



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

**ASSESSMENT OF EMPLOYEES PERCEPTION ON
MARKETING STRATEGY PRACTICES
IN THE CASE OF NYALA INSURANCE SHARE COMPANY**

**By
TIZITA KINFE**

JUNE 2017

ADDIS ABABA, ETHIOPIA

**ASSESSMENT OF EMPLOYEES PERCEPTION ON
MARKETING STRATEGY PRACTICES
IN THE CASE OF NYALA INSURANCE SHARE COMPANY**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY
COLLEGE, SCHOOL OF GRADUATE STUDIES IN PARTIAL
FULFILLMENT OF THE REQUIRMENTS FORE THE DEGREE
OF MASTER OF MARKETING MANAGEMENT**

**BY
TIZITA KINFE
(SGS/0623/2008A)**

**ADVISOR
SHIFERAW MITIKU (PhD)**

**JUNE 2017
ADDIS ABABA, ETHIOPIA**

Statement of Certification

This is to certify that the thesis prepared by Tizita Kinfе, entitled: Assessment of Employees Perception on Marketing Strategy practices, In the case of Nyala Insurance Share Company and submitted in partial fulfillment of the requirements for the Degree of Master of Art in Marketing Management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

Advisor Signature _____

Date_____

St. Mary's University College, Addis Ababa

June, 2017

ST MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES
MARKETING MANAGEMENT PROGRAMME

**ASSESSMENT OF EMPLOYEES PERCEPTION ON MARKETING
STRATEGY PRACTICES IN THE CASE OF NYALA INSURANCE
SHARE COMPANY**

BY

TIZITA KINFE

(SGS/0623/2008A)

APPROVED BY BOARD OF EXAMINERS

Dean Graduate Studies

Signature

Advisor Date and Signature

Signature

External Examiner

Signature

Internal Examiner

Signature

DECLARATION

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

Name

Signature and Date

St. Mary's University College, Addis Ababa

June, 2017

ACKNOWLEDGMENTS

First and foremost, I would like to thank the Almighty God for blessing me with the strength and for the grace thorough out this journey. And wish to acknowledge the support of my parents and my sister for giving me the emotional support that I needed throughout this course. I also acknowledge the support and the guidance received from Dr. Shiferaw Mitiku, my advisor on this research. It is his patience that has enabled me to finally complete this research paper. My appreciation also is to all my friends and classmates, and colleagues who assisted or contributed in one way or the other to the completion of this research.

Table of Contents

CHAPTER ONE: INTRODUCTION

1.1	Introduction.....	1
1.2	Background of the Study.....	1
1.3	Research Problem	3
1.4	Research Objective	3
1.4.1.	General Objective	3
1.4.2.	Specific Objectives	3
1.5	Research Questions	4
1.6	Significance of the study to be incorporated.....	4
1.7	Scope of the study	5
1.8	Delimitation of the study	5
1.9	Limitations of the Study.....	5
1.10	Definition of terms.....	6
1.11	Organizations of the Study.....	6

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1	Introduction	7
2.2.	Theoretical Literature Review.....	7
2.2.1.	Insurance.....	7
2.2.2.	Marketing Strategy	8
2.2.3.	Elements of Marketing Strategy	8
2.2.3.1.	Segmentation.....	9
2.2.3.2.	Targeting	11
2.2.3.3.	Positioning	12
2.2.3.4.	Marketing Mix	13
2.3.	Empirical Literature Review	17
2.3.1.	Marketing strategy effect on customer satisfaction.....	17
2.4.	Conceptual Frame work.....	19
2.5.	Literature Gap.....	20

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1.	Introduction	21
------	--------------------	----

3.2. Description of the Study Area	21
3.3. Research Design	21
3.4. Population and Sampling Techniques	21
3.5. Types of Data and Data Collection Instruments	22
3.6. Procedures of Data Collection	22
3.7. Techniques of Data Analysis	22
3.8. Ethical Considerations.....	23
CHAPTER FOUR: RESULTS, INTERPRETATION AND DISCUSSION	
4.1 Introduction	24
4.2 Results and Interpretations of the study	24
4.3 Response Rate.....	24
4.3.1 Gender and Educational Background of respondents	24
4.3.2. Years of Service within the Marketing Department of NISCO	25
4.3.3. Participation on Marketing Strategy Designing	26
4.3.4. Elements of Marketing Strategy	26
4.3.4.1. Segmentation of NISCO’s Market/customers.....	26
4.3.4.2. Targeting Strategy of NISCO	27
4.3.4.3. Customers Perception/ Positioning towards NISCO against Competitors	28
4.3.4.4. Marketing mix elements of NISCO.....	29
4.3.5. Problems Encountered During Marketing Strategy Implementation.....	37
4.4. Discussion.....	38
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	
5. 1. Introduction	42
5.2. Summary	42
5.3. Conclusion.....	45
5.4. Recommendations	45
References	A
Appendix I: Interview Questions	D
Appendix II: Questionnaires	F

List of Tables

Table NO	Title	Page
Table 1.	Gender and educational level of respondents.....	25
Table 2.	Years of Experience.....	25
Table 3.	Marketing Strategy Participation.....	26
Table 4.	Segmentation basis of NISCO.....	27
Table 5.	Targeting Strategy at NISCO	28
Table 6.	Market Positioning of NISCO	29
Table 7.	NISCO's Pricing strategy	30
Table 8.	The service outlets of NISCO.....	31
Table 9.	Rate of Promotional Mix practices at NISCO.....	32
Table 10.	Staff capability of interpreting Marketing Strategy.....	34
Table 11.	Service outlet layout Standard and its convenience.....	35
Table 12.	Service Processing of NISCO.....	36

List of Figures

Figure NO	Title of figure	Page
Figure 1	ConceptualFramework.....	19

List of Acronyms and Abbreviations

Fqs- Frequency

GDP- Gross Domestic Product

GTP- Graduate Training Program

IT- Information Technology

NBE- National Bank of Ethiopia

NISCO- Nyala Insurance Share Company

Perc- Percentage

PR- Public Relations

STP- Segment, Target and Positioning

4P- Product, Price, Place and Promotion

Abstract

The major objective of any business establishment is to remain in business profitably through production and sales of products or services. Without optimal profit, a business firm cannot survive. One of the core activities in a business company to stay in business is having a well-developed marketing strategy. The ultimate success or failure of a company depends on its marketing strategy. So, the strategy should be developed, implemented and evaluated effectively to achieve the company's objectives. The general objective of the study is to assess the marketing strategy practices of Nyala Insurance Company. In order to carry out the study, both primary and secondary data collection instruments were used to collect data. Closed ended and open ended questions along with interviews were used for the purpose of data collection. The selections of the respondents were carried out by using purposive sampling research method, Marketing and Planning, Research and Development departments, because no other departments were concerned about marketing strategies, though some elements of the marketing strategy has been conducted out of these departments. The researcher took all the respondents of the stated department's staffs as a total population of the study. Data collected was analyzed using IBM statistics SPSS 21 software .Descriptive statistics was used and analyzed using methods of mean, frequency distribution and percentage. The study findings indicate that Nyala Insurance Share Company segments its market based on mainly geographic element, follows targeting strategy of differentiation, and there is good level of perception among consumers, pricing strategy of Nyala Insurance Share Company is discriminatory pricing that the company's service outlet expansion is not enough or satisfactory relative to the potential market existence. Promotional practices are strong on direct marketing and weak on publicity. NISCO's staff are capable of implementing the marketing strategy of the company, but not highly capable, there is standard for the lay out but service process strategy is very poor.

Key words: Nyala Insurance Company, marketing mix, marketing strategy, segmentation, targeting, positioning, insurance policy, insurance premium

CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

The focus of this section is mainly concentrating on the background of the study, research problem, and objectives of the research, research questions/hypothesis, Scope and delimitation of the study, definition of terms and organizations of the study.

1.2 BACKGROUND OF THE STUDY

Organizations operate within an external environment which is constantly changing and they have no control over it. The external environment is characterized by turbulence associated with globalization, deregulation of markets, changing customer and investor demands and increased competition. There is therefore a growing need for organizations to move beyond solving existing problems to continuously improving in the face of changing conditions (Drucker, 1993). The challenges posed by the changing environment cannot be resolved in a haphazard manner. There is need for organizations to adopt a strategic approach to dealing with the changes, if they are to survive.

Services marketing is solely dependent on the distinction based on the criteria: segmentation and successful positioning of the service product. He also advocated for a personalized relationship between the service quality and the customer in question which is a very important aspect of the services marketing (Fryar, 1991).

Insurance service is not a tangible offer like food, cars, and clothing. The main variable affecting a person's demand for insurance service is that person's attitude towards risks. The peculiarities of insurance services may create marketing programs that are different from those found in the marketing of tangible products. The peculiarities may, also, require unique marketing approaches and strategies. However, marketing concepts, principles, and strategies are of relevance in the marketing of insurance services. Sound and robust marketing strategies are important to the survival and growth of any business, including insurance business, considering the increasingly subtle, unstable and seemingly hostile business environments in which contemporary business organizations operate. Therefore, in order to formulate and implement efficient and effective marketing strategies, business organizations should have a thorough and continuous understanding of the relevant environment that impact on their marketing strategies. (Osuagwu, Linus, 2001)

Insurance business in Ethiopia has been a long business since 1950s; however, because of economic stagnation and inconvenient policies pursued, the business did not flourish as it was expected to be. The industry is still at its infant stage in terms of contribution to the national GDP (< 1%) and its premium per capita (density) is around \$2.70 for general and even worse (less than \$0.15) for life insurance.

The financial industry in Ethiopia includes banking, insurance, and micro-finance institutions. Like most developing countries, insurance industry in Ethiopia is not well developed. Smith and Chamberlin (2010) found that Insurance premium in Ethiopia including both life and general insurance was US \$105million in the 2007 financial year, and represented only 0.2% of the GDP in 2007. But the contribution of insurance premium to GDP in South Africa, Namibia and Kenya is 15.3, 8.1% and 2.5% respectively during the same period.

According to the information from National Bank of Ethiopia, during the 2015/16-budget year, the industry's gross written premium reached at birr 6.4 billion; the life market share of this production was birr 0.3 billion (5%), while the non-life business accounted for birr 6.1 billion (95%). Against the previous year same period, this year's gross written premium for general and life businesses showed a 16% and 6% growth rate respectively.

Generally, the Ethiopian Insurance Industry is continued to be challenged by low level of insurance awareness & shortage of skilled insurance professionals, absence of attractive bundle of insurance products, low level of integration among insurers to challenge common issues and unhealthy competition. The alarming rate of road accidents and increasing cost of claims are also great challenges. Specifically in motor class the premium rate driven by intense competition and price undercutting is too low to commensurate the risk accepted.

