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THE EFFECT OF MARKETING STRATEGY ON BANK'S PERFORMANCE: IN THE CASE OF OROMIA INTERNATIONAL BANK

BY: HIWOT KASSAHUN

JUNE 2020
ADDIS ABABA, ETHIOPIA

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STATEMENT OF AUTHOR

I Hiwot Kassahun Tekle, hereby declare that a research entitled "The Effect of Marketing Strategy on Bank's Performance: In the Case of Oromia International Bank" submitted by me for the award of the degree of Master of Science in Marketing Management of St. Mary's University, is original work and it hasn't been presented for the award of any other Degree, Diploma, Fellowship or other similar titles of any other university or institution.

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Date: **June, 2020**

ENDORSEMENT

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

Advisor signature

St. Mary's University, June 2020

APPROVAL SHEET

As members of board of examining of the final MSc thesis open defense, we certify that we have read and evaluated the thesis prepared by Hiwot Kassahun under the title "The Effect of Marketing Strategy on Bank's Performance: In the Case of Oromia International Bank" we recommend that this thesis to be accepted as fulfilling the thesis requirement for the Degree of Master of Science in Marketing Management.

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Hiwot Kassahun
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TABLE OF CONTENTS

Content **Page**

LIST OF TABLES

LIST OF FIGURES

ACRONYMS

GTP	Growth and Transformation Plan
OIB	Oromia International Bank
HO	Head Office
RBV	Resource Based View
4P	Product, Price, Promotion, and Place
6P	Product, Price, Promotion, Place, People, Process
STP	Segmentation, Targeting, and Positioning
AB	Awash Bank
DB	Dashen Bank
BOA	Bank of Abyssinia
WB	Wegagen Bank
NIB	Nib International Bank
UB	United Bank
LIB	Lion International Bank
CBO	Cooperative Bank of Oromia
ZB	Zemen Bank
AdIB	Addis International Bank
DGB	Debub Global Bank
ROA	Return on Assets
ROE	Return on Equity
EPS	Earning Per Share

ABSTRACT

Marketing strategies constitute one of the key functional strategies that Oromia International Banks (OIBs) adopt to enhance performance. This study focused on examining the effect of marketing strategies on OIBs' performance in Addis Ababa. The thesis used quantitative research design. Proportionate stratified and purposive sampling techniques were used as a sampling technique. Quantitative data was collected by using structured questionnaire which was distributed to a sample of 316 OIB managers working in two districts and the head office units. The response rate was 85%which resulted in269 questionnaires that were validated for the data analysis purpose. The quantitative data were analyzed using descriptive and inferential analysis. The findings of descriptive statistics show that the mean score of marketing strategy variables, i.e. product, price, promotion, place, people and process, inclined within agreement level. All independent variables have significant correlation with the dependent variable 'performance'. In particular, people had relatively strong relationship with performance. Likewise, the multiple regression results indicated that all of the six explanatory variables: product, price, promotion, place, people and process have a positive and significant effect on the performance of OIBs. The results also revealed that these independent variables were significant joint predictors of performance. The independent variables jointly explained 90.8% of the variance in performance. Finally, recommendations were made to OIBs based on the findings of the study.

Key words: *Product, Price, Promotion, Place, People, Process, OIB, and Performance.*

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

Marketing is one of the most significant objectives of companies' business strategy. For outperforming competition and taking accurate marketing decision, every company requires good marketing knowledge. The organization's product positioning and services depend on the performance and implementation of good strategic plans (Chicago exec, 2011).

The banking sector in Ethiopia has become highly competitive. In this competitive market, a strategy is needed to offer products or services which will do better than the competitors. The marketing strategy must be executed by a proper methodology.

Marketing is considered as a key element for any successful business, irrespective of its size, sector, the nature of its work and even its aims and objectives (Akroush, 2003). The ultimate goal of any business is to be successful and remain in business profitably. It's no hidden fact that the success or failure of an organization depends on its marketing strategies. Marketing is also a dynamic lesson that it changes over time. Hence, marketers should be able to adjust to changing market conditions through the major controllable and tactical elements of marketing mix i.e. product, price, place, and promotion (Weldegebriel, 2011).

Marketing strategy has become important tool for any organization to remain profitable and to be stronger in the competitive market environment. Aremu and Lawal (2012) see strategy as a pattern of resource allocation decisions made throughout an organization. This encapsulates both desired goals and beliefs about what is acceptable and most critically unacceptable means for achieving them. Strategy implies that the analysis of the market and its environment, customer buying behavior, competitive activities and the need and capabilities of marketing intermediaries.

Marketing strategy, therefore, can be defined as a method by which a firm attempts to reach its target markets. It starts with market research, developing the vision about the market(s), selecting market target strategies, designing positioning strategies, setting objectives and implementing the marketing programs to meet the value requirements of the target markets (Mustapha, 2013). It is a logic where customer needs, attitudes and competitors' products are assessed and continue through advertising, promotion, distribution and where applicable, customer servicing, packaging, sales, and distribution. Marketing strategy must focus on delivering greater value to customers and the firm at a lower cost (Chiliya, Herbst, and Roberts-Combard, M., 2009). Owomoyela, Oyeniyi, and Ola (2013) also see marketing strategy as the way of providing a quality product that satisfies customer needs, offering affordable price and engaging in wider distribution and back it up with effective promotion strategy. Marketing strategy is a vital prerequisite of an industry's ability to strengthen its market share and minimize the impact of the competition.

According to Philip Kotler P., Armstrong, G., Saunders, J., and Wong (2004), marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives. It is an endeavor by a corporation (or any organization) to differentiate itself positively from its competitors, using its relative corporate strengths to better satisfy customer needs in a given environmental setting (Subhash, 1999). For an organization, target consumers are at the center of the marketing strategy. The company identifies the total market it wants to serve and divides it into smaller segments. It then selects the most promising segments and focuses on serving them. It designs a marketing mix using mechanisms under its control: product, price, place, promotion people and process. It also engages in marketing analysis, planning, implementation, and control in order to find the best marketing mix and to take action. The company uses these activities to enable it to watch and adapt to the marketing environment (Kotler et al., 1999).

Banking is seen as a service orientated business the banking industry in particular plays crucial role in one country’s economic development, especially by increasing the exchange of goods and services in the real sector; thus increasing national output and the level of employment. Due to the twin impacts of deregulation and technological advancement, the banking industry is now learning to operate in a much more competitive environment. Under such competitive conditions, marketing suddenly becomes much more important as competitive trends intensity. The ability to innovate, manage and market associated changes is has become an important factor.

Consequently, to maintain a strong hold in the competitive market, every firm in the banking industry has to develop concrete marketing strategies in order to get a higher share of increasing market demand.

Though there is increasing empirical evidence on the effect of marketing strategies on performance in developed markets, much attention has not been given in developing economies. Marketing managers develop and implement strategies with the intention to improve the performance of their bank. Marketing academics study the relationships between strategies and performance with the aim of formulating guidelines about the effectiveness of strategies. Both managers and academics try to find out which strategies under which circumstances may improve the company's performance (Huzingh and Zengerink, 2001). For that reason, it would be of both theoretical and managerial interest to study the effect of marketing strategy and see the relationship between marketing strategy and performance.

Hence, this study examines the effect of marketing strategy on the performance of banks, in the case of Oromia International Bank SC.

1.2. Background of the Bank

Oromia International Bank S.C (OIB) is one of the private banks in Ethiopia from 16 private banks operating in the country. The Bank was established in accordance with the pertinent laws, regulations and the 1960 Commercial Code of Ethiopia, by the Monetary and Banking Proclamation No. 83/1994 and by the Licensing and Supervision of Banking Proclamation No. 592/2008. Accordingly, on September 18, 2008, OIB obtained a banking business license. At the time of its establishment, OIB‘s authorized capital was Birr 1.5 billion, whereas its subscribed capital was Birr 279.2 million, and its paid-up capital Birr 91.2 million. OIB began operation on October 25, 2008 by opening its first branch at the Dembel City Centre named "Bole Branch". As of June, 30 2019 the bank has 264 branches. The bank is also known as pioneer of interest free banking in Ethiopia.

Oromia International Bank S.C (OIB) has various types of scheme for customer like deposit service, credit/lending service, international banking service, international money transfer service, interest free banking service and electronic banking service. According to the bank annual report bulletin as of June 30, 2019 the total asset has grown to Birr 32.084 billion, Paid up capital 2.386 billion, deposit balance has grown to Birr 26.494 billion, Loans and Advances reached 17.384 billion, profit before tax ETB 1.001 billion and it is total staff reached 3,647.

To improve its service with the advancement of new technologies, almost all branches of the Bank are networked by core banking system. Electronic banking services are now operational. Card, mobile internet and agent banking are now operating in full-fledged.

1.1. Statement of the Problem

A research work conducted by (George K. Amoako 2012) revealed that strategic marketing has an impact or effect on profitability. It was also realized that the staff are aware of the benefits of strategic marketing. It was also realized that strategic marketing process that exists in the bank enables management and staff to take part in decision making and also to help in achieving managerial functions (planning, organizing, implementation, evaluation, etc.). The effective use of strategic marketing has affected the profitability of banks positively.

Consequently the effect of marketing strategies on the performance of an organization is hardly studied especially in particular business context (Akwaya C. 2005). According to Philip Kotler P., Armstrong, G., Saunders, J., and Wong, (1999), marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives. It is an endeavor by a corporation to differentiate itself positively from its competitors using its relative corporate strengths to better satisfy customer needs in a given environmental setting (Subhash, 1999). For an organization, target consumers are at the centre of the marketing strategy. The company identifies the total market it wants to serve and divides it into smaller segments. It then selects the most promising segments and focuses on serving them. It designs a marketing mix using mechanisms under its control: product, price, place and promotion. It also engages in marketing analysis, planning, implementation and control in order to find the best marketing mix and to take action. The company uses these activities to enable it to watch and adapt to the marketing environment (Kotler et al, 1999).

The relationship between marketing strategies and organization's performance in Ethiopia is under-researched. The meager amount of empirical evidence that exists about the marketing strategy-performance relationship mostly focus on the marketing strategies of other business sectors/contexts. For instance, Lidia Samuel's (2015) study has revealed that the marketing strategy variables have made the impact on the financial performance of the banks. However, the impact that each of these variables has on financial performance varies. Variables such as price, place, people, and promotion are stronger predictors. However, the finding of the study is in the context of Dashen Bank S.C. Her study doesn't include other non-financial measures such as the market share and customer satisfaction. So it is difficult to generalize the finding of this study in the context of all banking Industry.

In general, even if in different parts of the world various research studies have been conducted on the subject matter, i.e. the effect of marketing strategies on performance, it is difficult to generalize the finding of the study in the OIB's context without empirical testing. Besides, to the knowledge of the researcher, virtually there is no research undertaken on the effect of marketing strategies on performance in the context of OIB S.C.

Once organizations developed their marketing strategy, there is a "7P Formula" they should use to constantly evaluate and reevaluate their business activities. The "Ps" initially began with only four elements (Product, Price, promotion and Place), which were instrumental in ensuring a balanced marketing mix for physical products. They were later expanded to seven as a means of addressing marketing mix considerations for the service industry like banking. These 7P elements are: Product, Price, Promotion, Place, People, Process, and Physical evidence. This indicates that all these elements play a crucial role so as to implement the planned strategy. In this study, however only the first six elements (Product, Price, Promotion, Place, People and Process) have been considered while physical evidence has not been included not because of its insignificance but due to limiting the scope of the study and managing time as well. In other words, the importance of physical evidence is obvious and cannot be ignored in service rendering organizations. Hence, despite it had to be included in this study, this doesn't mean that the intention of the researcher was to nullify the importance of this element.

Therefore, the aim of this study is to narrow the gaps by examining the effect of marketing strategy on performance of the Bank in the case of Oromia International Bank S.C.

1.2. Research Questions

1.2.1. Main Research Question

To what extent do the marketing strategies affect the performance of Oromia International Bank S.C?

1.2.2. Sub-Research Questions

The study tries to answer the following specific research questions:

- ❖ To what extent does the product strategy affect the performance of OIB?
- ❖ To what extent does the price strategy affect the performance of OIB?
- ❖ To what extent does the promotion strategy affect the performance of OIB?
- ❖ To what extent does the place strategy affect the performance of OIB?
- ❖ To what extent does the people strategy affect the performance of OIB?
- ❖ To what extent does the process strategy affect the performance of OIB?

1.3. Objective of the Study

1.3.1. General Objective

The main objective of the research is to examine the effect of marketing strategies on the performance of Oromia International Bank S.C.

1.3.2. Specific Objectives

The specific objectives of the study are:

- ❖ To examine the effect of product strategy on the performance of the OIB;
- ❖ To investigate the effect of price strategy on the performance of OIB;
- ❖ To examine the effect of promotion strategy on the performance of the OIB;
- ❖ To examine the effect of place strategy on the performance of the OIB;
- ❖ To examine the effect of people strategy on the performance of the OIB;
- ❖ To examine the effect of process strategy on the performance of the OIB;

1.4. Research Hypothesis

The following hypotheses are formulated and were tested to answer to the research questions mentioned above. Therefore, the following alternative hypotheses were formulated:

H_1: Product strategy has positive significant effect on the performance of OIB.

H_2: Price strategy has positive significant effect on the performance of OIB.

H_3: Promotion strategy has positive significant effect on the performance of OIB.

H_4: Place strategy has positive significant effect on the performance of OIB.

H_5: People strategy has positive significant effect on the performance of OIB.

$H_{6:}$ Process strategy has positive significant effect on the performance of OIB.

N.B: The details of the above-formulated hypotheses are presented on the conceptual framework.

1.5. Significance of the Study

The findings of the study are useful for Oromia International Bank who is looking for the marketing strategies and performance in OIB context. Hence, the study serves as an input for the managers making decisions about identifying the key variables to develop marketing strategies and understanding the impact of marketing strategy on performance of the bank that can be used to achieve the organizational goals and objectives.

Furthermore, the study conserve as a stepping-stone for academicians and practitioners who may be focusing on similar topics and issues, particularly on the effect of marketing strategy on the banking industry.

Finally, the findings of the study are expected to stimulate the research interests among academics and students to further investigate in the area of marketing strategies and performance on banking industries.

1.6. Delimitation/Scope of the Study

The study examines the effect of marketing strategies of product, price, promotion, place, people, and process on Oromia International Bank’s performance.

The study focused only on managerial employees at selected branches and headquarters of OIB. The outcome of the study entirely depends on the responses of respondents included in the study. Hence, generalization to a wider population should be done with consideration.

Organizational performance is a multi-dimensional construct tapping financial, operational, and customer-related performance dimensions, which should be considered (Vorhies, Douglas, W., Harker, Michael and Rao, 1999). It doesn’t include other financial and non-financial measures such as segmentation, targeting, and positioning (STP) and others.

1.7. Limitation of the Study

This research faced with the following limitations:
The first limitation of the study was that since it was conducted in banking employees’ context, it is difficult to generalize the findings of the study to the customers of the Bank. The other limitations of the study were the existence of limited empirical evidence on the subject matter. There were also other limitations of this study that was the unwillingness of some respondents to

fill the questionnaire and provided the researcher with the relevant information which limited the outcomes of the research. Since the study was made based on only the questionnaire, it was not certain to clearly reveal the real situations. The study was only limited to consider the views and opinions of the managers of the Bank regarding the subject matters.

