of the product life cycle. Firms focus their selling on those buyers who are the readiest to buy, usually higher-income groups. Prices tend to be high because costs are high due to relatively low output rates, technological problems in production, and high-required margins to support the heavy promotional expenditures. In this stage slow sales growth is observed as the product is introduced in the market (Kotler,P., Keller,K.L., Koshy,A., Jha,M.,2009)

#### **2.7.1.2 Marketing Strategies: Growth Stage**

Sales climb quickly during the product's growth stage as new customers join the early users who are now repurchasing the item. Person-to-person referrals and continued advertising by the firm induce others to make trial purchases. The company also begins to earn profits on the new product. But this encourages competitors to enter the field with similar offerings. Price competition appears in the growth stage, and total industry profits peak in the later part of this stage. To gain a larger share of a growing market, firms may develop different versions of a product to target specific segments (Kotler, p. et al (2009).

#### **2.7.1.3 Marketing Strategies: Maturity Stage**

Industry sales at first increase in the maturity stage, but reach a saturation level at which further expansion is difficult. Competition also intensifies, increasing the availability of the product. Firm concentrate on capturing competitors' customers, often dropping prices to further their appeal. Sales volume fades late in the maturity stage, and some of the weaker competitors leave the market. Firms spend heavily on promoting mature products to protect their market share and to distinguish their products from those of competitors, profit stabilize or decline because of increased competition (Kotler, p. et al (2009).

#### **2.7.1.4 Marketing Strategies: Decline Stage**

Sales continue to fall in the decline stage of the product life cycle. Profits also decline and may become losses as further price cutting occurs in the reduced market for the item (Kotler, p. et al (2009).. The decline stage is usually caused by a product innovation or a shift in consumer preferences. The decline stage of an old product can also be the growth stage for a new product.

### **2.7.2 Extending the Product Life Cycle**

Sometimes it is possible to extend a product's life cycle considerably beyond what it would otherwise be. Some useful strategies include the following: Increase the frequency of use. Persuading consumers that they need to have additional smoke alarms and flashlights may result in increased purchases by each household; add new users; introducing the product abroad might accomplish this; find new uses for the product, change package sizes, labels and product quality. The marketer's objective is to extend the product life cycle as long as the item is profitable. Some products can be highly profitable during the later stages of their life cycle, since all of the initial development costs have already been recovered.

### **2.7.3 Marketing Strategy Implications of the Product Life Cycle**

The product life cycle concept is a useful tool in designing a marketing strategy that is flexible enough to match the varying marketplace characteristics at different life cycle stages. For instance, knowledge that advertising emphasis will change from informative to persuasive as the product faces new competitors during the growth stage permits the marketer to anticipate competitive actions and make necessary adjustments. These competitive moves may involve price, distribution (the significant increase in the number of retail stores handling), product variations (introduction of, an executive luxury car, to compete with Mercedes-Benz and BMW), or promotion (the organization has to shift from informative product advertising to persuasive advertising in its competition Sprint for long-distance customers).

## **2.8 Pricing Strategies**

After a good or service has been developed, identified, and packaged, it must be priced. Price is the exchange value of a good or service. Pricing strategy has become one of the most important features of modern marketing. All goods and services offer some utility or want-satisfying power. Prices help direct the overall economic system. A firm uses various factors of production, such as natural resources, labor, and capital, based on their relative prices. High wage rates may cause a firm to install labor-saving machinery. A large number of internal and external variables must be studied systematically before price can be set. For example: the reactions of a competitor often stand out as an important consideration in developing pricing strategy (Tellis, G. (1986).

### **2.8.1 Pricing objectives**

Marketing attempts to accomplish certain objectives through its pricing decisions. Research has shown that multiple pricing objectives are common among many firms. As a result, pricing is an art as much as it is a science: “It depends as much on good judgment as on precise calculation” (Nagle and Holden, 1995). Pricing objectives vary from firm to firm. Some companies try to maximize their profits by pricing their offerings very high. Others use low prices to attract new business. The three basic categories of pricing objectives are (1) profitability objectives, (2) volume objectives, and (3) other objectives, including social and ethical considerations, status objectives, and image goals.

#### **2.8.1.1 Profitability Objective**

Most firms have some type of profitability objective for their pricing strategy. Some firms try to maximize profits by increasing their prices to the point where a disproportionate decrease appears in the number of units sold. Profit maximization is the basis of much of economic theory. The responsibility of an effective sales organization is to “raise customers’ willingness to pay a price that better reflects the product’s true value” (Nagle and Holden, 1995).

#### **2.8.1.2 Volume Objectives**

Another example of pricing strategy is sales maximization, under which management sets an acceptable minimum level of profitability and then tries to maximize sales. Sales expansion is viewed as being more important than short run profits to the firm's long-term competitive position. A second volume objective is market share-the percentage of a market controlled by a certain company, product, or service.

### **2.8.1.3 Other Objectives**

Objectives not related to profitability or sales volume, social and ethical considerations, status quo objectives, and image goals are often used in pricing decisions. Social and ethical considerations play an important role in some pricing situations. Image goals are often used in pricing strategy. So a firm's pricing strategy may be an integral part of the overall image it wishes to convey.

### **2.8.2 Factors to be Considered When Setting Prices**

Economists might argue that pricing is regulated by the widely accepted principle of the elasticity of demand; however, pricing decisions are based on far more factors than fluctuations in demand relative to the available supply of a product or service. Price is the exchange value of a good or service. An item is worth only what someone else is willing to pay for it. A company's pricing decision are affected both by internal and external company factors. Internal factors affecting pricing includes company's marketing objectives, marketing mix strategy, cost and organization. External factors affecting pricing includes nature of the market and demand, competition and other environmental factors (economy, resellers, government). According to Collins, H.G. Parsa H.G., (2006), three common approaches to pricing are defined as follows.

#### **2.8.2.1 Cost based pricing**

A financially driven approach to pricing in which products are priced to yield an equitable profit above and beyond all costs associated with the production of the product. Cost based pricing ensures that products are priced so that an equitable contribution margin is attained above and beyond the costs associated with the production of the product; however, it is difficult to appropriately determine the unit cost associated with the product since unit costs fluctuate with sales volume (Nagle and Holden, 1995). This usually leads to over-pricing in weak markets and under-pricing when demand is strong, which is not prudent strategy.

#### **2.8.2.2 Customer driven pricing**

Market driven approach to pricing in which prices are determined by the amount that customers are willing to pay for the product is customer driven pricing. Customer-driven pricing is typically driven by the sales organization and provides flexibility in pricing so that prices can be aligned with the amount that a customer is willing to pay. This strategy has two primary shortcomings, however. First, customers are not motivated to be can did relative to the price that they are willing to pay for a product. In addition, a sales organization's role should not be to simply take orders at whatever price the customer is willing to pay. The responsibility of an effective sales organization is to "raise customers' willingness to pay a price that better reflects the product's true value" (Nagle and Holden, 1995).