The major achievement of the Ethiopian insurance industry during the year 2015/16 is the establishment of a local Reinsurance Company (Ethio-Re). The establishment of Ethio-Re is believed to reduce cost of re-insurance transactions, enhance underwriting capacity and simplifies treaty negotiations and claim settlement cost in the years to come.

1.3 RESEARCH PROBLEM

Insurance plays a significant role in a country's economic growth and offers financial protection to an individual or firm against monetary losses suffered from unforeseen circumstances. (Kihara, 2012). In the year 2015/16 the Ethiopian Insurance industry players have increased in number from 17 of last year to 18 this fiscal year. Out of these 18 companies, one is licensed to undertake re-insurance operations, seven companies run general (short term) insurance and ten composite, general and life business. Moreover, as at June 30, 2015 there were 53 insurance brokers, 97 loss assessors and 2 surveyors registered (licensed) by the National Bank of Ethiopia .

It is natural that every business organization whether small or large, private or government, domestic or international operate in a turbulent and uncertain environment. In the context of changing customer expectations, technological discontinuities and increasing environmental uncertainties, 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. Since no business is operated under unlimited resources. Quite often, a company is forced to adopt the most effective strategy in a certain functional level in order to maximize its efficiency (Miao, 2012).

In actual fact when one runs a business, everything might not be easily accomplished. Marketing success is the livelihood of any company. Everyone knows that a marketing strategy influences the company's ability to engender profits or to stay in business. This study will attempt to assess the problems associated with the marketing strategy practices in Nyala Insurance Share Company.

1.4 RESEARCH OBJECTIVE

1.4.1. GENERAL OBJECTIVE

The general objective of the study is to assess the marketing strategy practices of Nyala Insurance Company.

1.4.2. SPECIFIC OBJECTIVES

- To identify the company's marketing mix strategies that will appeal to the target market.
- To investigate how the company strategically positions and segments the market to achieve its objectives.

- To identify factors determining the failures of NISCO's marketing strategy
- To identify problems encountered in the implementation of the NISCO's marketing strategy.

1.5 RESEARCH QUESTIONS

This study attempts to assess the problems associated with the marketing strategy practices in Nyala Insurance Share Company. Specifically the study is designed to address the following basic questions:

- How the marketing strategies practiced by NISCO are aligned with its mission, the target marketing, and marketing mix to satisfy its customer requirements?
- Which marketing mix elements are most devised in the company's marketing strategies?
- How NISCO is segmenting, positioning and targeting its customers to satisfy them based on their needs?
- What are the major problems that NISCO is experiencing in implementing its marketing strategy?

1.6 SIGNIFICANCE OF THE STUDY TO BE INCORPORATED

The main reason for this study is that previous researchers have not paid enough attention to this subject in Ethiopia. Most of the studies previously focused on banks not on insurance companies as well as focused on only analysis of financial performance not on marketing strategies. The ultimate goal of any business establishment is to remain in business profitably through production and sale of products or services. One of the core activities in a business company is having a well-developed marketing strategy. The study will therefore, intend to help NISCO's management to redirect their attention to this highly essential function. The study will focus on how marketing mix, corporate mission, and target marketing used in order to enhance, maintain and attract customers and to identify how those tools should affect their marketing strategy. Undertaking such study is very crucial for any business entity so as to shape its marketing strategy. The study will also contribute as a reference material for similar studies in future. Moreover:

- The research result may enable the company to know the appropriate Marketing Mix and to formulate new or develop the existing strategy.

- If the Marketing strategy is planned and implement properly, the customer may get what they need at the right time and in the right way.
- The researcher can get additional knowledge about research, marketing strategy, so that, the researcher can conducts related researches.
- It will serve as a stepping stone for other interested researchers to undertake further research.

1.7 SCOPE OF THE STUDY

The study covers how the marketing strategy that is being practiced in Nyala Insurance Company to achieve its Vision, Mission and stated goals aligning with its target markets, positioning, segmenting and the marketing mixes to satisfy customer requirements. The study is delimited to the marketing strategy practices by the Company's side with marketing department staffs and marketing department manager.

1.8 DELIMITATION OF THE STUDY

Since marketing strategy is the main topic, therefore, the study only discusses the strategic management related to marketing. Thus, in this thesis, the focus is only on the marketing strategy study for the case company .The focus of the study is also delimited to the data obtained from the rates using questionnaires and interviews in marketing and planning, research and development department's staffs only.

1.9 LIMITATIONS OF THE STUDY

The lack of cooperation of the respondents and their commitment to complete the questionnaires and interviews to devote their time to provide the researcher with the relevant information were seriously limited the outcome of the research. As the study was focused on the strategy matters, it is very difficult to get reliable information, and the management assumed the researcher as information snatcher. Time and budget was also the limitation of the researcher.

1.10 DEFINITION OF TERMS

Marketing: is the delivery of customer satisfaction at a profit.

Market Positioning: is the development of a service and a marketing mix to occupy a specific place in the minds of customers within target markets.

Market Segmenting: is an approach that recognizes the differences among target markets by using individualized marketing mixes for each of the target markets selected by the organization and it is also known as a differentiation strategy.

Marketing Strategy: It is the overall corporate and marketing action program, including all elements of marketing complex, in order to clarify undertaking to set goals and objectives.

Target Market: is a market segment selected by an organization for marketing attention

Marketing Mix: are those controllable factors that have been chosen to satisfy customer needs. The eight controllable factors are product, price, place, promotion, process, physical evidence and people, are also known as the **7 Ps**'.

1.11 ORGANIZATIONS OF THE STUDY

The whole paper is arranged under five chapters. Accordingly, chapter one deals with introductory aspects namely, research problem, research questions, objective of the study, definition of terms, significant of the study, scope of the study and delimitation and limitations throughout this paper. Chapter two is dedicated to the discussion of literatures that could give theoretical basis to the study. Chapter three is concerned with methodology of the study and Chapter four will deal with data analysis results, discussion and interpretation. Finally, chapter five provides summary of findings, conclusions and recommendations aimed at resolving the identified problems.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION

In this chapter theoretical literature regarding insurance, marketing strategy and its elements is reviewed and then empirical literature review of marketing strategy is through. Subsequently followed conceptual framework ended by expression of literature gap observed.

2.2. THEORETICAL LITERATURE REVIEW

2.2.1. INSURANCE

Insurance is a contract in which the insured transfers risk of potential loss to the insurer who promises to compensate the former upon suffering loss. The insured then pays an agreed fee called a premium in consideration for this promise. The promisor is called the insurer and the promisee is called the insured. (Lowe, 1999)

The insurance industry forms an integral part of the global financial market, with insurance companies being significant institutional investors. In recent decades, the insurance sector, like other financial services, has grown in economic importance. This growth can be attributed to a number of factors including, but not exclusively: Rising income and demand for insurance, Rising insurance sector employment, and increasing financial intermediary services for policyholders, particularly in the pension business (Ward and Zurbruegg, 2002).

Insurance companies are in a unique position when it comes to marketing. They have no tangible products to sell, but must instead rely on strong relationships with loyal customers and word of mouth to help them compete. Still, despite the challenges, the marketing strategies for insurance companies are really no different than for any other company, and require a strong focus on the basics of effective marketing. Marketing's broader importance extends to society as a whole. Marketing has helped introduce and gain acceptance of new products that have eased or enriched people's lives. It can inspire enhancements in existing products as marketers innovate to improve their position in the market place. Successful marketing builds demand for products and services, which, in turn, creates jobs. By contributing to the bottom line, successful marketing also allows firms to more fully engage in socially responsible activities (Kotler, 2012).

2.2.2. MARKETING STRATEGY

Marketing is the acts of buying and selling in a market (Dixon, 2002). Marketing is the primary links between companies and their customers. Therefore, marketing positions and market mixes should be seriously considered by managers (Wheelen and Hunger, 2008).

Marketing strategy is the process of planning and implementing company policies towards realizing company goals in accordance with the company vision. Marketing strategies include general ones such as price reduction for market share growth, product differentiation, and market segmentation, as well as numerous specific strategies for specific areas of marketing (Zelalem and Negi, 2009)

When we start marketing strategy, the same term apply to the words “objective” and “strategy”. The marketing objectives are the aims, the goal to which the entire marketing effort of the organization is directed. Marketing strategy therefore refers to the means by which the marketing objectives will be achieved. The same short hand will also apply; the marketing objectives must begin with the word “**To...**” and the marketing strategies with the word “**By**” (Kotler and Keller, 2009). They further elaborated that, the task of any business is to deliver customer value at a profit. In a hypercompetitive economy with increasingly rational buyers faced with abundant choices, a company can win only by adjusting the value delivery process and choosing, providing, and communicating superior value. Marketing strategy focuses on long term company objectives and involves planning marketing programs so that they help a company realize its goals.

2.2.3. ELEMENTS OF MARKETING STRATEGY

Market Positions

No company is capable of offering products or services that satisfy all customers’ needs at one time. In order to access to the most profitable customer group, companies adopt the Segment, Target and Positioning (STP) process to choose its target customers. The STP process includes three steps: 1) Segmentation: categorize the potential customers 2) Targeting: choose the target customers to serve and 3) Positioning: implement marketing plan to reach the target group. In order to achieve the marketing objectives, we need to have a strategy that includes different elements. The four major marketing strategy elements are segmentation, targeting, positioning and marketing mix (Brook banks, 1994).

2.2.3.1. SEGMENTATION

Segmentation helps companies to meet customers' expectations in an efficient way. Rarely any company is capable of meeting or fulfilling the needs of the entire market. Therefore, it is essential to categorize customers into different segmentations, and chooses the best segmentations to reach. Market segmentation refers to subdividing a market along some commonality, similarity, or kinship. The purpose of segmentation is the concentration of marketing energy and force on the subdivision (or the market segment) to gain a competitive advantage within the segment. Market segmentation differentiates customers with similar product needs from those with dissimilar needs (Kebede, 2014).

In order to address the shortcomings of current work and to evaluate the procedure for business market segmentation, five criteria for a business market segmentation model (Dowling, Lilien and Soni, 1993).

Segments should be need based: The procedure should be able to split a market into naturally occurring need segments such that the resulting groups of firms exhibit a significant degree of within group homogeneity and between-group heterogeneity. Segments should be robust and generalizable: Accurate and reliable market data should be used and appropriate statistical techniques employed to form the segments. Segments should be testable for time dependence: The procedure should be capable of detecting inter temporal shifts in segments. Segments should be identifiable: The success of a differentiated marketing strategy depends upon the ability of the firm to reach its target markets. The segments should be managerially usable: The segments should incorporate institutional and resource constraints to facilitate the determination of useful target markets.

There are four basic segmentation strategies according to the various characteristics of the segmentations, including (Brooksbank, 1994).