1.8. Definition of Terms

1.8.1. Conceptual Definition

- **Strategy:** is a plan that integrates an organization's major goals, policies, decisions and sequences of action into a cohesive whole (Proctor, 2000).
- **Marketing Strategy:** is the marketing logic by which the company hopes to create customer value and achieve profitable relationships (Kotler& Armstrong, 2011). In this context, it is one of the key functional strategies that OIBs adopt to enhance performance**.**
- **Marketing Mix:** is the set of controllable variables (Product, Price, Place, and Promotion) that the firm can use to influence the buyer's response (Kotler, 2000).
- **Market Share:** is to take the total number of sales for a company and then divide that number by the total sales for the industry. (Kimberlee Leonard (2018)
- **Customer Satisfaction:** is the degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customers. (business Dictionary)
- **Profit:** The surplus remaining after total costs are deducted from total revenue and the basis on which tax is computed and dividend is paid. It is the best known measure of success in an enterprise. (Business Dictionary)**.**

1.9 Organization of the Paper

The thesis was structured into five chapters as indicated below.

⇒ **Chapter One: Introduction**

The first chapter introduces the background of the study, statement of the problem, basic research questions, objectives of the study, research hypothesis, definition of terms, and the significance of the study. Further scope of the study was also presented.

⇒ **Chapter Two: Review of Related Literature**

This chapter deals with the review of existing literature to throw more light on the concepts of the subject matter which includes the theoretical, empirical, and conceptual literatures with regards to the topic of the study.

⇒ **Chapter Three**: **Research Methodology**

This chapter provides information about the methods used in the thesis to give solution for the research questions. The methodology illustrates research approach, research design, the source of data, data collection method, data collection instrument, data analysis method, validity &reliability; and research ethics.

⇒ **Chapter Four**: **Results and Discussions**

This chapter includes information on data presentation, analysis, interpretation, and discussion of the findings of the study.

⇒ **Chapter Five**: **Summary, Conclusions, and Recommendations**

This chapter deals with the summary, conclusions, and recommendations that were drawn from the findings of the study.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2. Introduction

This chapter reviews the issues regarding marketing strategy which provides an insight into the area of the study. In this chapter, the theoretical, empirical and conceptual literature which focused on the research objectives is reviewed hereunder.

2.1 Theoretical Review

2.1.1. What is Strategy?

Strategy is a set of key decisions made to meet objectives. A strategy of a business organization is a comprehensive master plan stating how the organization will achieve its mission and objectives. Chandler (1962) described strategy as the basic long-term goals of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Mintzberg (1979) postulated that strategy is a mediating force between the organization and its environment: consistent patterns in streams of organizational decisions to deal with the environment. Prahlad (1993) states strategy has more than just fit and allocation of resources. It is stretching and leveraging of resources.

Strategy refers to a complex web of thoughts, ideas, insights, experiences, goals, expertise, memories, perceptions, and expectations that provides general guidance for specific actions in pursuit of particular ends. Nations have, in the management of their national policies, found it necessary to evolve strategies that adjust and correlate political, economic, technological, and psychological factors, along with military elements. Whether it is management of national polices, international relations, or even of a game on the playfield, it provides us with the preferred path that we should take for the journey that we actually make.

According to Porter (1996), strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value.

According to Tony Porter (1996) a strategy is a plan that integrates an organization's major goals, policies, decisions and sequences of action into a cohesive whole. It can apply at all levels in an organization and pertain to any of the functional areas of management. Thus there may be production, financial, marketing, personnel and corporate strategies, just to name a few, if we look specifically at marketing then there may be pricing, product, promotion, distribution, marketing research, sales, advertising, merchandising, etc. strategies. A strategy is concerned with effectiveness rather than efficiency and is the process of analyzing the environment and designing the fit between the organization, its resources and objectives and the environment.

2.1.2. Definitions of Marketing Strategy

Marketing Strategy is an organization's strategy that combines all of its marketing goals into one comprehensive plan. A good marketing strategy should be drawn from market research and focus on the right product mix in order to achieve the maximum profit potential and sustain the business. The marketing strategy is the foundation of a marketing plan. Marketing strategy is a broad concept, defined and conceptualized in different ways by different authors. The definitions of marketing strategy are shown in table 1.

Table 1: Definitions of Marketing Strategy

Authors	Definitions
Drucker (1973)	"Strategic marketing as seen as a process consisting of analyzing environmental, market competitive and business factors affecting the corporation and its business units, identifying market opportunities and threats and forecasting future trends in business areas of interest for the enterprise, and participating in setting objectives and formulating corporate and business unit strategies. Selecting market target strategies for the product markets in each business unit, establishing marketing objectives as well as developing, implementing and managing the marketing program positioning strategies in order to meet market target needs"
Kotler (1990)	"The broad principles by which the business unit expects to achieve its marketing objectives"
Aramario&Lambin (1991)	Although marketing has basically a strategic conception of the selling activity, we use to distinguish between strategic marketing and operational marketing, depending on long term or short term objectives. Strategic marketing starts in thoughts about current situation of the company and situational analysis and possible evolution of the markets and the environment, with the goal of detecting opportunities which can establish objectives"
Bovee&Thil (1992)	"Marketing strategy is the overall plan for choosing a target and succeeding within it through product, pricing, distribution and promotional choices"

Bennet (1995)	"The process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals."
Bennet (1995)	"Marketing strategy is concerned with decisions relating to market segmentation and targeting, and the development of a positioning strategy based on product, price, distribution, and promotion decisions."
Varadarajan (2009)	"Marketing strategy refers to an organization's integrated pattern of decisions that specify its crucial choices concerning products, markets, marketing activities and marketing resources in the creation, communication and/or delivery of products that offer value to customers in exchanges with the organization and thereby enables the organization to achieve specific objectives."
Kotler& Armstrong (2011)	"Marketing strategy is the marketing logic by which the company hopes to create customer value and achieve profitable relationships. The company decides which customer it will serve through segmentation and targeting. And then decides how, by differentiation and positioning. It identifies the total market, divides it into smaller segments, selects the most promising segments and, then focuses on serving and satisfying customers in that segment. It designs a marketing mix using mechanisms under its control: product, price, place, and promotion. It also engages in marketing analysis, planning, implementation, and control in order to find the best marketing mix and to take action."

Marketing strategy is the means by which marketing goals are achieved. Marketing strategy implies integration of all functions in moving any type of goods or services from production to the final user. It makes full use of all relevant disciplines in an organization in an integrated pattern Bund H, Carroll JW (1957). The origins of research on marketing strategy formulation can be traced back to studies on strategy by the porter in 1980. Porter introduced the framework that could provide the managers with criteria to assess the environment before strategy formulation. Wind, Yoram& Thomas (1983) proposed a model for strategy formulation and evaluation and the model were believed to overcome most of the limitations of the marketing research till date. The model emphasized on a marketing-oriented approach to strategic planning.

A marketing strategy helps a company make crucial interactions with markets infrastructure that is among the company's customers, competition, and channels (3Cs). A clear understanding of the internal and external factors of the business is necessary before formulating a strategy. Understanding the market environment help marketers devise appropriate marketing programs that bring value to the business particularly in the areas of cost control and revenue growth.

Although marketing has basically a strategic conception of the selling activity, we use to distinguish between strategic marketing and operational marketing, depending on long term or short term objectives. Strategic marketing starts in thoughts about current situation of the company and situational analysis and possible evolution of the markets and the environment, with the goal of detecting opportunities which can establish objectives (Aramario&Lambin, 1991)

2.1.3 Marketing Strategies for Banks

Doyle (2000) describes strategic marketing in the management process that seeks to maximize returns to shareholders by creating a competitive advantage in providing communicating and delivering value to customers there by developing a long term relationship with them. The specific contribution of marketing in the organization lies in the formulation of strategy to choose the right customer build relationships of trust with them and create a competitive advantage a marketing strategy consists of an internally integrated but externally focus set of choice about how the organization addresses its customers in the context of a competitive environment.

Kimberlee Leonard (2019) defined Banks business strategy as Banks have a unique challenge when it comes to marketing because they do not offer tangible products for consumers. Promoting a bank requires convincing consumers to trust a bank with their money and make customers feel like they are getting the most value for their money. Once customers invest with a bank, the bank must work to keep customers and get them to buy-in to additional products.

Banks make money based on the total deposits maintained and loans issued. Consumers have many banks and credit unions to choose from, all competing for their checking, savings and lending needs. In highly competitive markets, banks must utilize strategies for acquiring and retaining assets from new and existing customers.

According to Kotler (2003) Marketing strategy is marketing logic according to which the business unit is marketing. Marketing strategy focuses on target customers; the company chooses a market, divides it in to segments, selects the most viable ones & consolidates its forces in the service segment. The company creates a marketing mix, using the tools at its disposal product, price, distribution sales support in order to establish the best marketing mix and able to take appropriate action, the company performs marketing analysis of marketing plan and carriers them out. It carries out these activities by monitoring the environment and adapting to it.

Consequently, the marketing strategy in the services should include the 4Ps of the services marketing mix framework and service quality, which may have a crucial effect on companies' performance. The 4Ps of the services marketing mix framework has been advocated the service marketing literature as a generic framework for services marketing management and, the 4Ps components are the major components to formulate a marketing strategy in service (Smith and Saker, 1992). A company must consider four special service characteristics when designing marketing programs: intangibility, inseparability, variability, and perishability and these major characteristics are defined in the following manner (Kotler and Armstrong, 2006).

2.1.4 Marketing Strategy Models

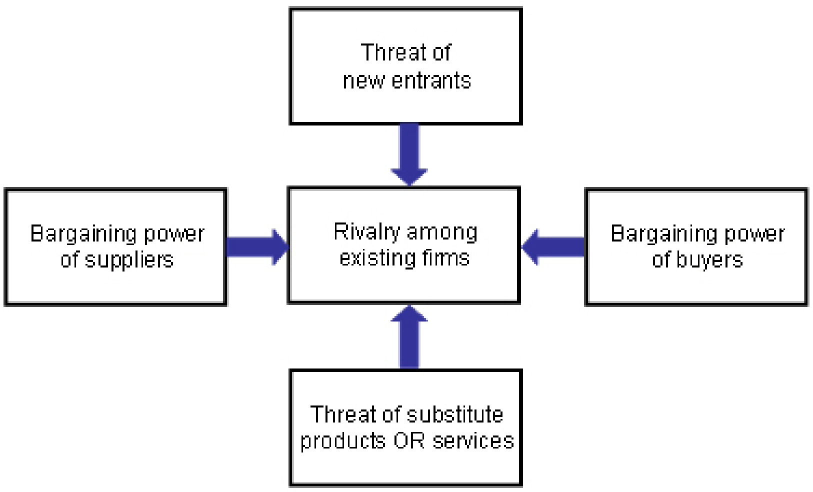
Both the practitioners and theoreticians need evidence and frameworks for analysis of the current status of the firm in order to elucidate reasons for poor performance of the organization for devising a competitive marketing strategy (Hambrick&Schecter, 1983). It helps to analyze market information facilitating quicker adaptation to changes. Many authors have introduced various marketing strategy models that take an iterative cyclic path starting from the formulation of mission and objective, analysis of the internal and external environment of the business followed by strategy formulation and implementation. The strategy formulation process use models and frameworks such as Porter’s five forces model, Boston Consultancy Group (BCG) matrix, General Electric (GE) /McKinsey matrix, Ansoff Matrix, Strength Weakness Opportunity Threat (SWOT) analysis and McCarthy’s marketing mix model for initial analysis of the business. The literature on marketing strategy formulation is often complemented by strategic management in this area.

Throughout the major process of marketing strategy, the need for objectives and strategy to be realistic, obtainable, and based firmly on corporate capability must have got considerable emphasis. In practice, of course, this translates into an almost infinite number of strategies that are open to an organization. Porter (1980) has, however, pulled them together and identified three generic types of strategy – overall cost leadership, differentiation, and focus – that provide a meaningful basis for strategic thinking. In doing this, he gives emphasis to the need for the strategist to identify a clear and meaningful selling proposition for the organization – in other words, what is our competitive stance, and what do we stand for in the eyes of our customers? Any failure on the part of the strategist to identify and communicate the selling proposition and strategy is, he suggests, likely to lead to a dilution of the offer and to the company ending up as stuck in the middle or, as it appears, a middle-of-the road heading into the marketing wilderness.

Porter's thesis is therefore straightforward: to compete successfully the strategist needs to select a generic strategy and pursue it consistently. Obviously there is no single 'best' strategy even within a given industry, and the task faced by the strategist involves selecting the strategic approach that is best allow it to maximize its strengths vis-à-vis its competitors.

The following diagram depicts the interaction between Porter´s Five Forces:

Figure 1: Porter's Five Forces



Source: The Competitive Advantage: Creating and Sustaining Superior Performance by M. E. Porter 1985

2.1.5 An overview on how these elements are analyzed, with regards to Porter´s model.

Taken together, these factors represent the forces governing the nature and intensity of competition within an industry, and they are the background against which the choice of a generic strategy should be made.

In identifying the three specified generic strategies, Porter suggests that the firms that pursue particular strategy aimed at the same market or market segment make up a strategic group. It is the firm that then manages to pursue the strategy most effectively that will generate the greatest profits. Thus in the case of firms pursuing a low-cost strategy, it is the firm that ultimately achieves the lowest cost that will do best.

2.1.5.1 Porter's Three Generic Competitive Strategies

Cost Leadership Strategy

A cost leadership strategy is one in which a firm strives to have the lowest costs in the industry and offer its products or services in a larger market at the lowest prices (David, 2011). Characteristics of cost leadership include, low level differentiation, aim for average customer, use of knowledge gained from past production to lower production costs, and the addition of new product features only after the market demands them (Grant, 2000). Cost leadership strategy is advantageous: it protects the organization from new entrants because a price reduction can be used to protect it from new entrants (Dess and Davis, 1984).

According to Porter (2008) a firm can set its prices above the industry average prices of its competitors so that it can be able to generate profits for itself or on it can set prices lower than the other players in that industry so that they can be able to maintain or increase their market share. In case of a price war a firm can still be able to earn a margin while the rival firms continue to suffer losses but in the absence of a price war and the industry is at its maturity stage a firm can still maintain profitability for a longer period so long as its production is at a lower cost (Porter, 2008). McCracken (2012) identified ways through which firms can have cost advantages such as accessing a large source of cheap materials, making optimal outsourcing and vertical integration decisions, or avoiding some costs altogether (Reilly, 2012). However, competing firms can still sustain a competitive advantage through cost leadership if these firms fail to lower costs to the same level (Porter, 2004). According to Porter (2010), for a firm to be able to implement cost leadership strategy successfully need to have the following internal strengths: access to the capital required to make a significant investment in production assets; this investment presents a barrier to entry that many firms may not overcome, skill in designing products for efficient manufacturing, for example, having a small component count to shorten the assembly process, high level of expertise in manufacturing process engineering, and efficient distribution channels (McCracken, 2012).

However, the risk of cost leadership is that competitors may reap from the technology, nullifying the firms accumulated cost reductions (Porter, 2008). Provision of customer value should be a business s primary strategic goal and must be supported by the organization top management (Porter, 2008). The top management ought to build and maintain internal and external relationships with its customers (Amit and Schoemaker, 2008). By doing so, it enhances productivity and its image (Grant, 2013).

Differentiation Strategies

Differentiation is one of Porter's key business strategies (Reilly, 2012). When applying this strategy, a company focuses its efforts on offering a unique product or service. Since, the product or service is unique; this strategy provides high customer loyalty. To achieve successful differentiation strategy firms ensures that product quality, appearance or after sale service are able to meet the consumer requirements. A firm should also consider other methods such as superior service to its clients, its distribution capabilities or system of delivery (Porter, 2006).