#### **2.8.2.3. Competition driven pricing**

Competition driven pricing is utilized to ensure that a firm achieves its desired market share objective. This approach can often lead to inappropriate price cutting as a firm seeks to gain market share. Although price cuts may assist a firm in achieving a short term sales volume goal, this strategy can be quickly matched by competitors, which initiates a downward spiral of prices. The role of the sales and marketing organization is then to "raise the customer's willingness to pay a price that reflects the product's true value" as opposed to merely processing orders at whatever price the consumer is willing to pay (Nagle and Holden, 1995).

### **2.8.3 New Product Pricing Strategy**

Pricing can be based on either of two strategies: the skimming price policy or the penetration price strategy.

1. Skimming pricing:-involves setting the price of the product relatively high compared to similar goods and then gradually lowering it. A skimming strategy allows the firm to recover its cost rapidly by maximizing the revenue it receives. But the disadvantage is that early profits tend to attract competition, thus putting eventual pressure on prices.

2. Penetration pricing:-involves pricing the product relatively low compared to similar goods in the hope that it will secure wide market acceptance that will allow the company to raise its price. Penetration pricing discourages competition because of its low profits. It is often used when the firm expects competition with similar products within a short time and when large-scale production and marketing will produce substantial reductions in overall costs.

#### **2.8.4 Pricing Strategies for Established Products**

An examination of existing prices may lead to one of three strategic alternatives; maintaining the price, reducing the price, or increasing the price.

1. Maintaining the prices: - If the market segment from which the company drives a big position of its sales is not affected by changes in the environment, the company may decide not to initiate any change in its pricing strategy.

2. Reducing the prices: - There are three main reasons for lowering prices. First, as a defensive strategy, prices may be cut in response to competition. In addition, to successfully compete in mature industries, many companies reduce prices, following a strategy that is often called value pricing. A second reason for lowering price is offensive in nature. Following the experience curve concept, costs across the board go down by fixed percentage every time experience doubles. Technology advances have made possible the low cost production of high quality electronics gear.

3. Increasing price:-is mostly occurred during a period of inflation, all types of costs go up, and to maintain adequate profits, an increase in price becomes necessary. How much the price should be increased is a matter of strategy that varies from case to case (Kotler K. & Garry Armstrong G., 2006).

#### **2.8.5 Pricing Adjustment Strategies**



Companies usually adjust their basic prices to account for various customers' differences and changing situations. Some of the pricing adjustment strategies are; discount and allowance pricing, segmented pricing, psychological pricing, promotional pricing, value pricing, geographical pricing and international pricing (Kotler P, 2007).

## **2.9. Promotion Strategies**

Promotion according to Brassington & Pettitt (2000) is the direct way in which an organization communicates the product or service to its target audiences. Promotion strategies are concerned with the planning, implementing and control of persuasive communication with customers. Modern marketing calls for more than developing a good product, pricing it attractively and making it accessible. Companies must also communicate with present and potential stakeholders as well as the general public. For most companies, question is not whether to communicate but rather what to say, to whom, and how often.

### **2.9.1 Promotional Mixes**

Each promotional tool has its own unique characteristics and costs. These strategies may be designed around advertising, personal selling, sales promotion and publicity.

#### **2.9.1.1 Advertising strategy**

Brassington & Pettitt(2000) define Advertising as any paid form of non-personal communication directed towards target audience and transmitted through various mass media to promote product, services or idea. Certain forms of advertising (TV advertising) typically require a large budget, whereas other forms (newspaper advertising) can be done on a small budget. In developing an advertising program, successful firms start by identifying the target market and buyer motives. Then they can make five critical decisions, known as the five Ms: Mission: What are the advertising objectives? Money: How much can be spent? Message: What message should be sent? Media: What media should be used? Measurement: How should the results be evaluated?

### **2.9.1.2 Sales Promotion Strategy**

Sales promotion is the economical and informational incentives, which are offered by firms to buyers or distributors (Guiltian and Paul, 1982). It emerged as a reaction by manufacturer's marketers, and marketing strategies alike to find a short term solution to the problems of excess stock of goods which are available in variables manufacturer's warehouses but are not demanded by consumers and organization (Aham, 2008). Sales promotion offer three distinctive benefits: (1) communication (they gain attention and usually provide information that may lead the consumer to the product); (2) incentive (they incorporate some concession or inducement that gives value to the consumer); and (3) invitation (they include a distinct invitation to engage in the transaction now).

### **2.9.1.3 Public Relations Strategy**

According to Brassington & Pettitt (2000) the essence of public relation is to look after the nature and quality of relationship between the organization and its different publics and to create a mutual understanding. Public relation covers a range of activities ,for example the creation and maintenance of corporate identity and image; charitable involvement ,such as sponsorship, and community initiatives, media relation for the spreading of goods news as well as for crisis management such as damage limitation. The wise company takes concrete steps to manage successful relations with its key publics. The appeal of public relations and publicity is based on three distinctive qualities: (1) high credibility (news stories and features are more authentic and credible than advertisement); (2) ability to catch buyers off guard (reach prospects who prefer to avoid salespeople and advertisements); and (3) dramatization (the potential for dramatizing a company or product).

### **2.9.1.4 Personal selling strategy**

Brassington & Pettitt(2000) define personal selling to be a two-way communication tool between a representative of an organization or individuals or group, with the intention to inform, persuade or remind them, or sometimes serve them to take appropriate action. Personal selling is a key element in promotion, one of the four Ps in the marketing mixes. Personal selling has three distinctive qualities: (1) Personal confrontation (it involves an

immediate and interactive relationship between two or more persons); (2) cultivation (it permits all kinds of relationships to spring up, ranging from a matter-of-fact selling relationship to a deep personal friendship); and (3) response (it makes the buyer feel under some obligation for having listened to the sales talk). Sales people perform one or more of the following tasks: Prospecting, targeting, communicating, and selling approaching, Servicing, Information gathering, and Allocating.

## **2.10 Distribution Strategies**

After products are produced and priced, they must be distributed to the marketplace. All organizations perform a distribution function. Many companies do not sell their products directly to end users. Distribution strategies are concerned with the channels a firm may employ to make its goods and services available to customers.

Decisions about marketing channels, which help producers deliver goods and services to their target markets, are among the most critical facing management, because the channels that are chosen intimately affect all of the other marketing decisions. The two major components of an organization's distribution strategy are distribution channels and physical distribution. The distribution channels are the paths that goods and title to them follow from producer to consumer. They are the means by which all organizations distribute the goods and services they are producing and marketing.

The two main categories of marketing intermediaries are wholesalers and retailers like canned food products usually pass through wholesalers and retailers to reach the consumer. Wholesaling intermediaries are people and firms that sell primarily to retailers and other wholesalers or industrial users. The second major component of distribution strategy is physical distribution which comprises the actual movement of goods and services from the producer to the user. Physical distribution covers a broad range of activities. These tasks include customer service, transportation, inventory control, materials handling, order processing, and warehousing.