Behavioral segmentation

It includes the variables of usage rate and patterns, price sensitivity, brand loyalty and benefits sought. Here segmentation is on the basis of the benefit that a customer seeks from purchasing a given product. Thus benefits like status, economy and convenience could be the basis for

segmentation the market. It's based on knowledge, attitudes, uses, or responses to a product by the consumers. A more focused form of market segmentation that groups consumers based on specific behavioral patterns they display when making purchasing decisions enabling producers to adapt their marketing approach to specific groups. Grouping patterns may include such behaviors as spending, consumption, life style, usage, and desired benefits. (Brooksbank, 1994)

Geographic segmentation

It is segmentation based on regional variables, such as the region, climate, and population density and population growth rate. By this segmentation, it is assumed that customers in a given geographic region would show a high degree of homogeneity in their product needs. As geographic region are already demarcated, it is the easiest way of segmentation. Geographic segmentation involves figuring out where prospective buyers are located, such as by region, state or country. Geographic segmentation can be a useful strategy to segment markets because it: provides a quick overview of differences and similarities between consumers according to geographical unit, can identify cultural differences between geographical units, takes into consideration climatic differences between geographical units recognizes language differences between geographical units.(Brooksbank, 1994)

Demographic segmentation

It is very popular form of dividing the market is through demographic variables. Understanding who consumers are will enable us to more closely identify and understand their needs, product and services usage rates and wants. It is used for the variables of age, gender, ethnicity, education, occupation, income and family status. A clear advantage of this strategy over others is that there are vast amounts of secondary data available that will enable us to divide a market according to demographic variables.(Brooksbank, 1994)

Psychographic segmentation

Through this segmentation strategy markets are divided into groups based on personality, lifestyle and values variables. It consists of the variables of values, attitudes, and lifestyle. Segmenting consumers into lifestyles is based on the notion that a person's lifestyle has a direct impact on their

interests in products and services. For example if an environmentalist were to plan a perfect holiday, we would be very surprised to see a hunting excursion or rally driving experience on the options considered. This type of segmentation requires in-depth understanding of customer psychology. Even then it may remain uncertain to what extent these personality traits actually determine customer needs and behavior. This type of segmentation is advantageous because it provides rich data concerning the psychological make-up of consumers, it enables marketers to better understand the reasons behind consumers' purchases, it provides marketers with an effective way to match a variety of marketing communication tools from packaging to taste with consumers psycho-demographic characteristics, it can be used to develop customer profiles that will guide promotional efforts and ultimately strengthen a brand.(Brooksbank, 1994)

2.2.3.2. TARGETING

Targeting comes after segmentation where the market has been broken into several segments. Targeting is the process of choosing and concentrating companies' efforts on one or a few key segments (Miao, 2012). The idea of targeting is to make companies focus on target segmentations in order to ensure the target group to be highly satisfied. However, on the other hand, ignoring other customers who are not in the chosen segmentations may lead to a loss of companies' market shares.

The targeting strategy involves segmenting the market, choosing which segments of the market are appropriate, and determining the service/products that will be offered in each segment. A business offering multiple products can determine if the various segments should receive one generic product/service (such as in mass marketing), or if each segment should receive a customized product/service (multi-segment), based upon the market's diversity, maturity, the level of competition and the volume of sales expected (Miao, 2012).

Types of Targeting Strategy

a). Single segment concentration:- It is a type of targeting strategy where total marketing effort is concentrated on only one market segment. A financial institution mostly prefers this strategy when it has limited resources or when that is the only segment which need can be currently met given the capability of the financial institution.

b). Multi segment coverage (selective specialization): This is a multiple-segment strategy, also known as a differentiated strategy. Different marketing mixes offered to different segments. The product itself may not be different in many cases only the promotional message or distribution channels vary.

c). Product specialization: The firm specializes in a particular product and tailors it to different market segments.

d). Market Specialization: The firm specializes in serving a particular market segment and offers that segment an array of different products.

e). Full Market coverage: The firm attempts to serve the entire market. This coverage can be achieved by means of either a mass market strategy (Gilligan and Wilson, 2009). Large firms can cover a whole market in two broad ways: through undifferentiated marketing or differentiated marketing.

2.2.3.3. POSITIONING

Positioning is creating a desired image on the minds of the target markets for product, brand or organization. It is the development of the image of a product directly against to the competitor products and other products produced by the company's own. The purpose is management's attention by the recipient to a certain product and to differ that product in favor of the company, compared with similar products. Moreover, positioning involves implanting the brand's unique benefits and differentiation in the customer's mind (Karadeniz, 2009).

Positioning is the use of marketing to enable people to form a mental image of your product in their minds (relative to other products). Positioning is how the product or service is to be perceived by a target market compared to the competition. It answers the question: "Why will someone in the target market(s) buy my product or service instead of the competitions?" An equivalent question is: "What should be the perceived value of my offering compared to the competitions?" (Kotler, 2012). Establishing a clear, strong, and differentiated position is the first step in developing an effective market to identify unique organizational characteristics, strengths, and market opportunities all of which inform the development of positions that set our clients apart from the competition, guide marketing decisions and drive growth.

2.2.3.4. MARKETING MIX

Once marketers have decided on an overall strategy, their work only just begins. They now need to coordinate the various aspects of a marketing plan in order to meet their objectives. The balance of different activities is often called the ‘marketing mix’.

The 4Ps marketing mix which represents Product, Place, Pricing and Promotion, have been most widely employed as a model for product marketing (Littler and Wilson, 1995). It shows the company preparing an offer mix of the product and price, with an integrated promotion mix to reach the target consumers through the selected distribution channels. The marketing mix was first developed by McCarthy over 40 years ago. It was designed to suggest that you should have a balanced mix of marketing activities within your marketing plan. It is a planned mix of the controllable elements known as a “mix” because each ingredient affects the other and the mix must overall be suitable to the target customer.

The 4Ps of marketing have been the key areas where marketing managers allocate scarce corporate resources to achieve the business objectives. Services have unique characteristics: intangibility, heterogeneity, inseparability and perishability.

To distinguish the differences between services and physical products, (Booms and Bitner, 2012) suggested the extension of the 4Ps framework to include three additional factors: People, Physical evidence and Process as marketing mix variables for services marketing. Services are particularly dependent on people - not just the sales force - but all the contact staff. It is the role of marketing to ensure that all these staff is working towards the marketing promise that has been presented in brochures, in advertising and on the internet. A good relationship among staff is more likely to result in repeat visits and recommendations to friends than any amount of sales promotion or advertising. Physical evidence is a way of formalizing aspects of place and product that are particular to service purchases. It refers to all the physical things that a purchaser of a service might encounter. This would include the ambience and design of the surroundings in which the service is encountered.

Product

Under this heading a marketer needs to consider the thing that is being sold. This is not just the physical product itself, but also anything related to how it is made, packaged and named. 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. Marketing decisions regarding product include the issues of variety, quality, design, features, brand, packaging, services and warranties (Kotler *et al.*, 2008). Quality is something that "begins with customer needs, goes beyond customer satisfaction and ends with customer retention" (Kotler *et al.*, 2008,). Quality is the sum of the product characteristics which decides about its capacity to meet the expressed or expected needs of the consumer (Szczepańska, 2009).

The marketing of services is becoming more important therefore need special consideration. Most services will still have some physical aspects, but in more and more cases service transactions are entirely electronic. Marketers therefore also need to consider the website and telephone booking system as part of the product (service) aspect of the marketing mix.

Price

This heading refers to decisions about how much to charge for goods and services. It may be easy for one as a manager to neglect this aspect of the mix in favor of the more 'glamorous' promotion and product areas, but ultimately decisions over price affect the viability of a brand and the profitability of an organization. Pricing is also much more complex than we usually think. Pricing has traditionally been considered as me too variable in marketing strategy.

Effective pricing is not an easy task, even under the most favorable conditions. 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, 1986).

Firstly price needs to take into account consumer psychology. Although some consumers purchase solely on price, most use price as a way to judge quality. The more expensive something is (within reason) the better the quality is likely to be. Price can therefore be used as a form of communication to communicate exclusivity for example. Economists also know that price affects demand, but this relationship can vary. This is called price elasticity.(Tellis, 1986).

Promotion

This heading refers to all types of communication that relate to a specific marketing campaign. It includes communication with retailers and distributors, communication with purchasers and end users and also internal communication with the sales force and other employees. Promotion is an area with considerable innovation. Marketers put great efforts into finding new ways to communicate with consumers. 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, the question is not whether to communicate but rather what to say, to whom, and how often. (Peattie, and Peattie, 1994)

Various promotional mixes can be named, but for the purpose of this study we will see the following. Each promotional tool has its own unique characteristics and costs. These strategies may be designed around advertising, personal selling, sales promotion and publicity.

A. Advertising strategy

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. Advertising can reach geographically dispersed buyers efficiently. 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 M's: 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? (Chalachew, 2010).

B). Sales Promotion Strategy

Sales promotion is a key ingredient in many marketing campaigns, consists of a diverse collection of incentive tools, mostly short term, designed to stimulate trial, or quicker or greater purchase, of particular products or services by consumers or the trade. Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy. Sales promotion includes tools for consumer

promotion (samples, coupons, cash refund offers, prices off, premiums, prizes, patronage rewards, free trials, warranties, tie in promotions, cross promotions, Point of purchase displays, and demonstrations); trade promotion (prices off, advertising and display allowances, and free goods), and business and sales force promotion (trade shows and conventions, contests for sales reps, and specialty advertising). 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). Sales promotion can be used for short run effects such as dramatizing product offers and boosting sales (Ranchho and Gurau, 2007).

C). Public Relations Strategy

Not only must the company relate constructively to customers, suppliers, and dealers, but it must also relate to a large number of interested publics. A public is any group that has an actual or potential interest in or impact on a company's ability to achieve its objectives. Public relations (PR) involve a variety of programs that are designed to promote or protect a company's image or its individual products.

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) Using the best medium for the target group and the event, such as direct mail, radio, banners, advertising, posters or speeches etc.; (2) Including all the necessary information (who, what, when, where, why) and make the communication as exciting, attractive and easy to read or assimilate as possible); and (3) Using the right language and tone, with words people can understand, and a call to action that will make them want to participate. Tell them why they won't want to miss your event/ activity. In other words, what's in it for them? (Hillary, 1997)

D). Personal selling strategy

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). Salespeople perform one or more of the following tasks: Prospecting, targeting, communicating, and selling approaching, Servicing, Information gathering, Allocating (Philip K. and Garry A, 2007).

Place

This heading refers to distribution. This means all aspects related to how goods and services are 'moved' from the producers to the end user. This means the coordination of retailers and/or wholesales and in the case of products the logistics involved in moving from factory/warehouse/head office, to the end user. Place in marketing mix means the place and form of providing product to the consumers. Most goods are sold through intermediaries, (for example, retailers). Marketers must therefore consider the type, size and location of retailers and possibly also the training of retail staff. In an era when buyers and sellers alike seek speedier sales transactions, marketing channel technologies (including automated inventory and storage systems) and the Internet are adding value by expediting the flow of physical goods, ownership, payment, information, and promotion (Rayport and Sviokla, 1994).