The key step in devising a differentiation strategy is to determine what makes a company different from a competitor's (Reilly, 2012). Factors such as market sector quality of work, the size of the firm, the image, graphical reach, involvement in client organizations, product, delivery system, and the marketing approach have been suggested to differentiate a firm (David, 2010). To be effective, firms ought to articulate the message of differentiation to reach the clients (McCracken, 2012), as the customer's perceptions of the company are important. When using differentiation, firms must be prepared to add a premium to the cost (Hyatt, 2011). This is not to suggest costs and prices are not considered; only it is not the main focus. However, since customers perceive a differentiated product or service as being unique, they are loyal to the company and willing to pay the higher price for its products (David, 2010).

Some key concepts for establishing differentiation include: speaking about the product to select panels (McCracken, 2012), writing on key topics affecting the company in the association's magazine or newsletter, becoming involved in the community, being creative when composing the company's portfolio, offering something the competitor does not or cannot offer, adding flair and drama to the store layout, providing e-commerce, making quick and easy access to company information and products, using company size as an advantage, training employees with in-depth product and service knowledge, offering improved or innovative products, emphasizing the company's state-of-the-art technology, quality service, and unique products/services, using photos and renderings in brochures (McCracken, 2012), and selecting products and services for which there is a strong local need (David, 2010).

Differentiation takes various forms such as using concentric diversification where the strategy requires similarity in technology between two firms but a change in the marketing plan between the two business entities (Ramirez, 2005). This means that a firm is able to take advantage of its technological know-how to remain competitive. From this synergy is achieved in the form of complementary marketing, financial, operating or management efforts (Thomson and Pedersen, 2010). Another form of differentiation is through horizontal diversification where a firm enters a new business (either related or unrelated) at the same stage of production as its current operations (Lines and Servaes, 2012). This type of strategy tends to be an advantage in a market that is highly competitive and a firm has significant loyal clients. The other form of differentiation is by using conglomerate diversification where a firm includes a range of products that have no technological or commercial synergy with the present products but which may attract new clients to the business (Fisman and Khanna, 2014).

Cost Focus Strategies

In the focus strategy, a firm targets a particular segment of the market (Bauer and Colgan, 2011; Hyatt, 2011). The firm can choose to focus on a selected customer group, product range, geographical area, or service line in order to increase its market share (Davidow and Uttal, 2009). A successful focus strategy (Porter, 2010) relies upon a market segment big enough with a growth potential but not of no importance to other rivals. Market penetration or market development can be an important focus strategy (Stock, 2009). Midsize and large firms use focus-based strategies but only in conjunction with differentiation or cost leadership generic strategies (Baum and Oliver, 2012). But, focus strategies work well when consumers have different preferences and when the rival firms have no interest in that particular market (Davidow and Uttal, 2009).

To implement a focus strategy effectively a firm needs ascertain the industry size, growth potential and its importance to other competitors in the same industry (Porter, 2010). Focus strategy work well in circumstances where the needs of a potential customers and market niche have not been explored by the competitors (Davidow and Uttal, 2009). When planning a firm must ensure that customer focus is incorporated as a key factor and it must also ensure that the different segments of the market are also included in the plan (Grant, 2000). Firms can build strong relationship with their clients by ensuring close attention is provided to its clients at all levels as this helps to eliminate the possibility of anxiety (Young, 2009). Some companies choose to focus on their capabilities which are unique from those of their rivals.

The focuser's basis for competitive advantage is either lower costs than competitors serving that market segment or an ability to offer niche members something different from competitors (Stock, 2009). Focusing is based on selecting a market niche where buyers have distinctive preferences (Porter, 2010). The niche is defined by geographical uniqueness, specialized requirements in using the product or by special attributes that appeal to members, (Stone, 2005).

2.1.6 Ansoff Product/Market Matrix

Market Penetration Strategy of Existing Markets

Here the strategy amounts to increasing sales of existing products while at the same time trying to maintain current margins of profitability on sales. When the market is expanding this may be accomplished with nominal outlays of marketing expenditure by getting more first-time users to buy the product or to increase product usage of existing buyers or to increase the frequency of use. In a saturated market, extra sales may only be generated as a result of increased market share. Another possibility, however, is to promote new applications for existing product users. Such new uses can best be identified by market research aimed at determining exactly how customers use the brand (Proctor, 2000, pp. 239)

Increasing market share puts heavy pressure on marketing resources and can impact negatively on short-run profitability. However, if economies of scale or the impact of the 'experience curve' are felt as a result of increased supply to the market then this may more than offset the impact on profitability of any additional marketing expenditure. A share gain can be based on tactical actions such as advertising, trade allowances, promotions or price reductions. The problem is that such share gains can be difficult to sustain. A preferred option is to generate a more permanent share gain by winning a sustainable competitive advantage with enhanced customer value or by matching a competitor's sustainable competitive advantage. Attempts to increase market share will very likely affect competitors directly and therefore precipitate competitor responses. The alternative of attempting to increase usage among current customers is usually less threatening to competitors. Heavy users are usually the most fruitful target. Light users, however, should not be ignored because there may be a way to unlock their potential. Increased product usage can in fact be stimulated in three different ways. First, the frequency can be increased. Second, the quantity used in each application can be increased. And finally, new applications can be promoted (Proctor, 2000, pp. 240).

In order to increase the frequency of use, reminder communications are necessary. In the case of getting people to use more of the product, this may simply involve repositioning the product from one which is used occasionally, to one that is used regularly and this can be achieved through a repositioning promotional campaign. Other increases of frequency of purchase may be sought through providing incentives-competitions and sales promotions. Similar techniques can be used to increase the quantity used on each occasion, i.e. reminder communications and incentives (Proctor, 2000, pp. 240).

2.1.7 Market Development Strategy

Finding new markets does not guarantee long-term or short-term profitability but economies of scale in producing for the market or in supplying the market will contribute to profitability. However, there may well be barriers to entry to the market which means that neither short-run nor long-term contributions to overall profitability are attractive.

A logical avenue of growth is to develop new markets by duplicating the business operation, perhaps with minor adaptive changes. In the case of market expansion, the same expertise and technology and sometimes even the same plant and operations facility can be used. There is thus potential synergy and resulting reductions in investment and operating costs. Of course, market development is based upon the premise that the business is operating successfully (Proctor, 2000).

Geographic expansion may involve changing from a regional operation to a national operation, moving into another region, or expanding to another country. A firm can also grow by reaching into new market segments. There is, of course, a variety of ways to define target segments and hence growth directions. A key to detecting new markets is to consider a wide variety of segmentation variables. Sometimes looking at a market from different perspectives will uncover useful segments:

- Usage: the non-user can be an attractive target
- Distribution system: new markets can be reached by opening up additional distribution channels
- Age: pulling in additional age categories in the population (consumer goods).

A key to detecting new markets is to consider a wide variety of segmentation variables. It is especially useful to identify segments that are not being well served. In general, segments should be sought for which the brand can produce value (Proctor, 2000, pp. 240-241)

2.1.8 Product Development Strategy

The introduction of new products can have a positive impact on sales growth. Initially, profitability may not increase since there may be substantial research, development and launching costs associated with the venture which have to be recouped. Longer-term rates of return on investment which are at least equal to the current rate of return on capital employed are required from new products. This may not be possible and firms may have to accept the possibility or even certainty of lower profitability, just to stay in business. Predicting demand for new products can be difficult and hence so is the estimation of profit potential (Proctor, 2000).

A 'new product' can be defined in several different ways. A product can refer to a physical entity or a cluster of expected customer benefits, depending on whether the perspective adopted is that of the business or that of the market. From the point of view of a business, a product innovation may represent a change in, or addition to, the physical entities that make up its product line. From a market perspective, the term refers to a new or revised set of customer perceptions about a particular cluster of benefits. Thus, that which is considered a product innovation by a business enterprise may not be recognized as such by its customers. Here we will adopt a business perspective. A new product is one that is new in any way for the company concerned (McCarthy and Perreault, 1993). Additions to existing product lines and improvements of an existing product may also be thought of as 'new products'. In practice only a few new products are actually new to the firm and new to the market.

2.1.9 Diversification Strategy

Diversification involves moving simultaneously into new products and new markets. It is a risky strategy but with careful selection of the right kind of businesses, considerable improvements in profitability can be experienced. It can take place into related or unrelated products. A firm in microcomputer production might move into making personal telecommunications equipment. This might be seen as diversifying into related products since both products make use of microelectronic technology and the experience gained in one field might be usefully employed in the other. The same firm diversifying into shoe manufacturing would be moving into unrelated products. Moving into areas where a firm does not have any prior experience is highly risky and firms may prefer to move into related markets. Moreover, there may be some synergy to be gained from moving into related markets (Proctor, 2000, pp. 253).

The synergy may be in marketing or even in production. Diversification represents an opportunity for growth and revitalization. It is the strategy of entering markets different to those in which the firm currently operates. A diversification strategy can be implemented by an acquisition (or merger), new business venture or strategic alliance.

It is usual to differentiate between diversification that is ‘related’ from that which is ‘unrelated’. A related diversification is one in which the new business has meaningful commonalities with the core business. These provide the potential to generate economies of scale or synergies based on exchange of skills and resources. In theory, as a result of diversification, the business should be able to improve its return on investment (ROI) because of increased revenues, decreased costs or reduced investment. Meaningful commonalties can involve similar: distribution channels, images and their impact on the market, sales and advertising efforts, facilities, production processes, R&D efforts, operating systems, and Staff needs (Proctor, 2000).

2.1.10 Marketing Mix Strategy

“Winning companies satisfy customer needs and surpass their expectations economically, conveniently and with effective communication” (Kotler and Keller, 2009, pp. 63)

Planning a detailed marketing mix is the next step after choosing an overall competitive marketing strategy. With the marketing mix, the company controls tactical marketing tools and most of all influences the demand for its product (Kotler et al., 2005, pp. 33-34).

The marketing mix tools are categorized under four broad concepts called the 4P’s of marketing: product, price, promotion, and place. With these concepts, the company is able to plan and guide its marketing activities and most importantly to “create, communicate and deliver value for consumers” (Kotler and Keller, 2009, pp. 62).

Figure 2: The 4P Components of Marketing Mix

Adapted from: Kotler, Ang, Leong and Tan (1999)

Source:*Kotler, P., Armstrong, G., Saunders, J., and Wong. (1999). Principles of Marketing Second European Edition London: Prentice Hall.*

Each of the 4P's includes several marketing variables, which can be seen in Figure2. The marketing mix decisions are made by carefully considering each of the variables and reflecting the product or service on them. The variables are closely connected and marketer must understand how they effect on each other. The price and promotion are easy to change according to short-term plans, unlike product or place only on the long-term (Kotler and Keller, 2009, pp. 63).

The marketer's and buyers' views of 4P's differ from each other. With 4P's the marketer tries to influence the buyers and attract them to choose the product or service when in the meantime the buyer evaluates how the 4P's deliver the customer benefit (Kotler and Keller, 2009, pp. 63).

2.1.11 Elements of Marketing Mix Strategies

i. Product Strategy

The classification of a product is very broad, but simply put it is "anything that can be offered to a market to satisfy a want or a need". The product can be tangible; for example, physical goods, or intangible, such as services, experiences, persons, properties or organizations. The marketing mix starts with the product as it is the most important part and other elements are tied around it (Kotler and Keller, 2009, pp. 358, 382).

The product can be thought to have several layers each of them adding more customer value to the product. The customers buy the product to benefit from it i.e. to satisfy a need hence creating the core of the product. On top of the core, there is the actual product featuring characteristics, such as quality level, product and service features, styling, a brand name, and packaging. The company builds around the core and actual product, an augmented product to create benefits that best satisfy the customer. A product differentiation and competition starts to take place at the product augmentation level resulting in competitive advantage (Kotler and Keller, 2009, pp. 358; Kotler et al., 2005, pp. 539-540).

The product attributes listed above define greatly how the customers react to the product. In production, the quality level positions the product in the target market; but in marketing, the product quality describes how a product performs its functions. Kotler et al. (2005) list product's overall durability, reliability, precision, ease of operation and repair among other valued attributes which measure quality hence reflecting the customer value and satisfaction.

There are two directions for planning a product strategy:

A. Develop Adequate Core benefit

Product is the aggregate of providing satisfaction and benefits in all of or some combination of physical performance, psychological factors, service impression and symbolic meanings. The key benefit or purpose for which a consumer buys a product varies from consumer to consumer. Harrel and Fazier (1999) provide an easy categorization; they divide a product into three dimensions: core product, which indicates a product’s basic function and benefits; branded product, which means the vies of product’s packaging, characteristics, quality, style, and brand image; third augmented product, including not only its core benefits and physical being, but also adding other sources of benefits such as shipping service, warranty, returns, product liability, product recall, and etc.

Therefore, designing a product strategy should depend on whether the core benefit comes either from the physical goods and service performance or from the augmented dimensions of the product.

B. Utilize the Relation between the Product classification and Implicit Exchange Cost

According to Commodity School, the consumer products are categorized into convenience, shopping, and specialty goods (Copeland, M.T., 1923). “Level of involvement” is the key to understanding the high or low of Implicit Exchange Cost for the above classification. For examples, first convenience goods buyer is facing with a choice between, these buyers would choose a brand which has a long-term identical positioning. Because such brand product reduces

Information Search Cost that is a convenience for this buyer who is with low involvement. On the other hand, the reverse is true for the rest.

In general, 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.

1. Product Positioning Strategy

The term positioning refers to placing a brand in that part of the market where it will receive a favorable reception compared to competing products. Because the market is heterogeneous, one brand cannot make an impact on the entire market. As a matter of strategy, therefore, a product should be matched with that segment of the market in which it is most likely to succeed. The product should be positioned so that it stands apart from competition brands. Positioning tells what the product stands for, what it is, and how customers should evaluate it. Positioning is achieved by using marketing mix variables, especially design and communication. Although differentiation through positioning is more visible in consumer goods, it is equally true of industrial goods. With some products, positioning can be achieved on the basis of tangible differences (e.g. Product feature), with many others, intangibles are used to differentiate and position products (Andrew E., 2001).

2. Product Elimination Strategy

Marketers have believed for a long time that sick products should eliminated. It is only in recent years that this beliefs that became a matter of strategy. If a product's role diminishes or if it does not fit into the portfolio, it ceases to be important. When a product reaches the stage where continued support is no longer justified because performance is falling short of expectations, it is desirable to pull the product out of the market place. Poor performance is easy to spot (Walker, Boyd and Larreche, (1992*)*.

3. New Product Development Strategy

New product development is an essential activity for companies seeking growth. By adopting a new product strategy as their posture, companies are better able to sustain competitive producers on their existing products and make headway. The implementation of this strategy has become easier because of technological innovations and the willingness of customers to accept new ways of doing things. The term new product is used in different senses. For our purpose, the new product strategy will be split into three alternatives; product improvement/modification, product imitation and innovation (Andrew E., 2001).