### **2.10.1 The Functions of Marketing Intermediaries**

Marketing intermediaries perform various functions that assist in the operation of the distribution channel. These functions include buying, selling, storing, and transporting. These intermediaries perform a variety of functions and constitute marketing channels that is also referred to a trade channel or distribution channel (Kotler and Keller, 2008). Intermediaries

often provide other channel members with important marketing information. By buying a manufacturer's output, intermediaries provide the necessary cash flow for the producer to pay workers and buy new equipment. By selling, they provide consumers and other intermediaries with want-satisfying goods and services. The buying/selling function of intermediaries brings efficiency to the distribution channel.

### **2.10.2 Types of Distribution Channels**

The primary channels of distribution are shown below. The first four channels are typically used to distribute consumer goods and services, while the last two are commonly used for industrial goods and services.

A) Producer to Consumer: - A direct channel from producer to consumer is used for most services but relatively few products. An artist who sells their creations at an art show is an example of this distribution channel, door to door purchases, Catalogs, and internet.

B) Producer to Retailer to Consumer: - Some food processors and manufacturers distribute their products directly to retailers. The apparel industry has many producers that sell directly to retailers through their own sales forces. Some manufacturers set up retail outlets in order to maintain better control over their channels.

C) Producer to Wholesaler to Retailer to Consumer: - The traditional channel for consumer goods, distribution to wholesalers, is used by thousands of small manufacturers that cannot afford to maintain an extensive field sales force to reach the retailing sector. Some of these manufacturers employ technical advisors to assist retailers and to secure marketing information, but they are not directly involved in the selling effort.

D) Producer to Wholesaler to Wholesaler to Retailer to Consumer: - Several wholesalers are common in the distribution of agricultural (canned and frozen foods and cotton) and petroleum products (gasoline). An extra wholesaling level is required to divide, sort, and distribute bulky items.

E) Producer to Industrial User: - The direct channel from producer to user is the most common approach to distributing industrial goods and services. This channel is used for nearly all industrial products except accessory equipment and operating supplies.

F) Producer to Wholesaler to Industrial User: - The indirect channel from producer to wholesaler to user is used for some industrial items. It is also used for small accessory equipment and operating supplies that are produced in large lots but sold in small quantities.

### **2.10.3 Selecting a Distribution Channel**

The selection of a distribution channel depends on several factors: the market, the product, the producer, and the competition. These factors are often interrelated.

A) Market Factors: - The most important consideration in choosing a distribution channel is that market segment the producer wants to reach. If the product can be marketed to more than one segment, multiple distribution channels may be required. In fact, multiple channels have become increasingly popular in recent years.

B) Product Factor: - In general, products those are complex, expensive, custom made and perishable move through shorter distribution channels. Boeing sells its 747 jet aircraft directly to British Airways and other commercial airlines.

C) Producer Factors: - Producers that offer a broad product line and have the financial and marketing resources to distribute and promote their products are more likely to use a shorter channel of distribution. The company has the financial resources to conduct marketing research studies and to maintain its own network of distribution centers.

D) Competitive Factors: - In choosing a distribution channel, producers must consider how well an intermediary performs the marketing functions. A producer may become less competitive when an intermediary fails to adequately promote the firm's products.

## **2.11 The Ethiopian textile sector market**

### **2.11.1 The Marketing Chain of Cotton and the Industry Structure**

The chain of cotton market connects producers, cooperatives, cooperatives union, assemblers, ginneries, textile factories, oil mills, seed cotton retailers, wholesalers, retailers and consumers of final product (Bosena tegegne, 2008). The role of brokers in marketing is mainly bringing together potential buyers and sellers. However, their role in the case of cotton marketing chain is not as such significant. They play some role at the district level on the aspect of transportation.

### **2.11.2 Marketing Issues**

Marketing may be defined as the practice of identifying and maximizing the satisfaction of the customer through the limited resources of the enterprise. To do this, the market is segmented by the needs, behaviors, and characteristics, and product uses relevant to customers. Ethiopian textile managers do not have the information and the knowledge to evaluate the relative value of one segment over another; therefore, they were not risk ignoring some markets in favor of others (Chemonics international Inc, 1996).

### **2.11.3 Product distribution**

The textile finished products pass through wholesalers and retailers before they reach the hands of final consumers. Until very recently, most textile enterprises have limited their means of distributing goods to a single wholesaler or distributor (sales agent) to whom each mill gave exclusive distribution rights. Wholesalers, however, were not committed to excluding other domestic or imported textile products from their portfolio. To grant such one-way exclusivity is an extremely passive attitude. Public enterprise management expected the distributor to do all the marketing, and then felt betrayed when distributors served customers rather than suppliers.

### **2.11.4 Product Innovation and Copyright Protection**

Product innovation is an integral part of marketing. It is important for success in domestic and international markets, but it is more critical for international competition. The market intelligence required to identify a need precedes the design and construction tasks needed to fulfill that need. After success in these areas, manufacturing the product is relatively easy and inexpensive. Therefore, if the legal system permits competitors to simply copy and sell the products, the enterprise which developed the product is denied the chance to recoup development costs and make the money to pay for such innovation.

### **2.11.5 Foreign Market access**

There is external market access for textile and apparel industry in United State, European Union, Australia, Japan, Newzeland, Norway, Switzerland, Bulgaria etc. The initial framework was the General System of Preferences (GSP) which is granting duty-free entry for import from the developing countries. The GPS preferential treatment is in the form of reduced import duty and it allows the avoidance of reciprocal obligation on the part of the developing country.

### **2.11.6 Export Potential**

Ethiopia has access to a number of countries to export lint cotton and textile products. The major importers of lint cotton from Ethiopia are Pakistan, India, Greece, Djibouti, Egypt, Oman, United Arab Emirates, Srilanka, Thailand, Denmark, Indonesia, Yemen, Turkey, Switzerland, Vietnam, and Italy (Bosena tegege, 2008). As the study of Chemonics international Inc (1996) indicates the public textile sector was incapable of consistent competition in global markets; it is unlikely that it could develop and participate in regional African markets. The inability to serve global markets adequately is ensured by an unsuitable product mix, lack of quality controls, managerial inexperience, lack of technical ability and knowledge, and inadequate infrastructure.

## **CHAPTER THREE**

### **2. RESEARCH DESIGN AND METHODOLOGY**

This chapter discusses the design and the methodology of the research study. The methodology included methods of data collection, determining the target population, sampling design, and data analysis methods.

#### **3.1 Research Design**

The study was conducted based on the descriptive research design using quantitative research technique to investigate the problem. In an effort to address the problem, both primary and secondary data were used. To achieve these objectives questionnaires, interviews and document reviews were employed.

#### **3.2 Population and Sampling technique**

##### **3.2.1 Population**

The target populations of the study were the marketing & supplies department employees who have marketing knowledge, diploma and above, and top managers of the company. Due to the fact that the target populations were small a census study was used for conducting the research. In addition to this, the data was collected through interview from marketing and supplies department staffs of the company.

##### **3.2.2 Sampling technique**

The sample was taken from marketing & supplies department and top managers of the company. The selections of the respondents were carried out by using purposive sampling technique based on the expectation due to their knowledge about the market strategy.



### **3.3 Types of Data and Tools/Instruments of Data Collection**

In order to obtain relevant data both primary and secondary data collection instruments were used. To collect primary data, structured questionnaires and personal interviews were employed. Managers and marketing department workers were targeted as sources of data. To obtain secondary data, different documents of the organization like, sales report, market research documents, management minutes & quality control test results were referred.