Increasingly organizations - especially service organizations - are selling direct to the consumer via the telephone and the Internet. This has the potential to reduce costs (no retailer margin) and bring organizations closer to their customers. However, it also adds considerable burden to organizations to introduce payment and service systems that would previously have been dealt with by retailers. The introduction of a system of direct sales might also bring an organization into conflict with existing retailers who they now compete with.

2.3. EMPIRICAL LITERATURE REVIEW

2.3.1. MARKETING STRATEGY EFFECT ON CUSTOMER SATISFACTION

The influence of product on customer satisfaction

The studies of many scholars found that the product is factor of customer satisfaction. Products must be differentiated product, the homogeneous product difficult to satisfactory (Parasuraman,, *et al.*, 1988).By improving product and service quality can value for customers can be created.

These views show that differentiation and satisfaction, driven by enterprises to provide products to create value.

The influence of price on customer satisfaction

Woodruff *et al.*, (1983) study found that prices of the product will affect customer satisfaction. To formulate a reasonable price is important means to increase investor satisfaction. The price of housing is directly related to the investor's profits and losses, investors will inevitably impact on satisfaction. Housing is differentiated, and their prices are different.

The influence of place on customer satisfaction

According to (Bearden, Richard, and Mary, 1993), inconvenience to the customer leads to dissatisfaction among the customers which further influence the organization in negative way. So, to keep the customers in their comfort zone and provide them goods on the more relevant place suits to them and create satisfaction among them as one of the main methods to reduce the risk of consumption, the place to bring customer value for customers. The customer is always used to choose more convenient locations to receive services, so customers can reduce costs and increase customer value. Into the commerce society, place, although there were significant changes in the content, but the differentiation is still running through them, but also to enable investors satisfaction is to create more product value.

The influence of promotion customer satisfaction

(Chen Yi-xiu *et al.*, 2005) found that different categories of promotional products in different ways under the willingness to buy there are differences, positive effects on cognitive value. For different products or different customers need different promotional strategies which have a significant impact on customer satisfaction. Differentiation throughout the marketing campaign, promotion strategy must be differentiated. Differentiated itself has driven the role of product value, if this differentiation that allows investors satisfied, which are more conducive to enhance product value. Chen Jingdong, HanWei (2010) found out that marketing strategy (4P) to enhance the value product has significantly positive effect. The existing marketing strategy is more than to satisfy customers differentiated interest needs, and the commerce society's marketing strategy is for investors to create more product value. The results show that the marketing strategy to the product

value's upgrading has significant positive impact. The results also revealed the impact mechanism of marketing strategy to product value. The differentiation and satisfaction as the driving factors to enhance product value, it proves of driver factors ' intermediary role, and strengthens their role as a link.

2.4. CONCEPTUAL FRAME WORK

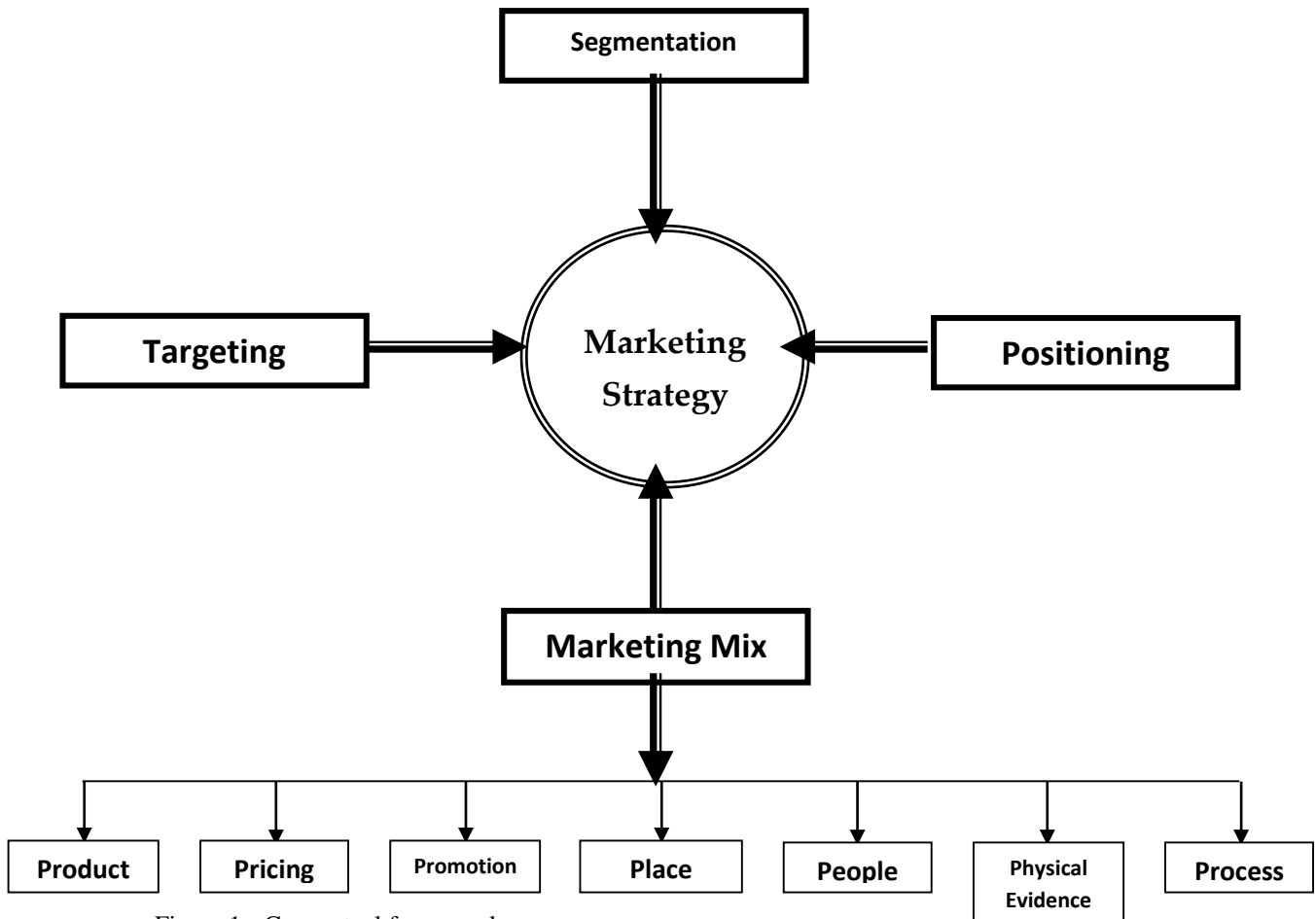


Figure 1:- Conceptual framework
Source: - self depicted

The four arrows that indicate for marketing strategy, namely segmentation, targeting, marketing mix and positioning are the four focal elements essential for any marketing strategy purpose. Further the downward arrow that reflects from marketing mix to the seven P's marketing mix elements shows that marketing mix is combination of product, price, promotion, place, people, physical evidence and process.

2.5. LITERATURE GAP

The number of empirical studies of marketing strategy is insufficient. Researchers studying this issue usually base their work on Porter's typology. Yet, this typology falls short of explaining marketing strategies in the current competitive environment. Future empirical studies should investigate whether the marketing strategies presented in this study are still being applied in various sectors. Moreover, the generic strategies presented in the literature are usually directed towards the production sector. Studies could be carried out on the issue of determining the marketing strategies followed in the service sector.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. INTRODUCTION

This Chapter presents how the study is made by describing the study area followed by its research design, then explaining about the population and the sampling techniques used. Then the types of data collection, instruments and methods of data analysis are explained lastly with the ethical considerations of these methods.

3.2. DESCRIPTION OF THE STUDY AREA

Nyala Insurance Share Company (NISCO) was founded in July 1995 following the liberalization of the insurance business to the private sector in 1994 with the Licensing and Supervision of Insurance Business Proclamation No. 85/1994. Over the years Nyala Insurance become one of the leading private insurance companies in Ethiopia with strong financial capacity of Birr 300 million subscribed capital professional workforce, over 20 years of experience in insurance operations, large and increasing customer base, annual turnover and amount of risk covered. Currently, NISCO guarantees protection with care to its customers through three pronged services General, Life and Micro-insurance solutions with a network of 43 service outlets (28 Service Centers and 15 Contact Offices) distributed all over the country.

3.3. RESEARCH DESIGN

It is obvious that, based on their nature and purpose, different types of studies require different research methods. The study is designed by using descriptive research designing method. Both qualitative and quantitative approaches are used to obtain the desired results of the Insurance Company and to explore detailed evidence about the problems. In the course of analyzing the problems, both primary and secondary data collection procedures are employed. To achieve this goal, questionnaires, interviews and document reviews were the main tools.

3.4. POPULATION AND SAMPLING TECHNIQUES

The target populations of the study are marketing and research, planning and development department managers and employees of same departments in NISCO. The populations of the study

are 150 employees who are working in Marketing and Research, Planning and Development departments at the Head Office as well as Service centers. The selections of the respondents have been carried out by using purposive sampling method because no other departments are concerned about marketing strategies. The researcher took all experts who are working in the departments as a total population of the study and other than marketing department; the Research, Planning and Development department is selected because some work of marketing is being carried out in this department. The sample size and sample size determination formula are specified by Census method, since the marketing department staff is few in number.

3.5. TYPES OF DATA AND DATA COLLECTION INSTRUMENTS

The researcher used both primary and secondary data. In order to gather the data from relevant sources, both primary and secondary data collection instruments have been used. The primary data is collected in the form of personal interviews with Marketing and Research, Planning and Development managers and, questionnaires were distributed to Marketing and Research, Planning and Development department staffs. On the part of secondary data, written documents on corporate strategies, marketing strategies, different reference books, journal articles, web sites, and document reports from Nyala Insurance Company were referred to for the objectives of investigating the company's marketing strategy mix.

3.6. PROCEDURES OF DATA COLLECTION

The interview questions and questionnaires were given in advance to the aforementioned samples. Both departments managers were willing to be interviewed by the researcher, in the same way, employees were willing and able to fill the questionnaires and returned same as per the researcher schedule. However some problems faced are mentioned in the limitation part of the research.

3.7. TECHNIQUES OF DATA ANALYSIS

In order to make the collected data intelligible and interpretable, it needs a further action of analysis, interpretation and presentation. Hence, after completing filling up the questionnaire by respondents and finishing interviewing the relevant/sample persons from NISCO, the next step is editing, coding, cleaning and checking the reliability of the collected data. After collecting the primary and secondary data the researcher come up with general inference. Based on the type of data collected, qualitative using structured interviews and questioners, the data has been analyzed

using methods of mean, frequency distribution and percentage methods. The data analysis part is conducted using software program of SPSS.