4. Product Mix Strategy

A product mix (also called product assortment) is the set of all products and items that a particular marketer offers for sale. The product mix of an individual company can be described in terms of width, length, depth, and consistency. The width refers to how many different product lines the company carries. The length refers to the total number of items in the mix. The depth of a product mix refers to how many variants of each product are offered. The *consistency* of the product mix refers to how closely relate the various product lines are in end use, production requirements, distribution channels, or some other way. These four product mix dimensions permit the company to expand its business by (1) adding new product lines, thus widening its product mix; (2) lengthening each product line; (3) deepening the product mix by adding more variants; and (4) pursuing more product line consistency (Aaker, D.A. and Keller, K.L.1990).

ii. Price Strategy

According to (Kotler, 2005), price is the amount of money charged for a product/service or the total values that consumers exchange for the benefits of having or using the product or service. Each product or service must have a price it is sold to a user, customer or end-consumer. Essentially price, after discounts and payment time, is what brings the revenues to the company and enables the company's various functions to go on. Apart from price, other marketing mix elements represent cost.

Price plays a major role in the buyer's mind. Depending on the product or service offered, the price can be set for one price to all, or modified according to the company's decisions and pricing strategy. Depending on the size of the company, the decision maker for the price varies. In small companies, it’s often the boss who sets the prices; in larger companies, it can be done by product-line managers, with top management setting price objectives and policies and then making the final call (Kotler and Keller, 2009, pp. 416-417).

The pricing environment nowadays is fast changing and price wars occur. The companies that only sell with price may face major difficulties with lost profits. Instead of selling based on price, companies should sell based on value by justifying the price to the consumer with greater benefits received. The company should look at the total marketing mix when deciding on prices. If the product positioning is based on non-price factors then quality, promotion, and distribution affect the price. If the positioning is based on price, decisions on other marketing mix elements are strongly affected (Kotler et al., 2005, pp. 664-665).

Among the actual and potential customers, the price of the product should be agreed. Too high or low the price affects the quantity sold, however on different target segments the pricing may vary and still be accepted within the segments. Both production and marketing costs affect the final price of a product. The price in the eyes of the customer is also built on the image that marketing has created (Rope, 2005, pp. 223-225).

iii. Promotion Strategy

Marketing communications also called promotion mix, which includes the various communication techniques such as advertising, personal selling, sales promotion, and public relations/product publicity available to marketer is combined to achieve targeting audiences in an attempt to influence attitudes and behaviors. The ultimate response, of course, is purchase and satisfaction. Therefore, with a promotion mix, the company communicates with its customers, intermediaries and the public (Kotler et al., 2005, pp. 719).

There can be seen a shift in the current marketing communication trends compared to the past-marketers are moving from mass marketing to building closer relationships with customers because of more fragmented markets and vast improvements in information technologies. With new technologies and more information, available marketers are able to thoroughly track customer needs and develop well-focused marketing programs (Kotler et al., 2005, pp.720).

The customer's mind may easily get lost in a jungle of advertising messages, thus creating a confused company image and brand position. Identifying the most efficient channels in the communication process with available resources, the company is able to control its image, position itself better and manage the customer relationship in the long-term (Kotler et al., 2005, 725-727; Rope 2005, pp. 279).

The marketing communication tools stated earlier (advertising, sales promotion, public relations, personal selling and direct marketing) can be classified into two parts, non-personal and personal communication channels. The non-personal communication channels include advertising, sales promotion and public relations as in the personal communication channels the selling is personal with people communicating directly with each other. The personal communication channels are personal selling and direct marketing (Kotler et al., 2005, pp. 737).

According to Kotler (2006), the AIETA model shows the buyer as passing through the stages of awareness, interest, trial, and adoption. Either high or low involvement buyers will experience this process. This model simplify explains a buyer's behavior from becoming aware of the product, having the interest, evaluating the product, giving a try, and then if satisfied, adopting the product.

iv. Place Strategy

Producing, pricing and promoting the product may not count for much unless the company is able to deliver superior value to the customer, and thus actually reaching its market. To guarantee availability the product must be delivered at the right time, at appropriate quantity and at the right place for the customer (Kotler et al., 2005, pp. 897; Rope 2005, pp. 248).

A supply chain is formed of key supplier and resellers. Upstream from the product or service provider exist a set of firms that supply the material sold, whether it's the raw material, parts, information or expertise. Downstream towards the customer exist marketing channels or distribution channels. Partners in the downstream between the provider and customer can heavily influence the customer satisfaction and create product value (Kotler et al 2005; pp. 857, 897).

The company must remember to adjust its entire supply chain and marketing channels based on its competitors' channels in order to find out industry standards and gain competitive advantage via best practices (Kotler et al., 2005, pp. 857). Distribution channels where product or service is provided to the customer include distributors, wholesalers, retailers, sales reps or direct selling (Rope 2005, pp. 253).

In general, there are two main kinds of place strategy. "Push" and "pull strategy". A push strategy uses a company's sales force and trade promotion activities to create consumer demand for a product. The promotion process is the product producer promoting the product to wholesalers, the wholesalers promoting it to retailers, and finally, the retailers promoting it to consumers. On the other hand, a pull strategy requires high spending on advertising and consumer promotion to build up consumer demand for a product. If the strategy is successful, consumer will ask their retailers to order the product, the retailers will order the product from the wholesalers, and finally the wholesalers will order it from the product producer (Harrel, G. D. and Frazier G.L., 1999).

V. People Strategy

People are All human actors who play a part in service delivery and thus influence the buyers' perceptions; namely, the firm's personnel, the customer, and other customers in the service environment. Zeithaml et al (2008).

People are the most important element of any service or experience. Services tend to be produced and consumed at the same moment, and aspects of the customer experience are altered to meet the individual needs of the person consuming it.

Vi. Process Strategy

Process is the actual procedures, mechanisms, and flow of activities by which the service is delivered – this service delivery and operating systems.Zeithaml et al (2008).

There are a number of perceptions of the concept of process within the business and marketing literature. Some see processes as a means to achieve an outcome, for example – to achieve a 30% market share a company implements a marketing planning process. However in reality it is more about the customer interface between the business and consumer and how they deal with each other in a series of steps in stages, i.e. throughout the process.

2.1.12 Performance

Performance, as a concept, is a subject open to wide variability as it is a somewhat imprecise word when it functions as a placeholder in research (Folan,et.al, 2007). The lack of agreement on a definition creates confusion and clearly limits the potential for generalizeability and comparability of research in this area (Franco-Santos, et.al, 2007). The business dictionary however defines performance as the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed.

According Molly (2013) to accurately assess how well a business is performing; one needs to develop some quantifiable measures by identifying those aspects of the business processes that need improvement and those that are working well. This can then be used to evaluate the company's productivity over a set period of time. The U.K based firm, Kellerton Consulting (2013) has observed that performance management should be at ensuring that as much information and decision making as possible is geared towards improving performance in line with the organization's goals and strategy.

In general, the literature on performance revealed that there is neither one single criterion nor a set of criteria approved between marketing strategy scholars for performance assessment (Venkatraman and Ramanujam, 1986). Performance can be determined in various ways such as financial performance, market performance, customer performance or overall performance.

Therefore, in this study, the performance of Oromia International bank can be measured in terms of Marketing mix elements (product, Promotion, place, price, people and Process).

A successful marketing strategy depends upon addressing a number of questions; whom the company is going to target, what the company is going to produce, how much is the price to be charged, how the product is delivered, how the company is going to promote their product, how they create long term relationship with customers, etc.

Therefore, in order to achieve the marketing objectives, we need to have a strategy that includes different elements. Here there are major elements that are used in the literature to explain the details of marketing strategy. They are Market share and Customer Satisfaction, Profitability, Returnon Equity and Employee Satisfaction.

a. Profitability

The performance indicators of an organization have little meaning unless they are seen in the context of economic and industrial developments and benchmarked against a peer group or past performance (Krishnan, 2009). According to literature reviews, it is explained that bank performance is represented mainly by quantifiable financial indicators. The literature on the determinants of bank performance has closely tied bank performance with profitability measures such as Return on Assets, Return on Equity, Net interest margin and the like (Smirlock (1985); Chirwa (2001). Gilbert (1984) in a survey of literatures argued that bank profit is an appropriate measure of bank performance.

Profit after tax (PAT)-The difference between revenues or operating incomes and operating costs is called Gross Profit. When all expenses and taxes are deducted from Gross Profit we obtain profit after tax. Profit after Tax is the total amount that a business earns after all tax deductions have taken place. It is also seen as a measure of a company's profitability after all its expenses have been deducted and can be fully utilized by the company to conduct its business.

b. Market Share

Market share is every industry has a target market, and each company within an industry has sold to a percentage of the market. That is market share. Market share is calculated on a national level, as well as on more regional and local levels, to determine specific market share. The most basic way of calculating market share is to take the total number of sales for a company and then divide that number by the total sales for the industry. While market share does not give a company a defined number regarding its profitability, it does provide key insights about a company's revenues, growth and net profits. This has to do with the economies of scale. The larger the enterprise, the better it can serve larger numbers of people in a more cost-efficient manner. In layman's terms, the bigger the company, the more economically that company can provide products or service to each customer. Goods or supplies are bought for deeper discounts, because of large wholesale orders. Thus, even at the same price point as its competitors, a larger company that has a greater market share can have a higher net profit, making it a stronger company overall. It also enables the company to offer more promotions or sales, thus driving market share even higher, as the company captures new customers from its competitors. Kimberlee Leonard (2018)

c. Customer Satisfaction

According to English business dictionary, customer satisfaction is the degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customers. Although customer satisfaction is a new thing, researchers defined customer satisfaction under different angles and different time. While the literature contains significant differences in the definition of customer satisfaction, all the definitions share some common elements. When examined as a whole, three general components can be identified:

(1) Consumer satisfaction is a response (emotional or cognitive);

(2) The response pertains to a particular focus (expectations, product, consume experience);

(3) The response occurs at a particular time (after consumption, after choice, based on accumulated experience).

Consumer responses followed a general pattern similar to the literature. Satisfaction was comprised of three basic components, a response pertaining to a particular focus determined at a particular time.

The consumer’s fulfillment response It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over fulfillment (Oliver 1997).

d. Employee satisfaction:

Employee satisfaction is the term used to describe whether employees are happy and fulfilling their desires and needs at work. Many measures purport that employee satisfaction is a factor in employee motivation, employee goal achievement, and positive employee morale in the work place. Hoppock defined job satisfaction as any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job (Hoppock, 1935). According to this approach although job satisfaction is under the influence of many external factors, it remains something internal that has to do with the way how the employee feels. That is job satisfaction presents a set of factors that cause a feeling of satisfaction.

e. Return on Equity (ROE)

Return on Equity (ROE) = net income/ total shareholders’ equity. ROE is the most important indicator of a bank’s profitability and growth potential. It is the rate of return to shareholders or the percentage return on each dollar of equity invested in the bank (Ahmed, 2009). Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE could be thought of as the return on net assets.

2.2. Empirical Review

2.2.1. Empirical Literature Review-General

Table 2: Empirical Literature Review

Author (s) and Countries where study was Conducted	Methodology /model(s)	Major Findings-
Abdul Adis and Md.Sidin (2010)	Companies were contacted and requested to participate in this study. In accordance with their preferences, personal, mail, and phone interview methods were used to measure export marketing strategy (Cavusgil&Zou, 1994), environmental factors, and export performance (Cavusgil&Zou, 1994; Julian, 2003). Unit analysis for this study was applied.	The findings show that there is no direct relationship between export marketing strategy and export performance. Uniquely, the moderating effect of certification appears to moderate a few relationships between product and promotion adaptation, distribution strategy,
Akroush (2011)	Quantitative methodology was employed through conducting two surveys targeting Jordanian organization model analysis was also used to test hypothesized research model	The Empirical results indicate that external and internal marketing orientations exerted a positive and significant effect on marketing strategy components, namely: product, price, promotion and distribution strategies. Marketing strategy components exerted a positive & significant effect on customer satisfaction the findings also indicate that product and price strategies are the strongest drivers of customer satisfaction. Customer satisfaction has positive and significant effect on financial performance more importantly financial performance has a strong positive contribution to share holder value measured by market value added and earnings per share.
AronO'Cass University of Newcastle	The study was based on an empirical investigation of firms involved in exporting to foreign countries from Queensland, a large Australian state.	Firm characteristics and environmental characteristics impact significantly on both overall performance and marketing mix strategy adaptation by exporting firms. However, the decision

		to adapt or standardize the marketing mix strategy did not significantly impact marketing performance, implying that either standardization or adaptation is appropriate and yields comparable performance.
Azaze-Azizi Abdul Adis(2010) University Malaysia Sabah (UMS)	Personal, mail, and phone interview methods ,Cronbach's alpha, a 6-point Likert scale, Correlation and multiple regression analyses	The findings show that there is no direct relationship between export marketing strategy and export performance. Uniquely, the moderating effect of certification appears to moderate a few relationships between product and promotion adaptation, distribution strategy, design strategy, and target market specification on export performance.
GbolagadeAdewale, Adesola M.A, Oyewale I.O (2013)	The survey research design method was used in this study which involves using a self-design questionnaire in collecting data from one hundred and three (103) respondents. The instrument used in this study is a close-ended questionnaire that was designed by the researchers. Correlation coefficient and multiple regression analysis were used to analyze the data with the aid of statistical package for social sciences (SPSS) version 20.	The results show that the independent variables (i.e Product, Promotion, Place, Price, Packaging and After sales service) were significant joint predictors of business performance in term of profitability, market share, return on investment, and expansion.($F(6, 97) = 14.040$; $R2 = 0.465$; $P< .05$). The independent variables jointly explained 46.5% of variance in business performance.
Julian and O'Cass, (2003)	The research utilized a mixed research design and analysis techniques specifically concurrent embedded approach.	Export marketing strategies had no effect on export performance
Lidia Samuel (2015) Addis Ababa	Both quantitative and qualitative methods were adopted in this study.	The findings also indicate that the strongest predictors of the 7Ps model on financial performance are price, place, people and promotion, respectively. The research model in this study is tested in the Ethiopian service organization's context, particularly in Dashen Bank, which may limit the generalizability to other service industries and other Countries without further examination.

Solomon Abera (2016) Addis Ababa	This study adopted a quantitative approach to answer the research questions about the subject matters. Taking the research objectives and nature of the study into consideration, the research adopted a descriptive and exploratory research design	Findings of this study revealed that the variation contributed by the three elements of the marketing strategy (i.e., segmentation, targeting & positioning) against the effectiveness of the marketing program is significantly large. Besides, four components of the marketing program (i.e., product, price, promotion & place strategy) played a considerable contribution towards the financial Performance of the Bank. Finally, the finding showed that the bank considerations to the basic elements of the marketing strategy in the form of market segmentation, targeting and positioning as a strategic tools is not satisfactory rather it is moderate or average level of consideration is paid towards theses major elements of the marketing strategy

2.3. Conceptual Framework and Hypothesis Development

This part provides an explanation for building the research framework and developing the hypothesis. It's primarily based on key findings from the literature review of the marketing strategy research.