### **3.4 Procedure of Data Collection**

Primary data was collected through personal interviews, & closed-ended as well as open-ended questionnaires. On the other hand, secondary data was gathered from company records sales report, market research documents, management minutes & quality control test results of the Share Company.

### **3.5 Methods of Data Analysis**

In data analysis quantitative data analysis was used. After completing data collection completeness of the information was checked. The questionnaires were edited, coded, arranged based on common characteristics. After all these are accomplished the final findings were reported using tables, percentages, and likert scale (five point scale) statement computations.

## **CHAPTER FOUR**

### **4. RESULTS & DISCUSSION**

In this section, the overall marketing strategy practice of Edget Yarn and Sewing Thread Share Company is discussed. In producing the data analysis and the result tables, quantitative data analysis techniques were used. The primary data collection was gathered mainly through questionnaire and personal interviews. The top managers and the marketing department workers of the organization were selected for an interview and the result of questionnaires. The focus of this section is mainly on the marketing strategy practices of the company with respect to marketing mixes (Product, Pricing, Promotion, and Place (distribution)) strategy that constitute for marketing strategy practices. To gather the data 34 questionnaires were distributed. Among these 32 were properly filled and returned on time, 2 questionnaires were not properly answered, hence not included in the analysis.

#### **4.1 Results / Findings/ and Discussion of the Study**

As it is indicated in the table 1 below about 71.87 % of the respondents are male and the rest 28.13% are female. Looking to the age of the respondents majority of the employees are from 20 to 30 and from 50 to 60 years old that accounts 9(28.12%) each, the second majority age categories of the respondents fall from 30 to 40 years which represents 8 (25%), the least number of respondents are found under 20 and 40 to 50 years both account 3 (9.38%) each. This shows that majority of the employees are within the productive age to contribute their early age potential to the organization. On the other hand the equivalent percentage whose age is from 50 to 60 will share their accumulated experience & discipline for the younger employees for the achievement of the company objectives.

With regard to educational level, 10 (31.25%) of the respondents are College Diploma and 9 (28.12%) of the respondents are first degree holders, the respondents who account 8 (25%) have technical school diploma, and the least 5 (15.63%) of the respondents are 10-12<sup>th</sup> grade. From this we can conclude that majority of the respondents are diploma and first degree holders that are very essential to take over the middle and the top level management.

Regarding positions of the employees, 26 (81.25%) of the respondents are ordinary staffs (non

management) and 4 (12.5%) are department heads, and 2 (6.25%) are managers. This shows that majority of the respondents are under the category of ordinary staff (non management) members. However, this is the fact that in any organization the largest part account for employees who do not have managerial position, few positions are reserved for managers who plan and lead the employees.

When we come to the employees service year in the company, 15 (46.88%) have experience of under 10 years, 7 (21.87%) have 20 to 30 years of experience, 6 (18.75) respondents are found between 10 to 20 years, and the rest 4 (12.5%) are included above 30 years of experience respectively in the company. Here we can judge that as majority of the respondents have short years of experience, this implies there is a very high employee turnover, as a result the cost of hiring is increased at the same time, increased cost of production will hinder competitiveness of the organization.

Table 1: Respondents profile

Profile of respondents		Frequency	Percent (%)
Gender	Female	23	71.87
	Male	9	28.13
	Total	32	100
Age(years)	Under 20	3	9.38
	20-30	9	28.12
	30-40	8	25.00
	40- 50	3	9.38
	50-60	9	28.12
	Total	32	100
Educational level	10 <sup>th</sup> -12 <sup>th</sup> grade	5	15.63
	Technical school diploma	8	25.00
	Diploma	10	31.25
	Bachelor degree	9	28.12
	Master degree and above	0	0
	Total	32	100
Position	General manager	1	3.125
	Manager	1	3.125
	Department head	4	12.50
	Staff (non management)	26	81.25
	Total	32	100
Service year	Under 10	15	46.88
	10-20	6	18.75
	20-30	7	21.87
	Above 30	4	12.50
	Total	32	100

Source: own survey, 2012

Table 2: Opinion of employees' about product differentiation strategy to be competitive in the market

Product differentiation strategy	Number	Percentage (%)
Strongly disagree	0	0
Disagree	9	28.13
Undecided	11	34.37
Agree	12	37.50
Strongly agree	0	0
Total	32	100

Source: own survey, 2012

Product differentiation strategy is one of the essential parameters to gain a competitive advantage. From the above information about 37.5% employees agreed that the company is using a product differentiation strategy, 34.37% choose undecided. The rest 28.13% disagree in using differentiation strategy. Based on the result in the above table we can conclude that the company is using product differentiation strategy. It is important to keep in mind that a venture's most effective differentiation is the one that will bring the venture to success. It is because when the demand of one product is decreased it is advisable to shift to another product which has better demand than the existing product. This will help Edget Yarn and Sewing Thread Share Company to benefit from premium price opportunity or to prevent the reduction of sales.

Table 3: Employee's response about product mix of the company

Product mix tools	Less effective		Effective		Very effective		Extremely effective		Total	
	Number	Percentage %	Number	Percentage %	Number	Percentage %	Number	Percentage %	Total No	Total %
Developing new product	18	56.24	13	40.63	1	3.13	0	0	32	100
Modifying existing product	11	34.38	18	56.24	3	9.38	0	0	32	100
Maintaining existing product	1	3.13	5	15.62	12	37.5	14	43.75	32	100
Product identification	21	65.62	11	34.38	0	0	0	0	32	100

Source: own survey, 2012

As indicated in table 3, 43.75% of the respondents said maintaining the existing product is extremely effective, and 37.5% answered it is very effective. Regarding modifying the existing product, 56.24% replied it's effective and 9.38% responded it is very effective. In developing new product 56.24% responded that it is less effective and 40.63% said that it is effective. In product identification majority of the respondents which account 65.62% and 34.38% replied it's less effective and effective respectively.

This indicates that modifying and maintaining the existing products are a well recognized product mix strategies. On the other hand developing a new product and product identification are less effective. Even if new product development and product identification are less effective to some extent we can say that product mix strategy is well practiced in the company.

Table 4: Employee's opinions towards company's products are based on its target market?

Item	Responses					Total
	Strongly agree	Agree	Undecided	Disagree	Strongly disagree	
I am confident that the company's products are based on its target market						
Total	0	8	5	13	6	32
Weigh	5	4	3	2	1	15
Percentage	0	25%	15.63%	40.63%	18.74%	100%
Weight frequency	0	32	15	26	6	79
Calculated weight mean						2.47
Table mean						3.00

Source: own survey, 2012

The one and most crucial activity of the marketing strategy is the selection of target markets or the identification of the products to whom they are produced. Companies use the target marketing to tailor their products for specific markets. Table 4 shows; the calculated weight mean which accounts 2.47 is less than the table mean which is 3.0. Besides it shows, 40.63 % and 18.74% of the respondents are disagree and strongly disagree respectively that the company does not produce its product based on its target market. 25% replied that the company has produced its product based on its target market, the rest 15.63% are undecided. This shows that the company is not producing its product based on its target market. The company production is based on the order of the distributors and to anyone who has interest to buy its products.