3.8. ETHICAL CONSIDERATIONS

The confidentiality of information supplied by research subjects and the anonymity of respondents is respected. And also research participants participated in a voluntary way, free from any coercion. Harm to research participants is avoided and the independence of research is clear, and any conflicts of interest or partiality is explicit.

CHAPTER FOUR

RESULTS, INTERPRETATION AND DISCUSSION

4.1 INTRODUCTION

This chapter presents the data analysis, results and discussion of the findings based on the objectives of this study. The objective of the study was to assess Marketing Strategy practices of Nyala Insurance S.C.

4.2 RESULTS AND INTERPRETATIONS OF THE STUDY

The focus of this section is mainly on the marketing strategy practices of the company with respect to segmentation, targeting, positioning and marketing mixes (Product, Pricing, Place/distribution, Promotion, people, process and physical evidence) that constitutes for marketing strategy applications/practices. The finding is presented by bringing together questionnaires of respondents and interviews of department manager rather than presenting in a separate approach.

4.3 RESPONSE RATE

From the study, the study population was 150 where 141 respondents responded and returned the questionnaires. The 141 respondents were employees and Managers of marketing, research, planning and development departments of Nyala Insurance. This constituted 94% response rate. (Mugenda and Mugenda, 2003) indicated a respondent rate of 50%-70% is sufficient for a study and therefore a respondent rate of 94% for this study was very good.

4.3.1 GENDER AND EDUCATIONAL BACKGROUND OF RESPONDENTS

This section gives information about gender and educational attainment of the respondents. As table 1 depicts, in the two departments of the company male employees present 39% while female employees present 61% of the working force. With regard to the education level out of the 141 respondents, 24 respondents which are 17% of the population have second Degree while 77% of the departments' employees which counts for 109 have first Degree. The rest 6% of the staffs are diploma holders which add up about 8 employees.

Table 1; Gender and education level of respondents

No	Description	General Information	Frequency	Percentage (%)
1	Gender	Male	55	39%
		Female	86	61%
Total			141	100%
2	Education Level	PHD	0	
		Masters	24	17%
		Degree	109	77%
		Diploma	8	6%
Total			141	100%

Source; survey 2017

The results implies that the insurance company employed qualified personnel to market insurances services to the market and could thus offer relevant information concerning marketing strategy practices of Nyala Insurance Company.

4.3.2. YEARS OF SERVICE WITHIN THE MARKETING DEPARTMENT OF NISCO

As the table below depicts only 2% of the participants has less than one year experience in the marketing department. About 59 of the respondents which are 42% has work from one to three years and 37% or 52 of the respondents worked from four to five years. And about 19% or 27 in number of the participants have an experience of more than five years in the departments.

Table 2; Years of Experience

No	Description	General Information	Frequency	Percentage (%)
1	Years of work in the department	<1 Year	3	2%
		1-3 Years	59	42%
		4-5 Years	52	37%
		>5 Years	27	19%
Total			141	100%

Source; survey 2017

This implied that the majority of the respondents had worked in insurance marketing department for a long period and had experience on and proficiency on the marketing strategies practiced by the company.

4.3.3. PARTICIPATION ON MARKETING STRATEGY DESIGNING

Most employees who have working in either of the department have not participated in the formulation of marketing strategy, which account 72 % and the rest 28% have participated in the formulation. Both departments’ managers had participated in the formulation of NISCO’s marketing strategy. This is shown on the following table 3.

Table 3; marketing strategy formulation participation

No	Description	General Information	Frequency	Percentage (%)
1	Participation in Marketing Strategy	Yes	40	28%
		No	101	72%
Total			141	100%

Source; survey 2017

It’s apparent that when the marketing strategy is formulated at NISCO, it gives chance to participate only for quarter of the marketing employees.

4.3.4. ELEMENTS OF MARKETING STRATEGY

4.3.4.1. SEGMENTATION OF NISCO’S MARKET/CUSTOMERS

Partially tapped or totally untapped profitable segments of the future should be identified and tapping the potentials optimally is also important. The purpose of segmentation is the concentration of marketing energy and force on the subdivision (or the market segment) to gain a competitive advantage within the segment.

Table 4 shows that 44% of the respondents believe that NISCO segments its market for customers based on geographical basis. About 20 (14%) of the participants somewhat say that demography is the basis of the company’s market segmentation. 11% of the respondents choose life style as the basis of the segmentation of the company.

Table 4; Segmentation basis at NISCO

No	Description	Bases of segmentation	Frequency	Percentage
1	Basis of segmentation	Geographical	62	44%
		Demography	20	14%
		Life style	15	11%
		Other	44	31%
Total			141	100%

Source; survey 2017

For the rest (31%) of the respondents other types of basis are causes for segmenting NISCO's market and out of these some respondents are not aware about NISCO's base of segmentation or they believe there is no comprehensive segmentation strategy at all. The department managers explain that NISCO is trying to present its service for all regions of the country on geographic basis. From its service outlet expansion report it is shown that 59% of its service centers are located outside of Addis Ababa and the rest 41% are located in the city of Addis. The formulation of package based on the customer's request is also found important according to the Managers. Designing a package on the basis of the needs and requirements of the concerned segment would make the product mix more competitive, they underlined. NISCO serves all kinds of customers based on their insurance type of requirement.

In this regard NISCO's segmented customers has earned special benefits of service for separately handling claims, special policy offer, frequent courtesy visits, special giveaways and recognition and discounts based on treaty. They also get access to the service of the company to their closest or nearby service center areas. Female vehicle owners are encouraged with lower premium rates.

4.3.4.2. TARGETING STRATEGY OF NISCO

As target market is set of buyers who share common needs or characteristics that the company decides to serve, it involves evaluating and selecting the market segments. It evaluates the segments size and growth with the companies' objectives and resources then it selects the segments based on strategies of differentiated, undifferentiated and concentrated. Table 4 will represent the targeting strategy NISCO is following based on the participants' responses. It's shown that greater part of the respondents which accounts for 69%, agree that the company follows targeting strategy

based on differentiation. Whereas, 20% of the participants believe the strategy is undifferentiated and the rest 11% consider it's concentrated.

The department managers' supports the majority of the respondents by having same opinion that the company uses targeting strategy of differentiation. The managers' further strength the idea is,

Table 5; Targeting strategy at NISCO

No	Description	Strategy	Frequency	Percentage (%)
	Targeting	Differentiated	98	69%
		Undifferentiated	28	20%
		Concentrated	15	11%

Source; survey 2017

guided by company's vision word "preferred", the company provides insurance based on customers intimacy. They further added NISCO closely communicates with its customers to give service based on the special need better than the other industry players.

4.3.4.3. CUSTOMERS PERCEPTION/ POSITIONING TOWARDS NISCO AGAINST COMPETITORS

The way the product is defined by consumers on important attributes is a vital point on competitive advantage. For the service sector such as in our case insurance, feature of Speedy, convenient, or careful delivery are the core elements. Positioning is how the product or service is to be perceived by a target market compared to its competitors.

What most will agree on is that Positioning is something (perception) that happens in the minds of the target market. It is the aggregate perception the market has of a particular company, product or service in relation to their perceptions of the competitors in the same category.

55% of the respondents believe that there is a very good customer perception towards NISCO'S products compared to the other contenders in the insurance industry. The rest 35% and 10% believe good perception and moderate perception respectively by customers towards the company's products.

Table 6; Market positioning of NISCO

No	Description	Customer perception	Frequency	
1	Positioning	Very good	78	55%
		Good	49	35%
		Moderate	14	10%
		Not good	--	
		Bad	--	
Total			141	100%

Source; survey 2017

Currently NISCO is one of the top 3 insurance companies in Ethiopia and this strengthens the respondents rating of perception. The managers also added they are on the verge of customers surveying towards NISCO's servicing with in the coming two months, also suggesting that rate of good is their response. Both managers have confidence to overpass the other top two insurers within few years.

4.3.4.4. MARKETING MIX ELEMENTS OF NISCO

Product

An Insurance company sells services and therefore services are their product. When a person or an organization buys an Insurance policy from the insurance company, he not only buys a policy, but along with it the assistance and advice of the agent, the prestige of the insurance company and the facilities of claims and compensation. (Ramanadh Kasturi, 2006)

The participants of the study were asked if NISCO provides special product which can be used as a core competency and to specify it. Out of the total study population 63 participants stated micro insurance, which includes, weather index insurance, crop insurance and livestock insurance and moreover included travel insurance as special service products given by the company.

However current information on the above listed insurance service confirms that other players in the industry, specifically Oromia Insurance Company has also started giving those services. The

rest 73 respondents implicated there is no special product given by NISCO. But, the Strategic and planning Manager and the Marketing Manager has mutually argued that although the above mentioned products were started by NISCO as a pioneer insurer and adopted by other companies, there is still new special products given by NISCO namely Political and terrorism insurance as well as coffee plantation insurance.

Pricing

According to (Kotler 2012), Price is defined as the amount of money charged for a product or service or the sums of the values that consumers exchange for the benefits of having or using the product or service. In the insurance business the pricing decisions are concerned with: i) The premium charged against the policies ,ii) Interest charged for defaulting the payment of premium and credit facility, and iii) Commission charged for underwriting and consultancy activities. With a view of influencing the target market or prospects the formulation of pricing strategy becomes significant. The pricing in insurance is in the form of premium rates.

When it comes to this study, the respondents were asked about NISCO's price behavior. The following table illustrates the replies.

Table 7; NISCO's pricing strategy

No	Description	Strategy	Frequency	Percentage (%)
1	Pricing discrimination	Yes	115	82%
		No	26	18%
Total			141	100%
2	Basis of discrimination	Profitability	17	15%
		Segmentation	24	21%
		Risk	61	53%
		Other	13	11%
Total			115	100%

Source; survey 2017

It is clear that majority of the respondents, 115 in numbers which is 82% replied that there is price discrimination strategy in the company. On the subject of basis of discrimination, about 53% of the participants agree that NISCO discriminates price based on risk. The other 21% argue the

discrimination is based on segmentation. 15% of the respondents believe profitability is the basis for the pricing base. The rest 11% articulate other reasons are causes of the company's pricing strategy. The Marketing department manager argues that, the discrimination is based on risk attached to the service rendered. The Strategic planning manager adds that most products of the insurance industry are concentrated in city areas. Therefore rather than cutting price for competitive advantage, it's more profitable for the company to discriminate price based on the risk of the service.

For instance, the three main factors used for determining the premium rates under a life insurance plan are mortality, expense and interest. The premium rates are revised if there are any significant changes in any of these factors.

Place

Distribution is a key determinant of success for insurance companies. (Muriuki,2013)In the insurance sector this component of the marketing mix is related to two important facts, managing the insurance personnel, and locating a branch. The Participants of this study were asked if they think NISCO's service outlet expansion is enough.