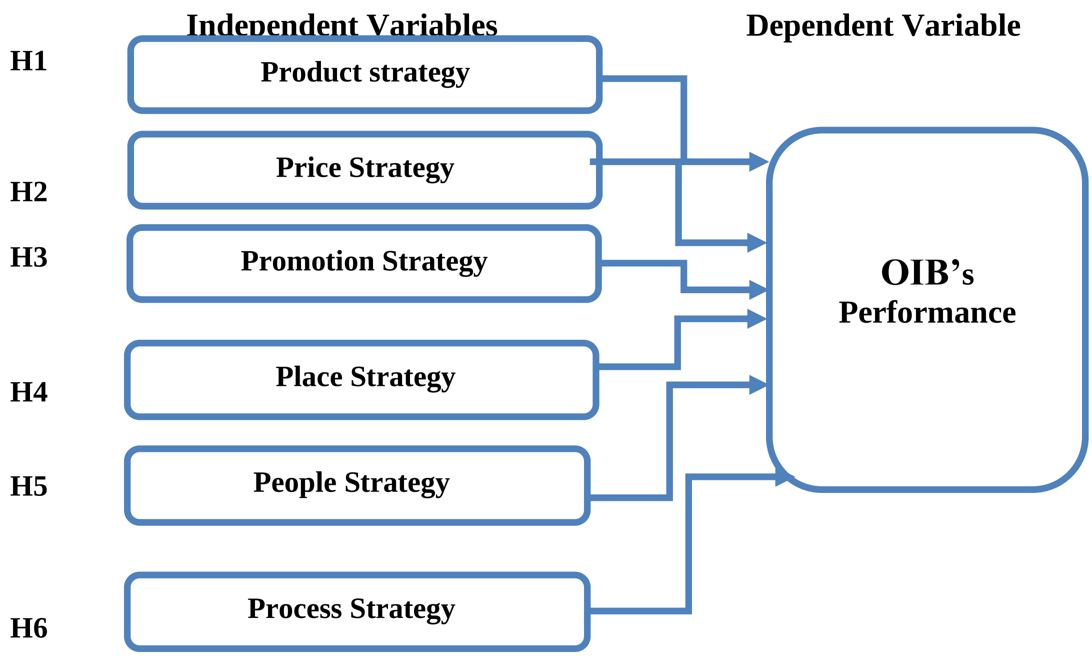
Marketing strategies are concerned with making decisions on a number of variables to influence mutually-satisfying exchange transactions and relationships. In the middle of 1990s, Day (1994) stated that it is almost an article of faith within marketing that superior business performance is the result of superior skills in understanding and satisfying customers.

The research framework includes two interrelated parts, which are marketing strategy and OIBs' performance measurement. The marketing strategy components are to be investigated within the domain of the market share, marketing mix, customer satisfaction, and etc. According to Akroush (2003), the development of marketing strategy components is based on the marketing mix which outlines the major components of the marketing strategy in different businesses.

The relationship between marketing strategy and performance has been substantiated at the firm and functional levels (Walker 2004, Porter 1985), although there is often overlap between the two. According to Haghighinasab, Sattari, Ebrahimi, and Roghanian (2013), performance can be measured based on sales growth, market share, brand awareness and profitability. The higher the indices indicate the greater the performance of the business and vice versa. Performance of OIBs has to do with both behavior (activity) and results. This explanation covers achievements of anticipated levels as well as objective review and setting. When the behavior of management is right, then the anticipated levels of output would be achieved and vice versa for failure. This is connected with the concept of customer orientation. It is a concept which transforms the marketing into a potent competitive weapon, shifting organizational values, beliefs, assumptions, and premises towards a two-way relationship between customers and the firm. When behaviorsof management towards marketing strategies is geared in a right direction, then this positively affects the performance of OIBs.

Therefore, based on the marketing strategy elements and performance literature review, the following conceptual framework and hypothesis have been indicated below.

Figure 3: Conceptual Framework Designed by Researcher



Source: - Conceptual Framework adapted from Solomon A. (2016)

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Introduction

In this chapter, the research methodology used is briefly discussed. It describes the research approach, research design/type, sampling design, source of the data, data collection method, data collection instrument, method of data analysis, validity and reliability, and research ethics to be followed.

3.2. Description of the Study Area

The study was conducted in Oromia International Bank found in Addis Ababa. The head offices also located in Addis Ababa, Ethiopia. The bank has five districts for facilitating its service and operation. Two of the districts are located in Addis Ababa, while the other three are found at Adama, Shashemene, and Nekemete towns. Therefore, out of the five districts, the study is conducted within the two Addis Ababa districts and at the head office.

3.3. Research Design/Type

The research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. There are three types of research design, namely; exploratory, descriptive, and explanatory (Kothari, 2004).

By taking the research objectives and nature of the study into consideration, descriptive and explanatory research designs are used. As stated by Kothari (2004), descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group. Hence, in this study, it tried to describe the demographic and general information of the respondents and enterprise.

Whereas, as suggested by Kumar (2011), explanatory studies clarify the relationship between two aspects of a situation or phenomena. Therefore, in this study the explanatory research design has chosen since it examines the effect of the predictors (marketing strategies) on the dependent variable (performance). The study used mainly a cross-sectional research survey in which the collection of information from the respondents was carried out at a single point in time.

3.4 Data Source and Type

The study used both primary and secondary sources of data. The primary source of data was the response collected from the head office employees /managers of Oromia International Bank. Alternatively, the secondary source of the data was gathered from different articles, journals, and annual report of OIB and other banks.

3.5 Sampling Design

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. Sample design may as well lay down the number of items to be included in the sample, i.e., the size of the sample. Sample design is determined before data are collected (Kothari, 2004). Accordingly, the target population, sampling frame, sampling technique, sample size, and sampling procedure of the study are discussed hereunder.

3.5.1 Target population

A population can be defined as all people or items (unit of analysis) with the characteristics that one wishes to study. The unit of analysis may be a person, individual, organization, country, object, or any other entity that researchers wish to draw scientific inferences about (Kelley, Clark, Brown, & Sitzia, 2003). Accordingly, the target population of the study was the employees of the Bank. As per the information obtained from Oromia International Bank, Human Resources Management Department, there are 1,512employees' found at the head office and other Addis Ababa district offices as at June, 2019.

3.5.2 Sampling Frame

The sampling frame for any sample is a complete list of all the cases in the population from which the sample is drawn (Saunders et. al, 2011). In view of that, the sampling frame for this study is drawn from Oromia International Bank head office managers; North East Finfinne and South West Finfinne districts.

3.5.3 Sampling Technique

In this study, the stratified sampling and purposive sampling techniques were used in combination.

The researcher preferred stratified sampling technique based on Kothari (2004) statement "If a population from which a sample is to be drawn does not constitute a homogeneous group, stratified sampling technique is generally applied in order to obtain a representative samples. In this technique population is divided into several sub-population that are individually more homogeneous than the total population (the different sub-populations are called strata)". Therefore, the strata in this study were the head office Directors, Division managers, and two districts' managers as per the bank's district classifications. The two districts as mentioned above were: North East /NE/ Finfinne and South West/SW/Finfinne districts.

In general, since each stratum is more homogeneous than the total population, the researcher was able to get more precise estimates of the sample for each stratum and by estimating more accurately each of the component parts and get a better estimate of the whole; in brief, stratified sampling results are more reliable and provide detailed information (Kothari, 2004, pp. 63).

In addition to the stratified sampling technique, purposive sampling technique was used to select the branches and head office managers to be studied. This technique was needed to choose the managers that have experiences on them marketing strategy of the bank based on researcher's own judgments.

3.5.4 Sample Size

As a general rule, one can say that the sample must be of an optimum size i.e., it should neither be excessively large nor too small (Kothari, 2004). Sample size can be determined using certain formula in the case of quantitative study, whereas, in qualitative study, determining sample size is entirely a matter of judgment, there are no set rules (Cohen, Manion, and Morrison, 2000).

Thus, to get a representative sample for the population, Yemane's (1967) finite and large population sample size formula with 95% confidence level was employed. The formula used to obtain this sample size is presented below:

$$n = \frac{N}{1+N(e)^2}$$

Where:*n* represents sample size, represents total number of population size, and ***e*** represents sampling error/level precision.

Therefore, based on the above formula the sample size of the study is 316

$$n = \frac{1{,}512}{1 + 1{,}512\,(0.05)^2} = \underline{\mathbf{316}}$$

Besides, with regards to sample selection, out of the total 316 samples, 15 Directors, 60 Division managers, 132 managers from NE Finfinne, and 109 from SE Finfinne districts were selected judgmentally/purposively.

Following the sample size determination, the researcher allocates the sample size of each stratum through the method of proportional allocation under which the sizes of the samples from the different strata are kept proportional to the sizes of the strata. In order to do so, proportionate stratified sampling (PSS) formula ($Ni=N_i/N*n$) will be used.

Where: n_i represents sample size taken from each stratum/district,

Ni= Total no. of population of each stratum/district,

n= Total sample size of the study, and

N =Total Number of Employee OIB in Addis Ababa City at June, 2019

Table 3: Sample Size of Respondents from each Stratum

S/N	Strata	No. of Branches as of June 2019 (a)	Sample Branch Proportionate $n_i=N_i/N*49$ (b)	Total number of employees as of June 2019 (c)	Sample Respondents from each Strata $n_i=N_i/N*316$	Sample Respondents per Branch/unit (e)=d/b
1	Directors	24	11	72	15	1
2	Division managers	72	13	288	60	5
3	North East Finfinne District	102	15	632	132	9
4	South west Finfinne District	84	11	520	109	10
	Total	**282**	**49**	**1,512**	**316**	

Table 4: Sample Directors, Division Managers and Branch Managers to be surveyed

S/N	Directors	Division Managers	NE Finfinne District Branches	SW Finfinne District Branches
1	Strategic Mgt& Bus Dev	Planning Performance Mgt	Wadessa	Finfinne
2	Operations & District Support	Research Division	Harbu	Mesalamia
3	Credit Management	Staffing Division	Doqa Bora	Gulelle
4	Procurement and Facility Mgt	Human Resource Development	Bole Michael	AratKilo
5	IT Security	Credit Division	Kazanchis	AnuwarMesgid
6	IT Modernization	Promotion & Public Relation	Africa Godana	Bole
7	IT System Operation	Change Management	Yerer	Mexico
8	Electronic Banking	General Account	Bulibula	Gofa
9	Interest Free Banking	Export &Inward Remittance	Wolosefer	Ayer Tena
10	Human Resource Management	Interest Free Banking Division	Gerji	Balicha
11	Account and Treasury	Training Division	Bulbula	Jemo
12		Risk Division	Saris	
13		Procurement Division	Ayai	
14			Wolosefer	
15			Gerji	

3.6 Data Collection Instrument and Procedure

A questionnaire is a research instrument consisting of a set of questions (items) intended to capture responses from respondents in a standardized manner (Sauders et.al, 2011). The study depends on primary data collected through self-administrated questionnaire.

This instrument of data collection (questionnaire) consisted of three sections. In the first section, it deals with obtaining socio-demographic information about the respondents. While the second and the third sections are dealt with about collecting data through questionnaire, which measures the effect of marketing strategy on the bank's performance by using 5-likert scale. The questionnaires were structured in close-ended type and responses to the questions were measured on a 5-Likert rating scale which are: Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree. The Likert scale is used to make the questions easier for respondents to answer in a simple way and permit an efficient use of statistics for the interpretation of data. The questionnaires are designed in English language.

3.7 Data Analysis Methods

The primary data collected through self-administrated questionnaire has been analyzed using both descriptive and inferential analysis. In order to do so, Statistical Package for Social Sciences (SPSS) software version 20 was employed. In order to test the reliability and validity of the instrument, factor analysis and Cronbach's alpha tests were used.

Descriptive statistics such as percentage, frequency, mean, and standard deviation are used mainly to organize and summarize the demographic data of the respondents.

Whereas, inferential statistics go beyond the description of a specific observation to make inferences about the larger population from which the sample will be drawn. It issued for testing hypothesis and investigating research objectives. In this study, different types of inferential statistics are employed. Thus, the Pearson Correlation will be used to explore the relationship between dependent variable and independent variables. Likewise, to measure the magnitude effect of independent variables on dependent variables multiple regression analysis was applied. At the end, the quantitative data are presented in the form of tables, graphs, and charts as desired so as to make all the data readable and understandable.

3.8 Data Analysis Methods

The data collected from the questionnaire was analyzed using both descriptive and inferential analysis. In order to do so, Statistical Package for Social Sciences (SPSS) software was employed. Descriptive statistics are statistical computations describing either the characteristics of a sample or the relationship among variables in a sample. It merely summarizes a set of sample observations, whereas inferential statistics move beyond the description of a specific observation to make inferences about the larger population from which the sample observations were drawn (Bobbie, 1998). Descriptive statistics includes analysis of data using frequencies, dispersions and measures of central tendency. In this study, frequencies and percentages were used to describe the demographic characteristics of the respondents based on the frequencies and percentages obtained from the responses regarding the characteristics of respondents. Inferential statistics is closely tied to the logic of hypothesis testing. The inferential statistical methods to be employed in this study are correlation analysis and multiple regression analysis to determine the relationship between marketing strategy and financial performance. Secondary data analysis was also done based on data collected from annual reports of private banks regarding the financial performance of Oromia International Bank against other banks.

3.9 Ethical Consideration

In the context of research, ethics is defined as the appropriateness of the researcher's behavior in relation to the rights of the participants or subjects of the research work (Saunders, Lewis, &Thornhill, 2009). Therefore, this study is governed by the general rules of research ethics in such a way that, the respondents were requested to provide information on voluntary basis. Prior communication about the purpose of the study was highlighted, and confidentiality of the information is guaranteed. Furthermore, attempts were made to bring clarity in the questionnaire to best fit with the industry context. Lastly, the questionnaires were distributed only to voluntary participants.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

The main objective of the study has been to examine the Effect of Marketing Strategy on Oromia International Bank's performance by formulating hypothesis with the six independent variables. In order to meet the objective of the study, the data that were gathered from the primary source using questionnaire was analyzed, presented, and interpreted in this section.

4.1. Demographic Characteristics of the Respondents

Demographic factors are very important indicators of performance in any organization and the basis for research questionnaire turnout. Even though demographic characteristics are not having great influence on this study, the researcher considers some of them which are believed to have correlation to the study. Hence, the demographic characteristics of gender, age, education, and experience (year of service as a manager) were emphasized.

Table 5: Demographic Characteristics of the Respondents and General information

Categories		**Outcomes**	
Variable	**Categories**	**Frequency**	**Percentage (%)**
Gender of the Respondents	Male	224	83.3
	Female	45	16.7
	Total	**269**	**100**
Age of the Respondents			
	21-30	126	46.8
	31-39	86	32
	40-49	55	20.4
	> 50	2	0.7
	Total	**269**	**100**
Educational Status	Diploma	8	3.0
	1st Degree	107	39.8
	2nd Degree	133	49.40
	Others	21	7.8
	Total	**269**	**100**
Years of Service in the Managerial position	< 5 Years	73	27.1
	5-10 Years	153	56.9
	> 10 Years	43	16.0
	Total	**269**	**100**

Source: Own Survey Result, 2020

Table 7 above is designed to display the respondent's demographic and general information outcome. When we look at the first demographic distribution of gender of the respondents, 83.3% of them were male and 16.7% of them were female. This shows that the majority of the respondents were male and one can infer that the majority of OIB's were managed by males.

From the same table 7 above, when we see the age of the respondents, all of the respondents fall within ≥20 age bracket, followed by the age group of 21-30 which accounted for 46.8%,31-39 years which accounted for 32%, 40-49 years which counted 20.4%, and >50 years which accounted for 0.7%. This implies that the majority of the respondents who managed the OIB's were relatively young. Therefore, from this result, the researcher understood that young employees could be selected as managers because of their potential skills and they could have been viewed as being productive in their area of specialization.

With respect to the educational status of the respondents, 39.8% of them were first degree holders, 49.4% had second/master's degrees, 7.8% of them had other education level. Therefore, this result implies that the majority of the respondents had high level of education and had good understanding about marketing strategy concepts.