Table 5: Opinion of employees about the company's products quality

Company's product quality	Number	Percentage (%)
Very good	3	9.38
Good	4	12.50
Medium	9	28.12
Poor	12	37.50
Very poor	4	12.50
Total	32	100

Source: own survey, 2012

As indicated in the table 5 above the majority which accounts 37.50% of the respondents said that the company's product quality is poor, 28.12% responded the product quality is medium, 12.5% of the employee replied very good, 12.5% answered very poor, and the rest least number of the respondent that account 9.38% replied that the product quality is very good.

This shows that the existing product of the company lacks quality. Some market research reports also confirmed that the customer's opinion towards company's product is unsatisfactory, and create a bad image on the company product. According to the interview response variation in color, length, and weigh of the company product is claimed by customers.

Table 6: Employee's response in setting the price strategy of the existing product

Price strategy of existing product	Number	Percentage (%)
Maintaining the existing price	20	62.50
Reducing the price	7	21.88
Increasing the price	5	15.62
Total	32	100

Source: own survey, 2012

As it is observed from table 6, 62.5% of the respondents replied that maintain the existing price is the best strategy of the company, the second majority which cover 21.88% respond the company pricing strategy is reducing the price, the rest 15.62% prefer to say increasing the price. This implies that the majority of respondents support maintaining the existing pricing strategy. Thus the market segment from which the company drives a big position of its sales won't easily affect.

Table 7: Response in relation with the company pricing methods

Pricing methods	Number	Percentage (%)
Value pricing	2	6.25
Target return pricing	1	3.13
Cost plus(mark up) pricing	11	34.38
Competitors based pricing	18	56.24
Total	32	100

Source: own survey, 2012

When we see the pricing methods of the company, 56.24% answered that the pricing method is competitors based pricing, 34.38% replied that its cost plus (mark up) pricing, 6.25% choose it is value based pricing, and the rest 3.13% which is one in number replied target return pricing respectively. Therefore, the pricing method of the company is mainly based on competitors' based pricing; this shows the company is following a market-driven pricing approach which enable it target reach certain market-share.

Table 8: Employee' Opinion towards the price of company's product

Price of the company's product	Number	Percentage (%)
Very expensive	0	0
Expensive	2	6.25
Affordable	24	75.00
Cheap	6	18.75
Very cheap	0	0
Total	32	100

Source: own survey, 2012

Economists might argue that pricing is regulated by the widely accepted principle of the elasticity of demand; however, pricing decisions are based on far more factors than fluctuations in demand relative to the available supply of a product or service. Before price setting enormous external and internal factors have to be examined, and based on the available data proper pricing decision can be made.

According to the response indicated above about 93.75% of the respondent's account that the price of the company's product is affordable. This implies that the company pricing strategy is reasonable which enable for customer's affordable price. However, as per the interview response most of the products pricing decisions are made based on the competitor's market

price which confirms one of the common approaches of pricing, but the researcher couldn't find any written evidence that supports the company had price strategy.

Three common approaches to pricing are defined as follows:

1. Cost based pricing: A financially driven approach to pricing in which products are priced to yield an equitable profit above and beyond all costs associated with the production of the product.
2. Customer-driven pricing: A market-driven approach to pricing in which prices are determined by the amount that customers are willing to pay for the product.
3. Competition-driven pricing: A market-driven approach to pricing in which prices are determined by the pricing level at which a targeted market-share level is attained by the firm.

Table 9: Opinions' concerning to the company selling process

Company selling process is :	Number	Percentage (%)
Very fast selling process	0	0
Fast selling process	0	0
Medium selling process	3	9.38
Slow selling process	8	25.00
Very slow selling process	21	65.62
Total	32	100

Source: own survey, 2012

As table 9 depicts about 65.62% of the respondents agreed that the selling process of the company is very slow, 25% replied slow delivery system, and the remaining 9.38% say the company follows medium selling process. This indicates that the selling system of the organization is long and bureaucratic.

As the marketing department workers of the company interview answered, the selling process is somewhat long due to the presence of different conformation giving bodies to deliver the product. The sells workers said that customers are claimed to be improved the selling process of the company. One of the best strategies to satisfy customers is its product delivery system. On time delivery than competitors is gaining a competitive advantage. Hence the organization has to revise its selling process as quickly as possible; otherwise it is obvious that it will lose its customers through time.



Table 10: Opinion of employees in relation to company's promotional budget allocation

Does the company allocate promotional budget?	Number	Percentage (%)
Yes	0	0
No	32	100
Total	32	100

Source: own survey, 2012

Promotion is the communication element of a business to reach its product or service to its target audiences which includes personal and non-personal communication activities. Each promotional tool has its own unique characteristics and costs. These strategies may be designed around advertising, personal selling, sales promotion and publicity. These tools create a good image for the company product to gain popularity.

As table 10 indicates all the respondents said that the organization didn't set a promotional budget to address its product to its target audiences. Modern marketing calls promotion for more than developing a good product, pricing it attractively, and making it accessible. Hence, it is critical to set a budget for promotion which is crucial to introduce its product, increase sales, inform its availability in certain location etc.

Table 11: Opinion of employees about the strategy of advertizing the company's product

Advertizing strategy of the product	Number	Percentage (%)
News paper	3	9.37
Radio	9	28.13
Television	8	25.00
Public relation	7	21.88
Free sampling	3	9.37
Participating in trade fair	2	6.25
Total	32	100

Source: own survey, 2012

According to the respondents opinion above in table 11 the best strategy of advertising is through radio which accounts 28.13%, respondents who preferred television as a good strategy to reach the customer are 25%. Employees who said public relation is better, 21.88%, respondents who said news paper and free sampling are 9.37% each, the rest 6.25 % replied participating in trade fair.

Hence, the best way of advertising the company's product is through radio. Nowadays this media includes the national radio; the FM radios which are emerging in every regional states of the nation will be an advantage to reach the rural as well as the urban customers. The second majority television is also an alternative media to be chosen. According to the opinion of the respondents public relation and free sampling are also valuable to some extent. From this we can conclude that all the promotion mixes at different levels are essential elements to be practiced based on the situation.

Table 12: Employee's response in relation to selecting distributors

Selecting distributors	Number	Percentage (%)
Financial capacity	22	68.75
Market factor	1	3.125
Product factor	2	6.25
Competitive factor	1	3.125
Distributing capacity	6	18.75
Total	32	100

Source: own survey, 2012

As it is depicted in table 12 above, 68.75% of the respondents said the product distributor is selected by financial capacity, 18.75% respondent respond by its distribution capacity, 6.25% choose product factor, each of the rest 3.125% reflect market factor & competitive factor. This shows that the company product distributors were selected based on their financial capacity.