Table 8; the service outlet of NISCO

No	Description	Response	Frequency	Percentage (%)
1	Is service outlet expansion enough?	Yes	27	19
		No	114	81
Total			141	100%

Source; survey 2017

The vast majority of respondents 81% believe that the service outlet expansion of NISCO is not yet enough. The department managers strengthened this idea by saying that although the company is presented in each regional states of the country, still there needs to be more branch opening, and for this to be realized for all three services, namely general, life and micro insurance services, there is strategy planned towards opening at least three new branches each year. Nyala Insurance is distributed via service centers, sales agents and brokers. The transformation of potential policyholders to the actual policyholders is a difficult task that depends upon the professional

excellence of these personnel. The agents and the brokers as a link might lack professionalism. The managers at the departments told that there is permanent capacity building training for these parties, so that the functionality of all the distribution system is kept well.

Promotional Mix

The insurance services depend on effective promotional measures. In a country like Ethiopia, the rate of illiteracy is very high and the rural population has dominance in the national economy. It is essential to have both personal and impersonal promotion strategies. In case of insurance services, promotion needed to be done through a mix of advertising, personal selling, and sales promotion as promotion communicates with the potential market so as to persuade the prospective customers to try a new insurance product (Muriukiet *.,al*, 2013).

“How do you rate NISCO’s promotional mix practices?” were the question raised for the respondents of the study and the following table summarizes the responses.

Table 9; Rate of promotional mix practices at NISCO

Note that: fqs. is frequency and Perc. Is Percentage

No	Promotion Mix	V. good		Good		Moderate		Not good		Bad		Mean
		Fqs	Perc	Fqs.	Perc	Fqs	Perc	Fqs	Perc	Fqs.	Perc	
1	Advertising	38	27%	29	20%	66	47%	5	4%	3	2%	3.67
2	Sales promotion	53	37%	34	24%	37	26%	14	11%	3	2%	3.85
3	Personal Selling	46	32%	38	28%	42	30%	9	6%	6	4%	3.77
4	Public Relation	32	22%	17	12%	48	34%	32	23%	12	9%	3.18
5	Direct Marketing	56	40%	37	27%	26	19%	18	13%	3	2%	3.89
6	Event and experience	29	21%	47	33%	30	21%	26	19%	9	6%	3.43
Total		141	100%	141	100%	141	100%	141	100%	141	100%	

Source; survey 2017

Rating from the scale of 5 to 1 that is from very good to bad, the mean values result shows that Direct Marketing has the highest mean value of 3.89, which is close to 5. This is interpreted as this

type of promotional mix at NISCO is at its very good condition at the time of the survey. On other hand the lowest mean value which is 3.18 belongs to publicity of NISCO as a promotional mix strategy. This is interpreted as publicity at NISCO is not satisfactory at the moment the survey is done. The other three mentioned promotional ways are on a rate of between the two extremes.

It can also be inferred from the above table that almost half or 47% of the respondents believe that NISCO's promotion towards advertising of its services by means of TV, radio, newspaper, websites, flayers and other related advertisement is moderate. The other 28% and 20% argue it has very good and good promotion respectively via advertising. The rest 6% feel the advertising promotion is not good or it's bad. But the department managers mention that the print media advertising is in a very good rate, that the customers and potential customers can be aware through.

On the subject of sales promotion, 37% believe its very good, and 24% rate it as good. The 26% of the participants think its moderate and about 11% argue it's not good and the rest 2% say the sales promotion is bad. The department managers' reply that incentives to the end users, for taking the policy play an important role in promoting the NISCO's insurance service. Since the insurance business is also related to achieving of a particular target, it is pertinent that the policymakers assign due weight-age to the same. The offering of small gifts during a particular period, the rebate, discount, and bonus can increase business of the insurance by large.

Regarding personal selling, 32% of the respondents deem its very good, 28% good and 30% moderate. The rest 10% sum up for not good and bad. Personal selling in case of the insurance organizations is quite important considering the existence of the insurance agents spread at all levels. The marketing manager agrees on this point adding that the selection of these agents, their training is responsibility of the NISCO. There is difference in urban and rural market, he further explains. Rural customers might be uneducated or uninformed compared to the urban customer. Hence the NISCO will have to make selections of the rural and urban agents accordingly.

About the direct marketing promotional practice, or in the case of NISCO operating directly at its service centers, out of the 141 respondents, 40% consider it very good. The 26% think it's good and the 19% say it is moderate. The rest 15% are not satisfied with the current direct marketing promotion.

Concerning public relations and publicity 34% are satisfied by adding up the very good and good responses, whereas the other 34% are moderately pleased. The remaining 32% are not content about the publicity of NISCO. Surprisingly enough the department managers also agree with the unsatisfied respondents saying that the PR officers working in the insurance organizations are not good at maintaining contacts with the media personnel, organize press conference, and offer small gifts and moment to them. They further added that they are currently working on making it improved.

Finally with regard to event and experience more than half of the participants think it's very good or good by currently promoting the company. 21% of the respondents are somehow moderately satisfied by this type of promotion and the remaining quarter of the study population are not pleased with events and experiences promotion of NISCO. Companies can draw attention to new products or other company activities by arranging special events like news conferences, on-line chats, seminars, exhibits, contests and competitions, and sport and cultural sponsorships that will reach the target publics.(Kotler, 2009)

People

Table 10; Staffs capability of interpreting marketing strategy

No	Description	Employees Capability	Frequency	Percentage (%)
1	People	Highly capable	60	43%
		Capable	81	57%
		Not capable	--	0%
Total			141	100%

Source; survey 2017

Understanding the customer better allows designing appropriate products. Insurance as a service industry which involves a high level of people interaction, it is very important to use this resource efficiently in order to satisfy customers. Hiring and training better people than competitors' do is what this day's service industry is mostly about.

Respondents were inquired how they do evaluate all NISCO's staffs towards implementation of the marketing strategy of the company. As the above table describes, none of the participants

responded that the staff is not capable. But about 57% believed the staffs are only capable, but not highly capable of towards implementing the marketing strategy. The two department managers also argued that although the employees are capable of meeting the target of the strategy, they still need more training and skill development programs, so that in order to implement the company's strategy at full capacity.

Physical Evidence

Physical evidence includes facility design, equipment, signage, employee dress code, tangibles, reports and statements. This element of the marketing mix will distinguish a company from its competitors. Companies should also try to demonstrate their service quality through physical evidence and presentation.(Booms and Bitner,2012)

The participants of the study were asked if NISCO have service outlet lay out standard, the responses are summarized as follows.

Table 11; Service outlet layout standard and its convenience

No	Description	Customer perception	Frequency	Percentage (%)
1	Has service outlet layout standard	Yes	93	66%
		No	48	34%
Total			141	100%
2	Service outlet layout convenience	Very convenient	45	32%
		Convenient	72	51%
		Moderate	18	13%
		Not convenient	6	4%
Total			141	100%

Source; survey 2017

As illustrated on the table, 66% of the participants agree that NISCO has service outlet lay out standard, and 34% think there is no standard layout. The department managers relatively argue that all service outlets are laid by same type of furnished materials, with their colors and designs being identical. The only design change is if the service centers room position is not suitable enough for the lay out. To answer this doubt the researcher tried to visit most of NISCO's service

outlets and witnessed that, the outlets, have almost same standard and they are neat and clean, on the other hand, the employees including service center managers have dressing code of same color shirt and tie, which is very attractive for someone who is entering those centers.

Towards service outlet layout convenience, more than 95% agreed on the convenience of the outlet. Important dimension to the physical evidence is related to the location of the insurance branches. While locating branches, the branch manager needs to consider a number of factors, such as smooth accessibility, availability of infrastructural facilities and the management of branch offices and premises. In addition it is also significant that the branch managers assign due weightage to the safety provisions. The management of offices makes it significant that the branch managers are particular to the office furnishing, civic amenities and facilities, parking facilities and interior office decoration.

Process

The process should be customer friendly in insurance industry. The speed and accuracy of payment is of great importance. The processing method should be easy and convenient to the customers. Installment schemes should be streamlined to cater to the ever growing demands of the customers. Information technology and Data Warehousing will smooth the process flow.IT will help in servicing large no. of customers efficiently and bring down overheads.

Respondents were asked how they evaluate the service procedure and mechanisms of NISCO. The results are recapitulated as follows.

Table 12; Service process rating of NISCO

No	Description	Process evaluation	Frequency	Percentage
1	Service process	Very good and revised timely	48	34%
		Good but not revised timely	75	53%
		Old and doesn't allow for good service	18	13%
		Other	--	

Source; survey 2017

Out of the total participants, 34% of them believe the service process is very good and timely revised. More than half of the respondents on contrary argue although there is good presence of service process, it is not timely revised.

The remaining 13% are not entirely pleased with the service process. The department managers agree on some problem on the process, but argue that they are trying to update the system with new software and technology to either complement or supplement the channels of distribution cost effectively.

4.3.5. PROBLEMS ENCOUNTERED DURING MARKETING STRATEGY IMPLEMENTATION

Shortage of Skilled Man power

The department manager of Strategic planning has told that there is shortage of skilled personnel in the insurance industry. To this end NISCO is taking fresh graduates from Universities and training them on program called Graduate Training Program (GTP). After making them capable and employing, other competitors would take those trained personnel he argued. But he adds by the near future the company is planning on making its staffs compensation better than it currently is, so that they can keep working with NISCO. This lack of qualified professionals in the field makes insurance companies unable to compete in the market efficiently and give satisfactory insurance services to their clients. This is because insurance industry by its nature requires effective risk determination and risk identification by qualified professionals to collect equivalent premium for those risks.

Lack of Customer awareness in insurance servicing

The respondent of the study mostly stated that there is very little know how about the importance of insurance in the minds of mainstream of Ethiopian society. In recent years vehicle insurance has started to be obligation for each driving car. They explain that if it wasn't for the Transport Authority to require each car owner for insurance registration, the society would in most part choose to stay without insurance. Therefore there needs to be effort for awareness creation about the benefits of insurance at large.

Lack of innovativeness on insurance product development

Innovation primarily involves showcasing the unique value proposition to survive the competitive market. Changing environment constantly forces insurers to reconsider their existing products and distribution channels to cover new classes of risk or manage their processes better. In the case of NISCO and the entire insurance industry in Ethiopia regulatory restrictions, pressure of performance, lack of maturity of markets and constant risk of mis-selling make innovation challenging. Almost all products provided by NISCO are all given by the other players in the insurance industry. This makes it difficult for the company to be easily preferred by consumers unless there is special feature of the service given compared to other companies.

Inflation

Some of the respondents, which are 25 in number, mentioned the prevalence of inflation mainly on spare parts of motor vehicles is a challenge for realizing the strategies of the company. Together with existence of increasing number of car accident in Ethiopia is a current challenge for insurance companies.