Taking into account the number of service years or experience, the respondents were asked to state the length of years of services. Accordingly, 56.9% of the respondents indicated that they had a working experience of 5-10 years in OIB while 27% of them had <5years of experience, and 16% had >10 years of experience. Therefore, this result indicated that most of the respondents had good knowledge basis of customer interaction. Likewise, they were well experienced and had the knowledge to evaluate the marketing strategy-performance relationships.

4.4.2. Descriptive Analysis of the Variables

Descriptive statistics were used to describe the basic features of the data in a study. It provides simple summaries about the sample and the measures. The researcher used descriptive statistics to present quantitative descriptions in a manageable form. Each descriptive statistics reduces lots of data into a simpler summary (Gelman, 2007).

Respondents were asked to rate their insight on a five-point Likert scale ranging from 1 being "Strongly Disagree" to 5 "Strongly Agree" for marketing strategy and performance dimensions.

Accordingly, the result of descriptive statistics (mean and standard deviation) of each variable is presented in the table below.

Table 6: Descriptive Statistics

Descriptive Statistics					
Item	**N**	**Minimum**	**Maximum**	**Mean**	**SD**
Product	269	1.50	4.83	3.6377	0.68709
Price	269	1.50	5.00	3.8444	0.68772
Promotion	269	1.33	5.00	3.9751	0.66390
Place	269	1.33	5.00	3.8487	0.66728
People	269	1.50	5.00	3.9765	0.67557
Process	269	1.33	5.00	3.7123	0.76234
Performance	269	1.43	5.00	3.9537	0.66781
Valid N (list wise)	269				

Source: Own Survey Result, 2020

With the objectives of interpretation of the above descriptive data, the researcher adopted measurement scale intervals or range from Poonlar Btawee, 1987 as cited by Hailu Demissie (2013). Based on Btawee, mean scores ranging from 4.51 to 5.00 consider as "excellent or very good", 3.51- 4.50 as "good", 2.51-3.50 as "average or moderate", 1.51-2.50 as "fair" and 1.00 to 1.50 as "poor" (Hailu Demissie, 2013).

Based on these parameters, as it has shown in the above table 8, all the research variables fall in the category of the range between 3.63 and 3.98 which means respondents have a good opinion (agree) on that the marketing strategy variables have an effect on the performance of Oromia international Bank. Likewise, all variables scored relatively low scales of standard deviation which tells us that the data are narrowly spread. This means that the respondents have a close opinion regarding each variable of the study.

4.5. Correlation Analysis

A correlation refers to a quantifiable relationship between two variables, and the statistic that provides an index of that relationship is called a correlation coefficient r, which is a measure of the relationship between two intervals or ratio variables. It is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 (Field, 2005). As per the guideline suggested by Field (2005), the strength of relationship 0.1-.29 shows week relationship; 0.3-0.49 is moderate; >0.5 shows the strong relationship between the two variables. Hence, in this study correlation analysis was used to examine the relationships between marketing strategies and performance. Accordingly, the relationship between variables is indicated in table 9 below.

Table 7: Pearson Correlation Matrix

		Product	Price	Promotion	Place	People	Process	OIB's Performance
Product	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	269						
Price	Pearson Correlation	.574**	1					
	Sig. (2-tailed)	.000						
	N	269	269					
Promotion	Pearson Correlation	.641**	.649**	1				
	Sig. (2-tailed)	.000	.000					
	N	269	269	269				
Place	Pearson Correlation	.566**	.798**	.688**	1			
	Sig. (2-tailed)	.000	.000	.000				
	N	269	269	269	269			
People	Pearson Correlation	.615**	.728**	.764**	.750**	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
	N	269	269	269	269	269		
Process	Pearson Correlation	.796**	.678**	.582**	.677**	.676**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
	N	269	269	269	269	269	269	
OIB's Performance	Pearson Correlation	.571**	.882**	.731**	.886**	.925**	.689**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	269	269	269	269	269	269	269

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Own Survey Result, 2020

Bivariate Correlation indicates that whether the relationship between two variables is linear (as one variable increases, the other also increases or as one variable increases, the other variable decreases). Accordingly, as indicated in the above table, the correlation matrix, all of the independent variables (marketing strategies variables) were positively and strongly correlated with the dependent variable (performance). The first highest strong coefficient of correlation in this research is between people variable and performance ($r=0.925$, $p \leq 0.01$). It connotes that there is a strong, positive, and significant relationship between people and performance. The second highest strong coefficient of correlation is with the place which has strong positive and significant with performance ($r=0.886$, $p \leq 0.01$). Price, promotion, process, and product variables have also strong, positive, and significance relationships with dependent variable (performance) with ($r=0.882$, $p \leq 0.01$; $r=0.731$, $p \leq 0.01$; $r=0.689$, $p \leq 0.01$; and $r=0.571$, $p \leq 0.01$, respectively). Generally, the above correlation matrix shows that all independent variables were positively and strongly correlated with the dependent variable.

Sig (2-Tailed) value: - This value tells that whether there is a statistically significant correlation between two variables or not. If the Sig (2-Tailed) value is greater than .05, the researcher can conclude that there is no statistically significant correlation between two variables. That means, increases or decreases in one variable do not significantly relate to increases or decreases in the second variable. If the Sig (2-Tailed) value is less than or equal to .05, the researcher can conclude that there are a statistically significant correlation between two variables. That means, increases or decreases in one variable do significantly relate to increases or decreases in the second variable (Pedhazur, 1982).

Hence, as indicated in the above correlation table, the numbers next to Sig. (2-tailed) shows that all are (.000). The convention implies that, if this value is less than .05, then the correlation is considered to be significant (meaning that the researcher can be 95% confident that the relationship between variables is not due to chance). Therefore, the researcher can connote that there is a significant correlation between the independent variables (predictor variables) and dependent variable.

4.1. Regression Analysis

Regression is a technique used to predict the value of a dependent variable using one or more independent variables (Albaum, 1997). Regression analysis is a statistical tool for the investigation of relationships between variables. Usually, the investigator seeks to ascertain the causal effect of one variable upon another. To explore such issues, the investigator assembles data on the underlying variables of interest and employs regression to estimate the quantitative effect of the causal variables upon the variable that he/she influences. The investigator also typically assesses the "statistical significance" of the estimated relationships, that is, the degree of confidence that the true relationship is close to the estimated relationship (Malhotra, 2007). In this study, the researcher tried to test the assumptions before running the regression analysis.

4.1.1. The Assumptions for Testing Regression Analysis

The test of assumptions should be done because violations of the assumptions affect consequent use of multivariate statistical methods (Hair et al., 2006). Therefore, Hair et al., (2006) suggested that several assumptions regarding the utilization of multivariate statistical tools, namely normality, homo-scedasticity, linearity, and multi-collinearity should be applied before performing any multivariate analysis. Accordingly, the researcher has tried to confirm that the obtained data truly represented the population and obtained the best results.

1. Test of Normality

Hair et al. (2006) noted that normality relates to the shape of the data distribution for an individual metric variable and its relationship to the normal distribution. Assessment of the variables' levels of skewness and kurtosis is one of the method will determine normality. In fact, skewness provides an indication of the symmetry of the distribution. Kurtosis turns to the peakedness or flatness of the distribution relative to the normal distribution.

Accordingly, the normal distribution is detected based on skewness and kurtosis statistics. As proposed by George and Mallery (2010), the acceptable range for normality for both statistics is between -2 and +2. Therefore, as depicted in table 10 below, all variables 'values of kurtosis and skewnessare almost within the acceptable range for normality. So, this implies that all items show close to normal distribution considering the criteria of scenes and kurtosis values between -2 and 2. Therefore, the data used in this study could be assumed to be normally distributed.

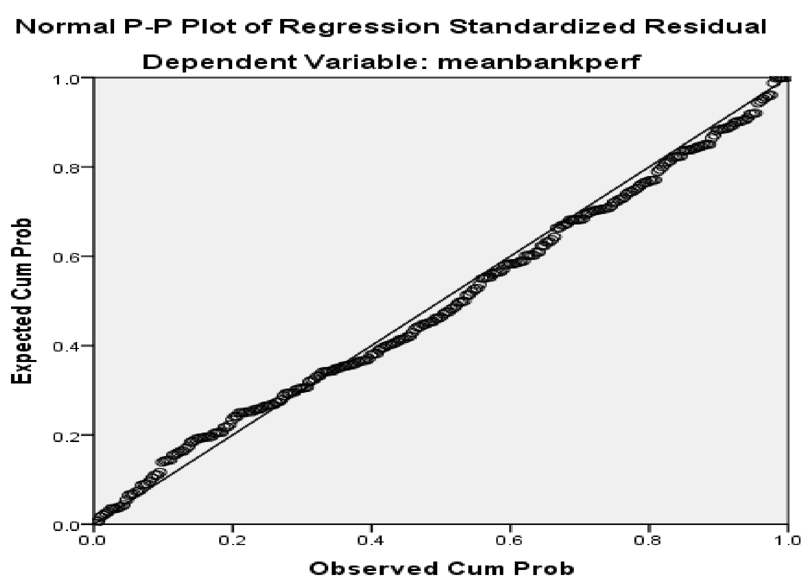
Table 8: Normality of Distribution Using Descriptive Statistics (Skewness and Kurtosis)

Descriptive Statistics					
Variables	**N**	**Skewness**		**Kurtosis**	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Product	269	-0.451	0.149	-0.239	0.296
price	269	-0.450	0.149	0.114	0.296
Promotion	269	-0.602	0.149	0.479	0.296
Place	269	-0.384	0.149	0.048	0.296
People	269	-0.679	0.149	0.766	0.296
Process	269	-0.519	0.149	-0.135	0.296
OIB's Performance	269	-0.533	0.149	0.657	0.296
Valid N (list wise)	269				

Source: Own Survey Result, 2020

Another useful graph that the researcher can inspect to see if a distribution is normally distributed is called a P–P plot (probability–probability plot). According to Hair et al. (1998), the plots are different from residuals plots in that the standardized residuals are compared with the normal distribution. In general, the normal distribution makes a straight diagonal line, and the plotted residuals are compared with the diagonal. If a distribution is normal, the residual line will closely follow the diagonal (Hair et al., 1998). Therefore, as indicated in figure4 below, the data were normally distributed.

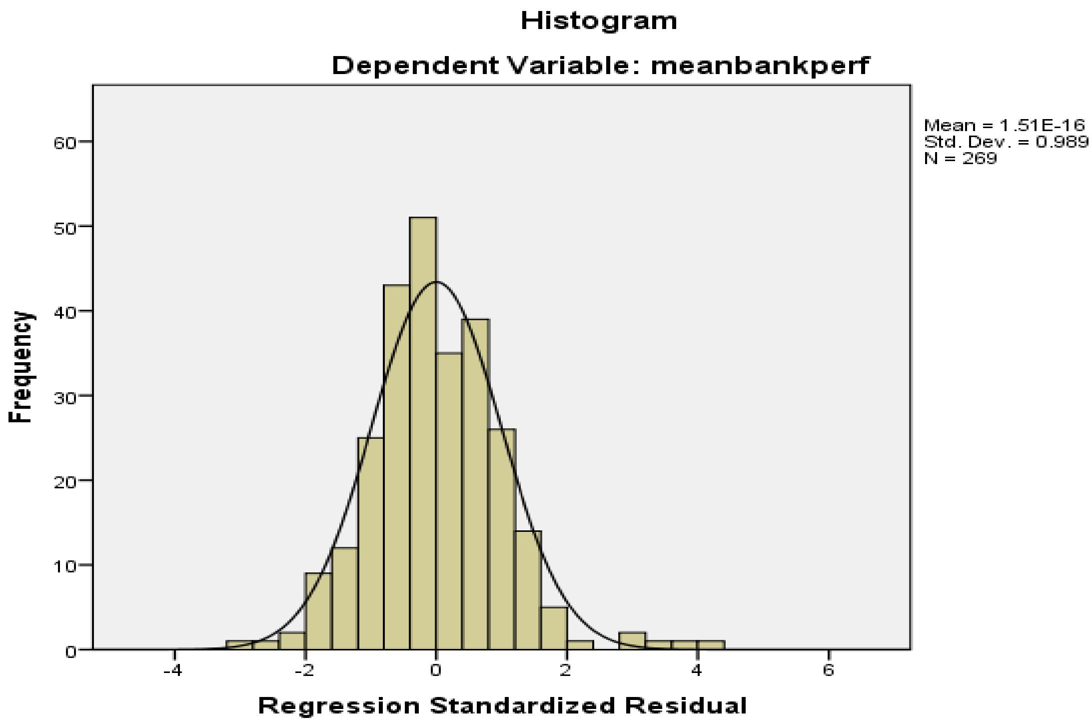
Figure 4: Normal P-P Plot



Source: Own Survey Result, 2020

Hair et al. (2006) also suggest that histogram is another method to use for comparing the observed data values with a distribution approximating the normal distribution. It is argued that the histogram of the research variables supports the expectation for the normal shape distribution of data. The following figure 5 shows the histogram generated for the study variables.

Figure 5: Histogram



Source: Own Survey Result, 2020

2. Multi-collinearity

Multi-collinearity occurs when two or more of the independent variables are highly correlated that certain mathematical operations are impossible. The correlation between independent variables was such that multi-collinearity is not a concern because multi-collinearity will be created while results of the correlation coefficients are above 0.80 and to be considered-very high (Hair et al. 2006). However, there are two general procedures for assessing collinearity, including tolerance and variance inflation factor (VIF) (Pallant, 2007). The data will be absent of multi-collinearity while VIF is less than 10, and tolerance value of greater than 0.10 but less than 1 (Robert Ho, 2006).

Accordingly, as indicated in table 9 below, the collinearity statistics analysis of variance inflation factors (VIF) value ranges from 2.798 to 6.562 and tolerance value ranging from 0.152 to 0.357.

Likewise, as indicated in table 11 of the correlation analysis, the results of the correlation coefficients between independent variables were below 0.8. Therefore, these results indicated that there was no collinearity problem in this study.