Table 13: Opinion of employees towards the company's marketing mix strategy is based on

The company's marketing strategy is based on:	Number	Percentage (%)
Product	18	56.25
Price	7	21.87
Promotion	2	6.25
Distribution (place)	2	6.25
All of the mix elements	3	9.38
Total	32	100

Source: own survey, 2012

As it is depicted in table 13 above, 56.25% of the respondents replied that the company marketing mix strategy is based on product, 21.87% preferred price strategy is the base, 9.38% of the respondent replied that the company uses all of the mixes (product, promotion, and place), the rest of the respondents accounting 6.25% each replied promotion, and

distribution respectively, are used as the marketing mix strategy. Thus, the company marketing mix strategy is strategically based on its product. As per the company's different documents and the information given from production & technique department manager, the machineries the organization uses can produce from 6 to 60 counts (different yarn product types), hence using product mix strategy is appropriate and can create a competitive advantage too.

Table 14: Opinion towards the effectiveness of marketing strategy

Effectiveness of marketing strategy's	Number	Percentage (%)
Very ineffective	8	25.00
Somewhat ineffective	14	43.75
Somewhat effective	10	31.25
Very effective	0	0
Total	32	100

Source: own survey, 2012

The above table reveals that 43.75% of the employees responded that the marketing strategy is somewhat ineffective, and 25% said very ineffective, the rest 31.25% agrees as it is somewhat effective. From this we can conclude that the marketing strategy of the organization is in effective, this indicates both the workers in marketing as well as the management bodies are not doing their duties properly. Consequently, without effective strategy formulation, it will be difficult to achieve the marketing objective and the goal of the organization.

Table 15: Opinion of employees to improve market strategy of the company

Item	Responses					Total
	Strongly agree	Agree	Undecided	Disagree	Strongly disagree	
I am confident that the company has improved its marketing strategy to meet customers' need						
Total	2	5	7	16	2	32
Weigh	5	4	3	2	1	15
Percentage	6.25%	15.62%	21.88%	50.00%	6.25%	100%
Weight frequency	10	20	21	32	2	85
Calculated weight mean						2.66
Table mean						3.00

Source: own survey, 2012

Once a long term strategy is set it needs to be revised every year based on the existing market conditions. When developing a hypothesis about what potential customers will buy, speaking to potential customers will provide an understanding of their needs. This may help the venture to learn about what features customers need and what they will pay for, and provides an opportunity to ask them for additional suggestions. As it is indicated above 50% of the employees disagree with regard to the market strategy improvement of the company, 21.88% responded undecided as they didn't know what activities are taken in market strategy development, 15.62% answered as the company used market strategy development, employees who respond both strongly agree and strongly disagree account 6.25% each.

Table 15 shows the weighted frequency which account, 2.66% is less than the table mean which is 3.0. From this response we can conclude that the organization has not developed its marketing strategy. Strategy is one of the effective mechanisms to win the enemy (competitors). Without a clear marketing strategy development a company doesn't know where it's going, what target to accomplish in the short as well as in the long run. Edget yarn and Sewing Thread Share Company can find itself in trouble unless it sets proper strategy which enables to be competitive. The above analysis is based on:

- Weights: (in a 5 scale point likert, the weights are given from 5 to 1/ from strongly agree to Strongly Disagree).
- Weighted frequency: Calculated by multiplying each response by the weights.
- Weighted mean: weighted frequency divided by total respondents.
- Table mean: the sum of each weights divided by five.

Table 16: Responses in relation to company's marketing segmentation

Segmentation strategy	Number	Percentage (%)
Geographic location	8	25.00
Behavioral	9	28.13
Economic situation	3	9.38
Demographic	5	15.62
Psychological(life cycle)	7	21.87
Total	32	100

Source: own survey, 2012

Market segmentation is one of the most widely accepted concepts in marketing to gain competitive advantage. As indicated in the table above majority of the employees said that the marketing segmentation strategies are behavioral and geographic locations which account 28.13% and 25% respectively. Nearly 21.87% employees replied psychological (life cycle)

segmentation, the rest 15.62% and 9.38% respond that the base of segmentation is demographic and economic situation respectively.

Generally, from this response we can conclude that the main bases of the organization's market segmentation are both behavioral and geographic segmentations that can include many attributes that is( Usage rate, Brand loyalty, User status: potential, first-time, regular, urban versus rural, north versus south, warm areas versus cold, high-humidity areas versus dry areas, high-elevation versus low-elevation areas etc.).

Table 17: Effectiveness of the company customers

Effectiveness of major customers	Less effective		Effective		Very effective		Extremely effective		Total	
	Number	Percentage %	Number	Percentage %	Number	Percentage %	Number	Percentage %	Number	Percentage %
Other textiles	11	24.38	19	59.38	2	6.25	0	0	32	100
Wholesalers	1	3.13	4	12.5	18	56.24	9	28.13	32	100
Individual customers	28	87.5	4	12.5	0	0	0	0	32	100
Unions	28	87.5	4	12.5	0	0	0	0	32	100

Source: own survey, 2012

The above table reveals the majority i.e., about 84.37% of the respondents replied wholesalers are very effective and extremely effective customers in buying and distributing the company product. The second effective customers are other textiles such as the sister company crown textile weaving plc in which it's using as an input to produce a grey fabric, blanket manufacturers; candle producer companies, etc. Individual customers and unions are less effective customers of the company, it is because the company marketable products are sold to wholesalers, individual customers and unions are buying the company product from the wholesalers to the extent of their capacity.

## 4.2 Interview Analysis and Discussion

To gather additional information about marketing strategy practices of Edget Yarn & sewing Thread Share Company, interview questions were forwarded to the marketing department and top management of the company. Accordingly the interviewees' responses to the questions forwarded are summarized as follows. However, some interview responses are presented and analyzed in the questionnaire analysis part as a supportive response and left in this analysis.

1. Can you discuss if there is a problem on company's overall current marketing strategy practice?

When one runs a business, everything might not be easily accomplished. Similarly the company has faced internal and external problems while implementing its marketing activities. The answers regarding the problem of marketing strategy practices are:

1.1. The external factors: continuous interruption of electric power, shortage of main input (raw material cotton), shifting of users of the product in to foreign ready made clothes, entrance of clothes with dumping price etc.

1.2. Internal factors: Very high turnover of employee (skilled as well as unskilled), partially in advance of the technology it is using. The major problem of the company is it doesn't have a clear and proper marketing strategy which could help to compete and gain competitive advantage. Without strategy no business will win or compete in the market. Hence, it is strongly advisable that by analyzing its internal and external environment it has to develop long and short run strategic plan, otherwise it will be very great difficult to meet the marketing as well the company goals.

2. Who are the company product target consumers?

The company product target customers are: the sister company Crown Textile Weaving plc, other textile factories who use as an input its yarn product, mostly some regional states like (Amhara, Tigray, Gonder, and the Southern Nations and Nationalities and peoples local weavers), and around 50,000 local weaver found in Addis Ababa are the major customers.