Lack of IT infrastructure

The respondents also mentioned the problem on the old system that the company is using currently, which is problematic for daily functionality of the operations. But from what the annual report of the company at the year 2015/16 it's publicized that, the procurement process of a new and cutting edge information and communication technology system is well underway. A new requirement analysis document was approved by the steering team and an international bid was floated. Currently, the technical and financial evaluation of the bidders has almost finalized.

Other challenges faced by the company are Price cutting against the increasing cost of claim, unethical practices and scrambling to take the best and experienced insurance professionals of the company among others.

4.4. DISCUSSION

Based on the findings the researcher evaluated and interpreted the implications of the findings. Thus by examining, interpreting and qualifying the results drawn from the findings the discussions are done below.

Regarding the participation in the marketing strategy of the company, from the staff of the two marketing and planning departments only less than half participate. Since the marketing staff is the most exposed part of the company with the coming customers, they understand the customer better than high level managers, and at time of marketing strategy formulations, these parts of staff are very familiar with what would be better strategy for the company's fine marketing. Therefore NISCO ought to involve more section of its marketing staffs to the strategy making.

When it comes to the marketing strategy elements, if we see NISCO's segmentation practice it follows mostly basis of geography. In the field of marketing, geographic segmentation calls for dividing the market into different geographical units such as nations, states, regions, cities, or neighborhoods. The company can operate in one or a few geographic areas or operate in all but pay attention to local variations. Therefore NISCO is mainly segmenting its market as regions.

The other issue discussed by the respondents was the company's targeting strategy. The majority agreed on differentiated strategy of targeting is applied for NISCO. In differentiated marketing, the firm operates in several market segments and designs different programs for each segment. NISCO does this with its various insurance services. The company serves its customers on the basis of the special need. Service differentiation is in terms of offering, delivering and image. That is the service offering can include innovative features, a service company can hire and train better people to deliver its service and the company can also differentiate its image through symbols and branding.

Next subject raised was perception of customers towards NISCO's product against competitors, and the findings were very good, good and moderate. No respondent rate bad or not good in their options. But other than the respondent staffs' observational response of the research, the company must rate its positioning on the minds of its customers by making real survey on them.

When it comes to elements of marketing mix for the company, the first can be products. A product mix (also called product assortment) is the set of all products and items that a particular marketer offers for sale. NISCO has three main categories of products, namely general insurance, life and health insurance and micro insurance products. The respondents from the company has referred to micro insurance as the special product of the company and some answered no special product existed. But other respondents confirmed that coffee plantation insurance and political and terrorism insurance are the special products of the company.

The discussion regarding pricing of NISCO implied that the company follows discriminatory pricing policy mainly on the basis of risk. But significant parts of the respondents believed segmentation is the basis for the company's discriminatory strategy. Price discrimination works when the market is segmental and the segments show different intensities of demand; the cost of segmenting and policing the market does not exceed the extra revenue derived from price discriminate on the practice does not breed customer resentment and ill will; and the particular form of price discrimination is not illegal (practices such as predatory pricing—selling below cost with the intention of destroying competition—are against the law).

As regards to place, as one of the promotional mix elements, the study found out there is enough service outlet expansion for the company. But as the fast changing conditions of the economy and increasing number of both private and state owned insurance companies, NISCO have to expand its distribution reach towards all potential regions of Ethiopia.

Concerning the promotional mix of NISCO's marketing the findings implied that the status of direct marketing through the service outlets of the company is satisfying for the participants of the study compared to the other types of promotions and the publicity is not in good being. In marketing each promotional tool has its own unique characteristics and cost. Advertising can be used to build up a long-term image for a product; Sales promotion can be used for short-run effects such as dramatizing product offers and boosting sales. The appeal of public relations and publicity is based on three distinctive qualities: high credibility(news stories and features are more authentic and credible than ads)ability to catch buyers off guard(reach prospects who prefer to avoid salespeople and advertisements); and dramatization (the potential for dramatizing a company or product).Personal selling has three distinctive qualities: personal confrontation(it involves an immediate and interactive relationship between two or more persons); cultivation(it permits all kinds of relationships to spring up, ranging from a matter-of-fact selling relationship to a deep personal friendship);and response(it makes the buyer feel under some obligation for having listened to the sales talk).All forms of direct marketing share four distinctive characteristics: They are nonpublic (the message is normally addressed to a specific person); customized(the message can be prepared to appeal to the addressed individual); up-to-date (a message can be prepared very quickly); and interactive (the message can be changed depending on the person's response).

Relating to NISCO's staffs capability of implementing its marketing strategy, the findings fall in capable though highly capable is also chosen by 43% the participants. Because most services are provided by people, the selection, training, and motivation of employees can make a huge difference in customer satisfaction. Ideally, service employees should exhibit competence, a caring attitude, responsiveness, initiative, problem-solving ability, and goodwill. Successful service delivery is when there is no gap between service-quality specifications and service delivery: Service personnel might be well trained, or capable or willing to meet the standard. Or they may be held to good standards, such as taking time to listen to customers and serving them fast.

Concerning the physical evidence, the research find out that NISCO has service layout standard, and almost all participants agreed on its convenience. In case of insurance business, apart from office environment, materials such as brochures, policy documents, and periodic statements are the tangibles, which will influence the customers. In this case NISCO have managed to provide with good form these factors together with standard.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5. 1. INTRODUCTION

In this final chapter, based on the results found and discussion made, the summary of the findings, conclusion and finally recommendations is drawn.

5.2. SUMMARY

The effective marketing effort of organization products increase market share, improves returns in the company's efforts generally promote growth of insurance company .Insurance marketing is basically just the marketing of insurance products. Insurance agencies emphasize the importance of the customer preferences and priorities. Marketing of insurance services is critical and complex. Since the permission of private insurance companies in Ethiopia, all insurers do consider marketing department as part of their functional units, NISCO is not far from this situation, the company has been implementing marketing department. As a result, the company has complete and stand-alone marketing strategy; and the elements are accomplished through the marketing department as a head for all service outlets. But the participants of the research have very different opinions on different marketing strategy elements of the company. This could be the result of non involvement of part the majority of the marketing staff on strategy formulation of the company. For convenience and clarity the research has presented the findings based on the marketing strategy elements:-

Segmentation

The study showed that NISCO segments its market based on mainly geographic element. The company is trying to present its service outlets all over the country to reach the untapped parts of the insurance market. NISCO serves all types of customers that come to its market based on their special needs. For the segmented, the company gives incentives such as discounts on premium and other benefits such as separately handling claims and special policy offers. As a result during the fiscal year of 2015/16, NISCO's gross written premium has increased from 341.3 million Birr to 400 million Birr. (NISCO annual report, 2016)

Targeting

NISCO follows targeting strategy of differentiation from the results found on the research. Ethiopian insurance sector is highly supervised by National Bank of Ethiopia, where it is difficult to get approval for any new idea provided by the insurance companies. On the other hand, as insurance business in giving service, it is very easy to copy by other similar insurance companies. So, NISCO is mostly following differentiated targeting strategy. NISCO closely communicates with its customers to give service based on the special need better than other the industry players.

Positioning

NISCO is one of the top 3 leading insurance companies in the country, and the study results are more relatively leading to conclusion of good perception among consumers on the company's service giving.

Product

NISCO is providing a lot of insurance service, which is almost given by other similar insurance companies. However, some products like Political and terrorism insurance as well as coffee plantation insurance have not been given by any other insurance company, thus can be considered as special product.

Pricing

Pricing in the insurance business is a careful task. One, various risk factors need to be assessed to arrive at the "right price" or a price that considers underwriting premium, withstands competition, generates operating surplus and performs in the highly volatile economic market. Based on the study outcomes, the pricing strategy of NISCO is discriminatory pricing on the foundation of risk. Therefore the premiums charged against the policies are based on the risk attached to the type of insurance given.

Place/Distribution

Insurance agents, brokers and direct channel or service outlets are the way NISCO reaches its customers. For non-life insurance individual agents are the biggest channel. The study found out

that the company's service outlet expansion is not enough or satisfactory relative to the potential market existence.

Promotion

Promotion practice in NISCO is satisfactory; a lot of money has been deployed for printing advertising such as, diary, table and wall calendar, flayer, poster, advertising newsletter and newspapers, and giveaway materials like key holder, pen, car sunshade, and desk clock and other. In sales promotion, the company is trying to encourage by incentives to the end users, for taking the policy, playing an important role in promoting NISCO's insurance service. The finding of the study about personal selling is by large satisfactory or is well done. However, in publicity or public relations, the practice is very poor. Event and experience along with direct marketing are in very good ratings based on the research results.

People

The study found that NISCO's staff are capable of implementing the marketing strategy of the company, but not highly capable. To this end the company has put into practice at least one training once a year for one staff based on the changing environment of the market as well as to inquire additional knowledge for fulfilling their work.

Physical Evidence

In conclusion for physical evidence or in the case of NISCO its service outlet standards, the study found out that there is standard for the lay out as well as there is convenience of the service outlets. Good Physical appearance or good layout contributes a lot for good service quality.

Process

The service process strategy is very poor that doesn't allow for service quality and it is not timely revised. In service giving organizations, their customers are very sensitive; unwilling to listen to any apology. As the service quality depends on the quality of process, NISCO's is not good in quality. The most obstacles for this process problem are the usage of old information technology system of the company and poor telecommunication infrastructure of the country.

5.3. CONCLUSION

On the foundation of the research questions made at the beginning of the study, the following points are concluded.

- Marketing strategies practiced by NISCO are aligned with its mission, but more work yet to be done on promotion and segmentation to satisfy its customer requirements.
- Even if all marketing mix elements are practiced at NISCO, the most devised marketing mix elements are product and place.
- NISCO is segmenting its customers mainly on geographic basis, target its customers on strategy of differentiation and positioning its customers by putting image of “preferred” on their mind.
- The major problems NISCO is experiencing in implementing its marketing strategy are shortage of skilled manpower, lack of customer awareness in insurance servicing, lack of innovation on insurance product development and lack of IT infrastructure.

5.4. RECOMMENDATIONS

The researcher recommends the following points to be taken by the NISCO to reform its marketing strategy and to exploit the existing opportunities of the insurance market in Ethiopia.

- NISCO should take appropriate actions to make its current staff more professional and qualified in the field of insurance business. The insurance company should create relations with higher education institutes to get specialized insurance courses.
- Since at the time of the study there was no report found based on customer surveying, the company should take periodical customer survey to know where the insight of the customer lies.
- The company should invest, from time to time on marketing research. This is because effective marketing strategies are products of marketing research. Thus, good and adequate marketing mix is a product of effective marketing research too. Marketing research will bring about innovation, better services for customer and better method of production and processing

- NISCO should strive to refine, renew and reinforce the company's key brand across the entire society – everyone should know and exhibit how the company uniquely service customers' needs.
- NISCO should increase its effort on modernizing the insurance services according to international standards to be internationally competitive
- The company should try to provide new things and support innovation for new insurance product/service. NISCO should not be afraid to experiment and think outside the box and prepare to be a leader in every dimension.
- NISCO need to adopt effective marketing strategies, select efficiency channel of advertisement and improve on delivery of quality of insurance services as well as advertise aggressively to attract more customers
- The insurance company's premises should be located in an attractive building, attractive landscaping and good interior furnishing of insurance agency offices, accessibility of the insurance policies to enhance marketing of insurance services.
- NISCO should consider the nature of products, cost, consumer awareness and availability of marketing strategy to ensure that the selected marketing strategies achieve its effectiveness and improve marketing of insurance services.