Table 9: Collinearity Statistics

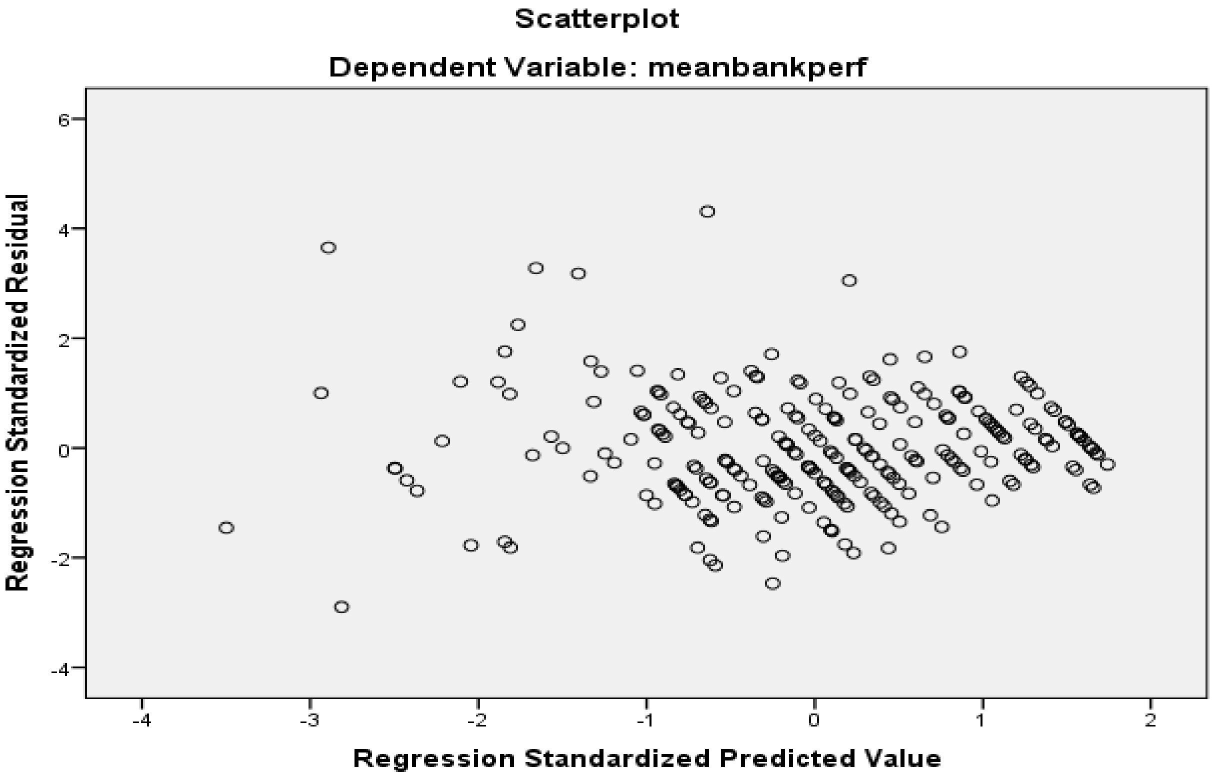
Variables	**N**	**Collinearity Statistics**	
	Statistic	**Tolerance**	**VIF**
Product	269	0.312	3.209
Price	269	0.173	5.772
Promotion	269	0.357	2.798
Place	269	0.152	6.562
People	269	0.198	5.059
Process	269	0.280	3.567
Bank performance	269	0.312	3.209
Valid N (list wise)	269		

Source: Own Survey Result, 2020

2. Homoscedasticity of the Error Terms

Hair et al. (2006) indicated that Homoscedasticity relates to the assumptions that dependent variable explaining equal levels of variance across the range of independent variables. Hair et al. (2006) argue the test of homoscedasticity is required because the variance of the dependent variable being explained by the independent variables needs to be consistent. Consistent with Hair et al. (2006), this study tested the homoscedasticity for metric variables using scatter plot. Scatter plots of standardized residual was conducted for all the variables and the outcomes from the data were shown in figure 6. In effect, the scatter plot showed that the pattern of data points does not contain any exact patterns and thus had not violated the assumptions (e.g., no discernible patterns of residuals were indicated).

Figure 6: Scatter plot



Source: Own Survey Result, 2020

3. Independent errors

For any two observations, the residual terms should be uncorrelated (or independent).This eventuality is sometimes described as a lack of autocorrelation. This assumption can be tested with the Durbin–Watson test, which tests for serial correlations between errors. Specifically, it tests whether adjacent residuals are correlated. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2005). As shown in table 12 below, the Durbin-Watson test result is **1.822**which is closer to the acceptable standard of 2.0, which shows that there is no autocorrelation problem in the model.

4. Linearity

The linearity of the relationship between the dependent and independent variables represent the degree to which the change in the dependent variable is associated with the independent variable (Hair et al., 1998). In a simple sense, linear models predict values falling in a straight line by having a constant unit change (slope) of the dependent variable for a constant unit change of the independent variable (Hair et al., 1998). The linearity assumption can easily be checked using scatter plots or residual plots: plots of the residuals vs. either the predicted values of the dependent variable or against (one of) the independent variable/s (Hoekstra et al., 2014). The scatter plots of standardized residuals versus the fitted values for the regression models were visually inspected in figure 5.

4.1.2. Multiple Linear Regression Analysis

Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable (Field, 2005). Multiple linear regressions were conducted in order to determine the explanatory power of the independent variables (product, price, promotion, place, people, and process) to identify the relationship and to determine the most dominant variables that influenced the bank's performance. The significance level **of p-value 0.05 with 95%** confidence interval was used. The reason for using multiple regression analysis was to assess the direct effect of marketing strategy variables on performance. Table 12 shows the model summary of the regression analysis.

Table 10: Model Summary for OIB Performance

Model Summary[b]										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	0.953[a]	0.908	0.906	0.20454	0.908	432.479	6	262	.000	1.822
a. Predictors: (Constant), Product, Price, Place, Promotion, People, Process										
b. Dependent Variable: OIB Performance										

Source: Own Survey Result, 2020

The above regression model presents how much of the variance in the measure of OIB's Performance is explained by the underlying marketing strategies variables. Furthermore, to explain R, R^2, adjusted R^2 and Durbin–Watson in detail:-

R: Indicates the value of the multiple correlation coefficients between the predictors and the outcome, with a range from 0 to 1, a larger value indicating a larger correlation and 1 representing an equation that perfectly predicts the observed value (Pedhazur, 1982). From the model summary (R=.953[a]) indicated that, the linear combination of the seven independent variables (Product, Price, Place, Promotion, People, and Process) strongly predicted the dependent variable (OIB Performance).

R Square (R^2): Indicates the proportion of variance that can be explained in the dependent variable by the linear combination of the independent variables. In another word, R^2 is a measure of how much of the variability in the outcome is accounted for by the predictors. The values of R^2 also range from 0 to 1 (Pedhazur, 1982). The linear combination of marketing Strategy variables or predictors' i.e. Product, Price, Place, Promotion, People, and Process explains 90.8% of the variance in OIBs' Performance and the remaining 9.2% is explained by extraneous variables, which have not been included in this regression model. On another word, 90.8% of the variation in the OIBs performance is explained by the changes in the aforementioned independent variables while the rest 9.2% is explained by other factors.

Adjusted R Square (R^2): The adjusted R^2 gives some idea of how well the model generalizes and its value to be the same, or very close to the value of R^2. That means it adjusts the value of R^2 to more accurately represent the population under study (Pedhazur, 1982). The difference for the final model is small (in fact the difference between R^2 and Adjusted R^2 is $(0.908 - 0.906 = 0.002)$ which is about 0.2%. This reduction means that if the model were derived from the population rather than a sample it would account for approximately 0.2% less variance in the outcome.

Durbin-Watson: The Durbin–Watson statistic expresses that whether the assumption of independent errors is acceptable or not. The conservative rule suggested that values less than 1 or greater than 3 should definitely raise alarm bells (Field, 2005). So that the desired result is when the value is closer to 2, and for this data, the **value is 1.822,** which is so close to 2 that the assumption has almost certainly been met.

Table 11: ANOVA of OIB's Performance

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	108.558	6	18.093	432.479	.000[b]
	Residual	10.961	262	0.42		
	Total	**119.519**	**268**			
a. Dependent Variable: OIB Performance						
b. Predictors: (Constant), Product, Price, Place, Promotion, People, Process						

Source: Own Survey Result, 2020

The ANOVA table shows the overall significance/ acceptability of the model from a statistical perspective (Pedhazur, 1982). As indicated in the above table, the p-value is less < 0.05 i.e.

0.000which indicates the variation explained by the model is not due to chance. So, the above ANOVA table shows the acceptability of the model. As indicated in table 13, the researcher can connote that R, R^2, and Adjusted R^2 conducted for the multiple regression predict the OIBs' performance based on the linear combination of marketing strategy's independent variables is statistically significant.

F–Ratio: F-ratio determines whether the model is a good fit for the data. The F-ratio is calculated by dividing the average improvement in prediction by the model (MSM) by the average difference between the model and the observed data (MSR). If the improvement due to fitting the regression model is much greater than the inaccuracy within the model then the value of F will be greater than 1 and SPSS calculates the exact probability of obtaining the value of F by chance (Pedhazur, 1982). The F-ratio for the above model is 432.479, which is very unlikely to have happened by chance.

The Regression Coefficient

This study intends to identify the most contributing independent variable in the prediction of the dependent variable. Thus, the strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via standardized Beta coefficient.

The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The larger value of Beta coefficient an independent variable has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable.

Table 12: Summary of Coefficient on OIBs Performance

Coefficients						
Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.120	0.083		1.438	.152
	Product	0.113	0.033	0.117	3.478	.001
	Price	0.251	0.044	0.258	5.743	000
	Promotion	0.066	0.031	0.066	2.106	.036
	Place	0.151	0.048	0.151	3.141	.002
	People	0.526	0.042	0.532	2.646	000
	Process	0.094	0.031	0.107	3.022	.003
a. Dependent Variable: OIBs Performance						

Source: Survey Result, 2020

The marked column B is the value for the intercept (a) in the regression equation on the first row, labeled (constant). The numbers below the column "βeta" are the values for the regression coefficients for Product, Price, Place, Promotion, People, and Process. In the multiple regressions, the standardized regression coefficient Beta (β) is useful, because it allows us to compare the relative strength of each independent variable's effect onthe dependent variable (Pedhazur, 1982).

The above coefficient table shows the constant beta value (β) and the p-value of the variables to examine the significance of the hypothesis. The significance level of each variable (P-value) is: 0.001, 0.0000.036, 0.002, 0.000, 0.003, and their standardized coefficients are 0.117, 0.258, 0.66, 0.151, 0.532,& 0.107, respectively. The p-value of all the independent variables is below 0.05.This implies that the independent variables have a significant relationship with the dependent variable (OIBs'performance),

Based on these results, the regression equation that predicts OIBs' performance based on the linear combination of product, price, promotion, place, people and process is as follows:

$$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_5+\beta_6X_6+\beta_7X_7+e$$

$$Y=0.120\ X_1+0.117X_2+0.258X_3+0.66X_4+0.151X_5+0.532X_6+0.107X_7+e$$

Where: Y= OIB's Performance (Dependent Variable)

β_0= Intercept

β1, β2, β3, β4, β_5, andβ6, = Coefficients of the line

X_1= Product

X_2=Price

X_3=Promotion

X_4=Place

X_5=People

X_6= Process

e= Sampling error

This result indicates, first, the intercept is 0.120 when all independent variables have a value of zero. Then, moving through the equation, holding product, price, promotion, place, people, process constant, a 10% increase in product will increase performance of OIBs' by 1.17%. The p-value for this coefficient is statistically significant ($p<.05$), meaning that product is a significant predictor of OIBs' performance. Accordingly, the finding revealed that the first hypothesis which states product strategy has the positive significant effect on performance of OIBs' is supported by the data collected on this survey and the result is significant as (p-value < 0.05; β=0.117).The alternative hypothesis is confirmed.

The second hypothesis which states the price strategy has positive and significant effect on the performance of OIBs' is supported because the p-value of price strategy is below 0.05 and β=0.258.Therefore, the price strategy has the significant positive effect on the performance of OIBs. Thus, the alternative hypothesis is confirmed.

The third hypothesis which states the promotion strategy has positive and significant effect on performance of OIBs' is also supported because the p-value is < .05 and β=0.066. A 10% increase in promotion implies a 0.66% increase in performance; hence promotion strategy has significant, but weak relationship with performance of OIBs. The alternative hypothesis for promotion is supported.

The fourth hypothesis which states place strategy has positive significant effect on the performance of OIBs' is also confirmed because the p-value of place strategy is<.05 β=0.151; hence, place strategy has significant and positive effect on the performance of OIBs. The alternative hypothesis is supported.

The fifth hypothesis which states people strategy has positive and significant effect on the performance of OIBs' is also supported because the p-value of customer orientation strategy is 0.000, which is (P<0.05; β=0.532); hence, the people strategy has significant and positive effect on the performance of OIBs. Thus, the alternative hypothesis is also confirmed.

Finally, the regression coefficient finding indicates that process has a significant effect on marketing strategy (P<0.05; β=0.107). Therefore, the last hypothesis, H6, which states process strategy has positive and significant effect on performance of OIB's is also supported.

4.2. Discussion of the Result

This study was aimed to examine the effect of marketing strategy on Oromia International Bank. Under the umbrella of marketing strategy product, price, promotion, place, people, and process were selected as marketing strategy dimensions as indicated in the literature review section.

As indicated in the above table 14, all of the regression coefficients (Beta coefficients) between the marketing strategy and performance have positive values. Hence, there were positive relationships between all marketing strategy variables and performance. The brief discussion on each hypothesis is given below.

People is the strongest predictor or has the most significant effect on the Oromia International Bank's performance because it has the highest Beta coefficient result ($\beta = 0.532$; $p<.05$). The Beta coefficient result of 0.532 signifies that for a 1 unit change in the independent variable (People), the dependent variable (Performance) will change by 0.532 units. It is apparent from this result that focus on people is an important factor that affects the performance of the Oromia International Bank.

The result of this study is consistent with the study conducted by Lidya (2015) that found people have the third strongest predictor of financial performance. This variable is very important as the behavior and competence of the employees can have a direct influence on the quality of the service. Employees represent the face and the voice of the organization to the customers. The customer service staffs' motivation, competence and attitude in serving customers determine how well the company performs financially.

The second strongest predictor is **Price** ($\beta=0.258$; $P<.05$). The Beta coefficient result of 0.258 signifies that for a 1 unit change in price strategy, the performance will change by 0.258 units. Therefore, from the result and some empirical findings, price has positive and significant effect on the performance of Oromia International Bank. This result of the study contradicts with the study of Solomon A. (2016)that studied the effectiveness of marketing strategy on performance in Abyssinia Bank and found that price has the insignificant effect on bank's performance. On the other hand, it is consistent with the findings of Colpan (2006), Owomoyela et al. (2013), Lidia S. (2015) who found that the price has the significant effect on business performance. Pricing is the method adopted by a firm to set its selling prices for its products and services. The price normally depends on cost elements and on the consumer’s perceived value of the products and or services in comparison to competing firms, products and or services.

Place (β=0.151; $P<.05$) is the third strongest predictor of performance identified in this study. This result is consistent with Solomon (2016).There is a moderate positive relationship between price strategy and performance of the bank (r=.489**, p<.01).The result of the study indicated that the Beta coefficient result of 0.151 signifies that for a 1 unit change in place strategy variable, the dependent variable (Performance) will change by 0.151units. The result of this study is consistent with Owomoyela et al (2013); Amine and Cavusgil (2001) who found that place has significant effect on business performance. Ambler (2000) also found that distribution channel relationship has a positive effect on market share and performance. Place creates convenience for customers and achieves basic, yet significant, benefits such as time, place, form and delivery benefits for customers. Therefore, the result of this study implies that place has the significant and positive effect on the performance OIBs.

The fourth predictor of performance is **Product** at (β=0.117; $P<.05$). The Beta coefficient result of 0.117 signifies that for a 1 unit change in product strategy variable, the dependent variable (Performance) will change by 0.117units.The result of this study implies that product has significant and positive effect on the performance OIBs.

Process (β=0.107; $P<.05$) is the fifth strongest predictor of performance identified in this study. This result is consistent with Lidia (2015), Amine and Cavusgil (2001),and Adewale et al. (2013) who found that process has a positive and significant relationship with business performance. Process is the way an organization tries to reach its services. It’s critical as banks strive to make customers aware of work procedure, different products/or services and their benefits. Respondents in the study concur that process strategy is beneficial for their business. Hence, from the results, it can be said that effective process of OIBs products/services can improve the organization’s performance.

The findings reveal that **‘Promotion’** factor (β=0.066; $P<.05$) is the last strongest predictor of performance. The result of the study indicated that the Beta coefficient result of 0.066 signifies that for a 1 unit change in promotion strategy variable, the dependent variable (Performance) will change by 0.066units. The result of this study is consistent with the study conducted by Solomon A. (2016) who found that the promotion strategy has the significant effect on performance. From the result it can be said that, promotion is the way an organization tries to reach its customers. Its a critical component of marketing as entrepreneurs strive to make customers aware of different products/or services and their benefits. Respondents in the study concur that promotion strategy is beneficial for their business. Hence, from the results, it can be said that effective promotion of OIBs products/services can improve the bank's performance.