2. What is the company's overall business strategy? (Differentiation, cost leadership, focuses strategy).

When firms produce a unique product and more attractive in some way customers are willing to pay premium price. The company used a differentiation strategy before four years by producing different bleached yarn products such as count 10Ne, 21Ne, 40Ne Jano 40Ne. But due to the fact that the local weavers in kechene started bleaching using chemicals in their house, the cost of production in household is very cheap than manufacturing in the company using Furness oil in which its cost is very expensive. Because of this bleach yarn manufacturing companies are pushed out from the market. However, the company is differentiating its product by producing different products in which the others textiles are not manufacturing and by producing the product according the wholesaler request.

4. Is there any competition? Who are your competitors? What are your major competitive advantages?

Regarding the existence of the competition deputy general manager and the marketing department head responded "yes". Both of them answered all textile industries that are manufacturing yarns are competitors. The major competitors are: Dire Dawa Textile factory, Yirgalem Textile, Awassa Textile, Kombolcha Textile Share Co. Bahir Dar Textile, and all many other newly established textile factories are competitors.

The company competitive advantage is: its location is found at center of the capital city Sarbet. Supplying a bleached yarn for local weaver /cottage industry/ contribute in introducing the Ethiopian traditional costume. About 50,000 local weavers are found in the city that is using the company's products. It is early to distribute the product to different regions of the country as many customers are visiting Addis Ababa for different reasons. The distributor (wholesaler) of the company product is financially strong, have long year of experience working in the sector, and have enough logistics facility.

5. What is the customers' perception towards your product quality?

As to the quality theory product qualities must exceed beyond the customers' expectation. As indicated in the quality control and management minutes reports a raw material and the end product yarn qualities problems are observed repeatedly. The quality approval head stated that

most of the raw cotton qualities are lost at the time of harvesting due to late collection it is exposed to dust, rain etc. Regarding the production quality of the product it is controlled at every stage. When the quality of the product in each process is different from the standard the production is stopped and corrective measures are taken. Even though these measures are taking place there are enormous possibilities to pass defective products as good ones.

From market or customer perspective product quality problems are: the variation of unevenness, strength, weight, length, and color etc. Here, the important point is that the yarn product has internationally accepted standard. The ultimate goal is meeting this standard, but according to the market research report some products were not meeting the standard. Hence management has to do more to reduce the claim in order to be competitive and stay in the market.

## 6. Distribution strategy of the company

The marketing manager of the company said that quality product is the key to the company success. If quality products are produced it is easy to distribute it through direct and indirect channels. A wholesaler is selected by its financial capacity, skilled and long years of experience working in the sector and the logistic availability such as (storage, transportation facility etc.). The distribution channel of the company's products were done through producer to wholesaler to retailer then to customers, but some products which are produced by the request of other industries and which are used as an input by other textile factories are delivered directly.



## **CHAPTER FIVE**

### **5. CONCLUSION AND RECOMMENDATION**

The intention of this study was to assess the marketing strategy practice at Edget Yarn & Sewing Thread Share Company, mainly focused on the marketing strategy elements and the associated actions to be considered. Based on the findings and the information gathered in the process of this study, the following conclusions, Limitation, and recommendations are drawn.

#### **5.1 Conclusion**

The company marketing mix strategy is mainly based on its product. Thus modifying and maintaining the existing products were the appropriate product mix strategies practiced in Edget Yarn & Sewing Thread Share Company. The company produces different types of products such as; grey, bleached, doubled and twisted yarns (each with different count). But the qualities of the products are low that don't meet the customer's requirement. Hence, improving its product quality is the primary measure to be taken by the company to meet the marketing objectives and goal of the organization.

The selling price strategy of Edget Yarn & Sewing Thread Share Company is fair for its customers. The price it set is based on competitors' pricing method. However, it doesn't have any written pricing policy (strategy). As to the theory of pricing the prices of the products depend on different factors like: cost based pricing, customer-driven pricing, competition-driven pricing, gross profit, over head costs, net profit, and direct costs pricing. The pricing strategy may change because there is a dynamic environment & the price may change according to the conditions in the market. Hence, the company has to set a price strategy as a base to determine price which will help it to be competitive & to maximize its profits.

Promotion strategy is an essential marketing strategy tool practiced by companies. Using the promotional mixes will create a good image for the company's product as the company produces quality products. Without a quality product promotion by its self never creates value. When a quality product is supported with promotion the market share of the company

will be better than competitors'. However, Edget Yarn & Sewing Share Company didn't set a promotion budget. So the company has to set a promotion budget for people to know its product quality, location of the product where it is available and its unique feature. Hence, the best way of advertising the company's product is media advertisement, such as radio, television, news paper. This media includes the national radio, the FM radios, different state and private owned news papers which are emerging in every regional states of the nation will be an advantage to reach the customers.

Distribution strategies of the company's product are through channel of a wholesaler that employs to make its goods available to customers. Thus, through middle men the company's products can easily reach to all customers. To make the product accessible to the customers the product delivery system of the organization has to be effective enough, but the selling system of the organization is long and bureaucratic due to the presence of different conformation bodies to deliver the product. On time delivery than competitors is the best strategy to gain a competitive advantage and satisfy the customers. Outsourcing the distribution is the best strategy, because the company will concentrate on how to improve its product quality, how to increase its efficiency, and how to reduce its costs to compete in the market.

Market segmentation is classified mainly based on the customer characteristics such as demographic, geographic, behavioral and psychographic or lifestyle segmentation. However, the company segmentation is bases on behavioral as major form of segmentation variable. In addition to behavioral the company market segmentation is also based on the geographic location.

The one and most crucial activity of the marketing strategy is the selection of target markets or the identification of the products to which it is produced. Companies use target marketing to tailor their products for specific markets. Edget Yarn & Sewing Thread Share Company target markets are Crown Textile Weaving PLC, local weavers, and different textile factories that are used as input to its product. But Crown Textile Weaving PLC is used its input from other textile factories, because of the sister company low product quality. However, the aim of the owners to buy EYSTSC was to supply yarn for CTWPLC.

The marketing strategies of the company are ineffective. The ineffectiveness of the marketing strategies comes from many angles; both the workers as well as the management bodies are

not doing their duties properly, lack of internal and external environment analysis, ineffective strategy formulation etc. All of these cause difficulty to meet the marketing objective and goal of the organization. The problems that affect the company effectiveness are; working capital problem, shortage of raw materials, lack of awareness creation for the employees' to be effective, lack of formulation the mission, and vision of the company for which it is established.

## **5.2 Limitations of the Study**

In the research project, the researcher has assessed the marketing strategy practices of Edget Yarn & Sewing Thread Share Company based on the marketing employee's & managers response. The researcher recommends for future research to see the overall marketing strategy of the company by involving the customers.

## **5.3 Recommendation**

The marketing mix analysis provides opportunity to help the company design the right marketing strategies to satisfy the customers. The marketing & the strategies are about the products to produced, the price methods used, the promotion strategy selected, the distribution based, and the target markets it employed. The company marketing mix strategy is mainly based on its product mix. Modifying and maintaining the existing products were effective product mix strategies practiced by the Company. This is the most important & encouraging strategy to be maintained by the company as it supported the differentiation strategy benefit.