REFERENCES.....1

- Bearden, William O., Richard Netemeyer, and Mary F. Mobley (1993), “*Handbook of Marketing Scales: Multi-Item Measures for Marketing and Consumer Behavior Research*”, Sage Publications.
- Booms and Bitner (2012), “*Extended Marketing Mix*”, Continuum Learning Pt.Ltd
- Chen Jingdong, HAN Wei (2010) , “*The Research on the Marketing Strategies Theory and Empirical Based on the Product Value*”
- Chalachew Adege (2010), “*Assessment of marketing Strategy practices, in the Case of St. George Brewery*”, Addis Ababa University
- Colin Gilligan and Richard M.S. Wilson(2009), “*Strategic Marketing Planning*”, PP 369-371
- Dixon, D. (2002),“*Emerging Macro marketing Concepts*”: From Socrates to Alfred Marshall. *Journal of Business Research*, Vol. 55, pp. 737-745.
- Drucker P. (1993),“*We need to measure not count.*” *Wall Street Journal*
- Fryar, C.R. (1991), “*What ‘s Different about Services Marketing*” Vol. 5, No. 4, pp. 53-58
- Grahame R. Dowling Gary L. Lilien Praveen K. Soni(1993), “*Segmentation Procedure for Product Planning*” *Journal of Business-to-Business Marketing*, Vol. 1(4) , by The Haworth Press, Inc. All rights reserved.
- Hillary C. (1997),”*Marketing and Public relations*” published. by the Hillary Commission for Sport, Fitness and Leisure
- Kebede Dechasa (2004),“*An Assessment of Marketing Strategy Practices on Awash International Bank*”, PP 10.St. Mary’s University
- Kihara, M. (2012),”*the Importance of Insurance its challenges and solution*”s
- Kotler (2012), “*Principles of Marketing*”, 14th edition, PEARSON.
- Kotler, P and Keller, K. L. (2009),”*Marketing Management*”. Pearson Education International, 13th Edition. Prentice Hall. Pearson.
- Littler and Wilson (1995),”*Marketing strategy*”, 1st edition, Oxford, London, Boston.
- Lowe 1999,”*Management Research, An introduction*”, Sage publications Ltd London
- Mustafa Karadeniz (2009) , “*Product Positioning Strategy in Marketing Management*”, *Journal of Naval Science and Engineering* 2009, Vol. 5 , No 2, pp. 98-110

- Mugenda, O.M and Mugenda A.G. (2003), *“Research Methods”*, Acts Press. Nairobi.
- Muriuki C. (2013), *“Challenges Affecting Marketing of Insurance Services by Insurance Agencies in Nairobi.”* School of Business University Nairobi.
- Nyala Insurance S.C (2016), Annual Report
- Osuagwu, Linus, (2001). *“An evaluation of the marketing strategies of Nigerian insurance companies:”* Academy of Marketing Studies: The DreamCatchers Group, LLC Audience, Vol. 5 ,Issue 2: PP 3.
- Peattie, S. and Peattie, K. J. (1994), *“Promoting Financial Services with glittering Prizes,”* The International Journal of Bank Marketing, Vol. 12, No. 6, pp. 19–29.
- Philip K. and Garry A. (2007), *“Principles of marketing”*, 11th edition, prentice Hall, Europe, Mifflin Publishing.
- RamanadhKasturi (2006), *“Performance Management in Insurance Corporation”* Journal of Business Administration, online, <http://jbao.ATU.Edu>, spring 2006, volume 5 No. 1, pages 11-12
- Ranchhod, A., and Gurau, C. (2007), *Marketing Strategies: A Contemporary Approach.* 2nd Edition, Prentice Hall.
- Rayport, J. and Sviokla, J. (1994), *“Managing in the Market space.”* Harvard Business Review, November December, pp. 14150.
- Roger Brooksbank (1994), *“The Anatomy of Marketing Positioning Strategy”*, Marketing Intelligence and Planning, Vol. 12 Iss: 4, pp.10 – 14
- *Segmentation, Targeting, and Positioning.*(2010), [Referenced 9 March 2012]: http://www.consumerpsychologist.com/cb_Segmentation.html.
- Smith, A. and Chamberlin, D. (2010), *“Opportunities and challenges for micro insurance in Ethiopia: An analysis of the supply, demand and regulatory environments”*, Oxfam America
- Szczepanska.K ,(2009), *Global Marketing Strategy*, Zürich Area, Switzerland
- Tellis, G. (1986), *“Beyond the Many Faces of Price: An Integration of Pricing Strategies.”* Journal of Marketing, Vol. 50, October, pp. 146160.
- Ward and Zurbruegg, W. D. (2000), *“Does Insurance Promote Economic Growth, Evidence from OECD Countries,”* The Journal of Risk and Insurance, pp.489-506.

- Wheelen, T. L. and Hunger, D. J. 2008. *Concepts in Strategic Management and Business Policy*.
- Zelalem, T. and Negi, R. (2009), “*An Assessment of the Marketing Strategy for Mobile Services of Ethiopian Telecommunication Corporation.*”, The Haworth Press

APPENDICES

APPENDIX I: INTERVIEW QUESTIONS

Assessment of Marketing Strategy Practices

In Nyala Insurance Share Company: - a company perspective

Interview questions

(To be filled by Marketing and Research, Planning and Development Managers of Nyala Insurance 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 Marketing Management. The research focuses on Nyala Insurance Company with the topic of "Assessment of Marketing Strategy Practices". As this interview questions are tools used to collect data regarding the topic, I kindly seek your assistance in responding to the questions listed below. Any information you present will be kept utterly confidential and will be used only for academic purpose. I would like to appreciate your cooperation and prompt response in advance:-

1. How many years of experience do you have as a department Manger?
2. Do you have a marketing strategy (in terms of 7P's)? If yes, who did/formulate the strategy? External advisor? By the Company? ...
3. Which target marketing strategy do you follow? Differentiated, undifferentiated or concentrated? Why?
4. How do you rate your customer's perception towards NISCO's product against your competitors?
5. Do you explain the practical marketing mix implementation based on the following 7 Ps?
 - a. Product
 - b. Price
 - c. Promotion Mixes
 - d. Place/distribution
 - e. People
 - f. Physical Evidence
 - g. Process
6. Do you segment your market/customers to satisfy them based on their need? If yes, in what base or what is your segmentation criterion?
7. What special benefit do the segmented customers obtain?

8. Do you believe that NISCO's employees are capable enough to accomplish your marketing strategy?
9. Do you have service outlet layout standard? If yes, are all service outlets operating as per this standard?
10. Are you satisfied with the existing service process or procedures which are very important for marketing strategy implementation?
11. What do you experience during marketing strategy implementation?
12. How often do you evaluate your marketing strategy? By whom?
13. What do you recommend to enhance NISCO's Marketing Strategy?

APPENDIX II: QUESTIONNAIRES

Assessment of Marketing Strategy Practices

In Nyala Insurance Share Company:- a company perspective

Questionnaires

(To be filled by *Employees of Marketing and Research, Planning and Development departments of NISCO*).

The purpose of this questionnaire is to enable me to carry out a research for the partial fulfillment of Master's Degree in Marketing Management. The research focuses on Nyala Insurance Share Company (NISCO) with the topic of "Assessment of marketing strategy practices". Marketing strategy questionnaires are tools used to collect data from you regarding Marketing. Hence, to gather information, I kindly seek your assistance in responding to the questions listed below. Any information you present will be kept utterly confidential and will be used only for academic purpose. Your cooperation and prompt response will be highly appreciated.

Put "√" for your choice in the box provided

Part I – General Information

- Gender? A. Male B. Female
- Education Level? A. PhD B. Masters
 C. Degree D. Diploma
- How long have you been as employee of Marketing Department in NISCO?
A. < 1 Year B. 1 – 3 Years C. 4 – 5 Years D. > 5 Years
- Have you ever participated in NISCO's Marketing Strategy designing?
A. Yes B. No

Part II – Element of Marketing Strategy:- (segmentation, targeting, positioning and Marketing Mix)

Segmentation

- Does NISCO segment its market/ customers? If yes, in what base?
A. Geographical B. Demography C. Life style
D. Other, specify if any _____

2. What special benefit do segmented market/customers get from other ordinary customers? _____
_____.

Targeting

3. Which strategy do you follow?

- A. Differentiated B. Undifferentiated C. Concentrated

Positioning

4. How do you see the customer's perception towards your product against the competitors?

- A. Very good B. good C. moderate
D. not good E. bad

NISCO'S Marketing Mix – 7ps :- (Product, Price, Place, Promotion, People, Process and Physical Evidence)

Product

5. Does NISCO provide special product which can be used as core competency? Specify _____
_____.

Pricing

6. Is NISCO's pricing same to all customers (is there any price adjustment based on different reason)?

- A. Yes B. No

7. If response for Q. No 2.4.2 is yes? In what base do the company discriminate the price?

- A. Based on Profitability B. Based on Segmentation
C. Based on risk D. if other, specify _____

Place

8. Do you think that your service outlet expansion is enough?

- A. Yes B. No

Promotion Mix

9. How do you rate NISCO's promotional mix practice?

- V. good good Moderate Not good Bad

- 9.1. Advertising -----
- 9.2. Sales Promotion -----
- 9.3. Personal Selling -----
- 9.4. Public R. and Publicity -----
- 9.5. Direct Marketing -----
- 9.6. Event and Experience -----

People

10. How do you evaluate all NISCO's staffs towards implementation of marketing strategy?

- A. Highly capable
- B. Capable
- Not Capable
-

Physical Evidence

11. Does NISCO has service outlet layout standard/are all service outlets have same layout/?

- A. Yes
- B. No

12. Is NISCO's service outlet layout convenient for customer service?

- A. Very Convenient
- B. Convenient
- C. Moderate
- D. Not convenient

Process

13. How do you evaluate the service procedure and mechanisms of NISCO?

- A. Very good and revised timely
- B. Good but not revised timely
- C. It is old and doesn't allow for good service
- D. Specify, if any _____

14. What are the problems you encounter during marketing strategy implementation?

15. How often do you revise the strategy? _____

16. Do you have additional comment and suggestions for NISCO's marketing strategy?

Thank You !