To meet competitive advantage, upgrading product quality is an underlying factor. Successful ventures offer consistent quality, so an important consideration for any venture is how quality is going to be perceived and measured. Edget Yarn & Sewing Thread Share Company's products are low in quality like variation: in color, length, and weigh of the products are claimed by customers. In such a case a company won't compete as well exist in the market in the long run. Upgrading the product quality up to the customers' expectation is mandatory. Hence, the company has to give more emphasis in maximizing quality to gain a high market share, to maximize profit, and to exist in the market. In each stage of production the quality control supervisors must have a right to stop the production that don't meet the standard quality and take a corrective action until it has reached to the standard sated by the

organization, use quality inputs, acquire & maintain the skilled man power, and maintaining machineries in good condition are the appropriate measures to be taken by the company.

Promotion strategy is an essential marketing strategy tool to be practiced by the company to introduce customers the product quality, product identification, product features, where the product is available etc. Thus, Edget Yarn & Sewing Thread Share Company has to set a promotion budget to communicate the above elements with the appropriate promotion tool to increase its market share, sales, maximize its profit, and to compete in the market.

Distribution strategies of the company's product are through channel of a wholesaler that employs to make its goods available to customers. Thus, through this wholesaler the availability of the company's product can easily reach to all customers everywhere. To make the product to reach the customers' the product delivery system of the organization has to be effective enough. However, the selling system of the organization is long and bureaucratic, due to the presence of different conformation bodies to deliver the product. On time delivery than competitors is the best strategy in gaining a competitive advantage and satisfying the customers. Hence the organization has to revise its selling process by shortening its delivery conformation bodies as quickly as possible; otherwise customers will shift to similar product producers who makes easily available in the market.

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## APPENDICES

### APPENDICES A

#### RESEARCH QUESTIONNE

#### St. MARY'S UNIVERSITY COLLEGE SCOOOL OF GRADUATE STUDIES MASTER OF BUSINESS ADMINISTRATION (MBA) PROGRAM

This questionnaire is developed for marketing department employees who have completed 10<sup>th</sup> grade and above and for managers of Edget Yarn & Sewing Thread Share Company. This questionnaire is prepared by Azmeraw Geremew who is master of business administration student at St. Mary's University College School of Graduate Studies. The purpose of this questionnaire is to collect data on marketing strategy practices at Edget Yarn & Sewing Thread Share Company in partial fulfillment for the requirement of master of business administration (MBA). The information that you provide will be valuable for the success of this research project .I sincerely request you to respond all questions honestly and genuinely. I would like to confirm you that it will never bring any negative impact both on your job and organization, in addition to this the information you will give never be disclosed to any public. Your cooperation is very much appreciated.

Thank You!!

**General instruction:** Put tick mark (√) in the given box

#### **Part I: Back ground information**

1. Sex:      a. Male                            b. female     

2. What is your age?

a. 18- 20                    b. 20-30                    c. 30-40        
d. 40-50                    e. 50-60



3. What is your educational level?

- a. 10<sup>th</sup> -12<sup>th</sup> grade  b. technical school diploma  c. college diploma   
d. B.S.C or BA degree  d. postgraduate and above

4. What is your Position in the company?

- a. general manager  b. manager  c. department head  d. staff

5. What is your year of experience in the company?

- a. under 10  b. 10-20  c. 20-30  d. above 30

**Part II: Basic Research Questions related to marketing strategy practices.**

**Instruction:** respond by putting a tick mark (√) in the given box

**A. Research Questions Related to Product strategy**

6. Do you agree that the management uses a strategy of product differentiation to be competitive in the market?

- a. strongly disagree  b. disagree  c. undecided   
d. agree  e. strongly agree

7. Which product mix strategy is practiced effectively in the company?

Product tools	Least effective	effective	Very effective	Extremely effective
Developing new product	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Modifying existing product	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maintaining existing product	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product identification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Does the company produce its product based on its target market?

- a. strongly agree  b. agree  c. undecided   
d. disagree  e. strongly disagree

9. What is the customer's opinion about the company's products quality?

- a. very good       b. good       c. medium   
d. poor       e. very poor

**B. Research Questions Related to Price strategy**

10. Which pricing methods are used by the company?

- a. value pricing       b. target return pricing   
c. cost plus (mark up) pricing       d. competitor's based pricing

11. Which one of the following pricing strategy does the company consider when setting price for existing product?

- a. maintaining the existing price       b. reducing the prices       c. increasing price

12. From your perspective, what is your opinion regarding the price of the company's products?

- a. very expensive       b. expensive       c. affordable   
d. cheap       e. very cheap

13. How is the process of selling the products of the company?

- a. very fast selling process       b. fast selling process       c. medium selling process   
d. slow selling process       e. very slow selling process

**C. Research Questions Related to Promotion strategy**

14. Does the company state sufficient promotional budget every year?

- a. yes       b. no

15. What will you suggest as the best strategy of advertising the company's product?

- a. news papers       b. radio       c. television       d. public relation   
e. free sampling       f. participating in trade fair

**D. Research Questions Related to Distribution strategy**

16. What factor is used by the company in selecting distributor?

- a. financial capacity       b. market factor       c. product factor   
d. competitive factor       e. distributing capacity

**Part III. Overall Effectiveness of the Marketing Strategy**

17. Who are the company's major effective customers to achieve its goal/objectives?

major customers	Least effective	effective	Very effective	Extremely effective
other textiles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wholesalers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Individual customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. Does the company make continuous improvements for its marketing strategies to meet its customer needs?

- a. strongly agree  b. agree  c. undecided   
 d. disagree  e. strongly disagree

19. What marketing mix strategies does the company use?

- a. product  b. price  c. promotion  
 d. distribution  e. all of the mix

20. What is the market segmentation strategy of the company?

- a. geographic location  b. behavioral  c. economic situation   
 d. demographic  e. psychological (life cycle)

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

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## APPENDICES B

### INTERVIEW QUESTIONER

#### St. MARY'S UNIVERSITY COLLEGE SCHOOL OF GRADUATE STUDIES MASTER OF BUSINESS ADMINISTRATION (MBA) PROGRAM

Interview questions for selected Managers of Edget Yarn & Sewing Thread Share Company. The purpose of this interview question is to enable me to carry out a research for the partial fulfillment of master's degree in business administration (MBA). The research focuses on Edget Yarn & Sewing Thread Share Company with the topic of "marketing strategy practices at the performance of Edget yarn & Sewing Thread Share Company". A Marketing strategy interview questions are tools used to collect data from people regarding marketing. Hence, to gather information, I kindly request your assistance in responding to the questions listed below. Any information you present will be kept confidential and will be used only for academic purpose. Your cooperation and prompt response will be highly appreciated.

Thank You!!

1. Can you discuss if there is a problem on company's overall current marketing strategy practice?
2. What marketing mix strategies does the company use?
3. Who are the company product target consumers?
4. What is the company's overall business strategy (Differentiation, cost leadership, focus strategy)?
5. Is there any competition? Who are your competitors? What are your major competitive advantages?
6. What is the customers' perception towards your product quality?
7. What pricing strategy does the company consider when setting price for existing product?
8. What type of distribution channel strategy does the company use?
9. How do you evaluate the overall performance of the organization?