Table 13: Summary of Hypothesis Testing

Hypothesis	Analysis Used	Findings		Result
H_1	Multiple Regression	β = 0.117; p<.05	Positive Significant	*Supported*
H_2	Multiple Regression	β = 0.258; p<.05	Positive Significant	*Supported*
H_3	Multiple Regression	β = 0.066; p<.05	Positive Significant	*Supported*
H_4	Multiple Regression	β = 0.151; p<.05	Positive Significant	*Supported*
H_5	Multiple Regression	β = 0.532; p<.05	Positive Significant	*Supported*
H_6	Multiple Regression	β = 0.107; P<.05	Positive Significant	*Supported*

Source: Own Survey Result, 2020

4.3. Secondary Data Analysis

Financial Performance of Oromia international Bank Compared to Peer Banks

In this part of the study, secondary data analysis on the performance of OIBs against other private banks (with respect to financial measures used in this study) is done based on data collected from the annual reports of the respective banks.

Profit after tax is a scrutiny into the performance of private banks regarding net profit revealed that OIB had remained a clear leader among its peer group during the past five fiscal years covering the period 2014/15 up to 2018/19. During the fiscal year 2018/19, the OIB recorded an all-time high net profit of Birr 1.001 billion.

Table 14: Net Profits after Tax of Private Banks in Millions Birr

S/n	Banks	Profit Before Tax (millions)					Growth for Prev. Year	
		2014/15	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**Absolute**	**%**
	Peer- 1							
1	Awash	861	986	1,350	1,964	3,344	1,380	**41**
2	Dashen	964	951	980	1,143	1,279	136	**11**
3	Abyssinia	374	487	704	766	1,024	258	**25**
4	Wegagen	453	478	708	1,050	735	(315)	**(43)**
5	United	358	429	489	707	980	273	**28**
6	NIB	441	459	682	659	928	269	**29**
	Peer-2							
7	CBO	481	37	240	523	658	134	**20**
8	Lion	276	350	351	480	696	216	**31**
9	OIB	294	325	379	938	1,001	63	**6**
10	Zemen	201	270	356	342	636	294	**46**
11	Bunna	182	250	265	427	625	198	**32**
12	Berhan	139	350	506	411	749	338	**45**
	Peer-3							
13	Abay	168	192	249	419	683	264	**39**
14	Addis	78	113	118	148	205	58	**28**
15	DGB	23	68	68	142	284	142	**50**
17	Enat	64	102	129	159	202	43	**21**

Source: Annual Reports of the Respective Banks and Author Computations FY 2014/15-2018/19

Return on Assets (ROA)

The return on assets (ROA) ratio illustrates how well management is employing the company's assets to make a profit. The higher the return, the more efficient management is in utilizing its asset. The ROA of the Banks is calculated as: Return on Asset = Net-income / Assets. In FY 2018/19, DGB and Abay banks have outperformed their peers with a ROA of 6.67% and 5.0%, respectively followed by Awash at 4.86%. OIB’s ROA has declined from 4.7% in 2017/18 to 3.6% in 2018/19, but remained between 2.8% and 4.7% during the past five fiscal years. However, OIB’s position with respect to ROA was in fifth place with respect to its 6 peers during the last fiscal year. During the past five fiscal years, OIB’s ROA stayed within the peer group average.

Table 15: Return on Assets

S/n	**Private Banks**	**Review Period**				
		2014/15	**2015/16**	**2016/17**	**2017/18**	**2018/19**
	Peer- 1					
1	Awash	3.64%	3.50%	3.69%	3.94%	4.86%
2	Dashen	4.13%	3.57%	3.10%	2.91%	2.56%
3	Abyssinia	3.00%	3.19%	3.34%	2.70%	2.89%
4	Wegagen	3.59%	3.20%	3.81%	4.28%	2.50%
5	United	2.73%	2.71%	2.50%	2.77%	2.99%
6	NIB	3.67%	3.16%	3.70%	2.78%	3.09%
	Peer-2					
7	CBO	5.11%	0.33%	1.69%	2.21%	1.85%
8	Lion	5.83%	5.01%	3.68%	3.79%	4.03%
9	OIB	3.75%	3.12%	2.75%	4.69%	3.59%
10	Zemen	4.57%	4.41%	4.18%	3.10%	4.71%
11	Bunna	4.85%	4.42%	3.18%	3.75%	4.57%
12	Berhan	3.98%	6.16%	5.72%	3.35%	4.52%
	Peer-3					
13	Abay	4.32%	3.57%	3.36%	4.02%	5.00%
14	Addis	5.24%	5.41%	4.02%	3.91%	4.25%
15	DGB	2.28%	5.58%	4.05%	5.33%	6.47%
17	Enat	3.53%	3.74%	3.19%	2.79%	2.55%
	Private Banks					

Source: Annual Reports of the Respective Banks and Author Computations FY 2014/15-2018/19

Return on Equity (ROE) This ratio indicates how profitable a company is by comparing its net income to its shareholders' equity. The higher the ratio, the more efficient the management is in utilizing its equity and the better return is to investors. Return on Equity is calculated as: Return on Equity = Net-income / Average Stockholders' Equity. As can be inferred from the table below, it is exhibited that OIB has been quite successful in recording above average return on equity. The ratio which was 33.8% in 2014/15 has remained relatively constant in the past five years. OIB's peers also have comparable ROE.

Table 16: Return on Equity

S/n	Private Banks	Review Period				
		2014/15	**2015/16**	**2016/17**	**2017/18**	**2018/19**
	Peer- 1					
1	Awash	29.78%	27.70%	30.88%	35.18%	40.04%
2	Dashen	34.92%	30.08%	25.49%	25.20%	21.73%
3	Abyssinia	22.40%	24.75%	28.00%	22.68%	23.23%
4	Wegagen	19.87%	18.31%	22.98%	31.98%	21.34%
5	United	21.95%	22.83%	21.32%	24.48%	26.92%
6	NIB	21.30%	19.55%	24.93%	20.92%	17.31%
	Peer-2					
7	CBO	38.46%	2.81%	17.53%	25.66%	21.99%
8	Lion	38.07%	37.00%	27.87%	27.83%	29.93%
9	OIB	33.77%	28.13%	25.41%	42.92%	29.84%
10	Zemen	28.27%	30.56%	30.73%	22.81%	31.14%
11	Bunna	30.47%	30.52%	22.91%	24.95%	25.33%
12	Berhan	21.70%	39.17%	32.62%	18.26%	27.70%
	Peer-3					
13	Abay	28.76%	22.90%	21.76%	25.81%	30.18%
14	Addis	20.51%	20.90%	16.93%	17.13%	19.01%
15	DGB	11.49%	25.14%	17.96%	24.23%	31.40%
17	Enat	38.26%	28.68%	16.38%	14.78%	14.33%
	Private Banks					

Source: Annual Reports of the Respective Banks and Author Computations 2014/15-2018/19

Earnings per Share (EPS) Earnings per share, is the portion of a company's profit allocated to each outstanding share of stock. Earnings per share serve as an indicator of a company's profitability.

Earnings per share are calculated as follows:

Earnings per share = Net-profit / Average Number of Shares. OIB's earnings per share have been impressive – averaging 41% growth per year from 2017/18 to 2018/19. This is well above the peer group's earnings per share.

Table 17: Earning Per Share

S/n	Private Banks	Review Period				
		2014/15	**2015/16**	**2016/17**	**2017/18**	**2018/19**
	Peer- 1					
1	Awash	38%	34%	39%	49%	64%
2	Dashen	59%	49%	40%	39%	31%
3	Abyssinia	26%	28%	32%	25%	27%
4	Wegagen	22%	20%	26%	34%	21%
5	United	27%	27%	24%	30%	34%
6	NIB	25%	23%	29%	24%	27%
	Peer-2					
7	CBO	45%	3%	18%	28%	25%
8	Lion	40%	43%	31%	32%	36%
9	OIB	34%	28%	25%	47%	35%
10	Zemen	30%	33%	33%	24%	35%
11	Bunna	28%	29%	22%	24%	25%
12	Berhan	19%	38%	33%	19%	28%
	Peer-3					
13	Abay	25%	21%	20%	25%	32%
14	Addis	17%	18%	15%	16%	19%
15	DGB	9%	21%	16%	21%	31%
17	Enat	14%	15%	14%	13%	13%
	Private Banks					

Source: Annual Reports of the Respective Banks and Author Computations FY 2014/15-2018/19

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

The researcher has tried to examine the effect of marketing strategy on Oromia International Bank's performance in this study. This chapter presents the major findings of the study, conclusions, recommendations, and limitations and suggestions for future research. Accordingly, the first section of this chapter describes the findings of the study that presents a brief summary, and the conclusion drawn from it. Lastly, the followed section of this chapter reveals the recommendations for the findings and highlights the direction for further studies.

5.1 Summary of Major Findings

Regarding the demographic characteristics of the respondents and general information:

Gender: The majority of the respondents were male (83.3%) and the rest 16.7% were female.

Age: Out of the total respondents, 21-30 age-group is (46.8%), 31-39 (32%),40-49(20.4%)and 0.7% is greater than age 50.

Education: The majority (49.4%) of them was second degree holders, 39.8% were first degree holders,3% have diploma degrees while the rest were in the 'other' category.

Experience: More than half (56.9%) of the respondents have 5-10 years of experience working in the bank. While 27.1%and 16% of them have <5 years' experience, and >10 years of experience, respectively.

The average descriptive statistics for performance (dependent variable) result has shown that the mean score was above the midpoint i.e. 3.8of the Likert scale which implies that it marketing strategy variables are scored in the 'agree' category on average.

Research Question 1:

To what extent does the product strategy affect the performance of OIB?

Finding1:-

- Regarding product strategy the result of descriptive statistics has shown that the mean sore of product strategy has been 3.63, relative other variables, the product strategy has lowest mean sore. Therefore, descriptive statistics suggests the OIBs have focused on building the long-term relationship with customers as compared to the rest independent variables.

- The result of the correlation analysis has shown that the product strategy has the strong correlation with dependent variable “performance” with 95% confidence interval & at 0.01 p-value 2-tailed testing, by scoring a Pearson Correlation Coefficient “R-value” of 0.571**

Research Question 2:

To what extent does the price strategy affect the performance of OIB?

Finding2:-

- Regarding price strategy the result of descriptive statistics has shown that the mean sore of price strategy has been 3.84.
- The result of the correlation analysis has shown that price strategy has the strong correlation with dependent variable “performance” by scoring a Pearson Correlation Coefficient “R-value” 0.882**

Research Question 3:

To what extent does the promotion strategy affect the performance of OIB?

Finding3:-

- Regarding promotion strategy the result of descriptive statistics has shown that the mean sore of promotion strategy has been 3.975.
- The result of the correlation analysis has shown that promotion has the highly correlated with dependent variable “performance” by scoring a Pearson Correlation Coefficient “R-value” 0.731**

Research Question 4:

To what extent does the place strategy affect the performance of OIB?

Finding4:-

- Regarding place strategy the result of descriptive statistics has shown that the mean sore of place strategy has been 3.85.
- The result of the correlation analysis has shown that place has the highly correlated with dependent variable “performance” by scoring a Pearson Correlation Coefficient “R-value” 0.886**

Research Question 5:

To what extent does the People strategy affect the performance of OIB?

Finding5:-

- Regarding People strategy the result of descriptive statistics has shown that the mean sore of people strategy has been 3.98. People have the highest mean score relative to other independent variables.
- The result of the correlation analysis has shown that people had the highly correlated with dependent variable “performance” by scoring a Pearson Correlation people had the highest strong relationship with performance than the rest five variables i.e. r=0.925** at the $p \leq 0.01$.

Research Question 6:

To what extent does the process strategy affect the performance of OIB?

Finding6:-

- Regarding Process strategy the result of descriptive statistics had shown that the mean sore of process strategy had been 3.71.
- The result of the correlation analysis has shown that process strategy had the highly correlated with dependent variable “performance” by scoring a Pearson Correlation Coefficient “R-value” 0.689**

Finally, the regression analysis results revealed that all independent variables are statistically significant at p-value <.05. The score of the coefficient correlation determination (R^2) is 0.908 which indicates, 90.8% of the variability of overall performance was explained by the six independent variables. The other variables that were not considered in this study contribute about 9.2% of the variability of OIBs’ performance. In this study, the Beta weight score indicated that the effect of relationship marketing is greater than other independent variables. Accordingly, the study model fits regression equation become

$$Y=0.120+0.117X_1+0.258X_2+0.066X_3+0.151X_4+0.532X_5+0.107X_6+e.$$

5.2 Conclusions

Marketing is considered as a key element for any successful business, irrespective of its size, sector, the nature of its work and even its aims and objectives. The ultimate goal of any business is to be successful and remain in business profitably. And it's a no hidden fact that the success or failure of an organization depends on its marketing strategies (Akroush, 2003).

When it comes to marketing strategies, most people think about the 6P's (Product, Price, Place, Promotion, People and Process) as important elements of marketing strategy. These are the basis for determining any particular marketing mix and the corresponding business performance of any firm. In line with this, a number of empirical researchers identified the strong relationship among companies' efforts in marketing strategy and the overall business performance.

Accordingly, the researcher of this study undertook the appropriate scientific study with the objective to examine the effect of marketing strategy on Oromia International bank's performance. Based on this study, the following conclusions are drawn out of the research findings:

The study found that the independent variables (the selected marketing strategies variables) have the significant effect on the Oromia International Bank's performance; each one has its unique contribution and effect to the performance of the Oromia International bank's performance.

The findings reveal that Oromia international Bank has adopted these marketing strategic elements and is utilizing them to serve the market.

Correlation analysis was conducted to analyze the relationships between variables. The correlation matrix revealed that all coefficients of correlation of independent variables were positively and strongly correlated with the dependent variable. Further multiple regression analysis was also conducted to verify if the independent variables have the effect on performance.

When we summarize the outcome of this study: **the first hypothesis** which states the product strategy has the positive significant effect on performance of OIBs' is **accepted**. But, the finding is significant where p-value of product strategy is (P-value <0.05; $\beta=0.117$). This means product has an effect on the performance, with the positive sign. This is because most of OIB's think product strategy might actually have an effect on bank's performance.

The second hypothesis which states price strategy has positive and significant effect on performance of OIBs is **confirmed** because the p-value of the price strategy is (P-value <0.05; $\beta=0.258$). This means price has significant and positive effect on the performance. This is because most OIBs' use the competitors' prices as a benchmark for setting their own prices and consider the benefits that the customers will have from using the product. It shows the strength of the customer relationship and positive feedback about the products or services when they set prices for products/services.

The Third hypothesis which states that promotion strategy has positive and significant effect on performance of OIBs is also **confirmed** because the p-value of promotion strategy is (P-value <0.05; $\beta=0.066$). The effect of promotion strategy on performance is significant in that promotion is about communication which brings about and creates awareness, interest, and trial of a particular product or service. Banks have not been critical on mass promotion. For example, media advertising is considered important because of the potential to expand interpersonal links and allowing others to promote the bank via word of mouth communication.

The fourth hypothesis which states that place strategy has positive and significant effect on performance of OIBs is **confirmed** because the p-value of the place strategy is (P-value <0.05; $\beta=0.151$).Place consideration is seen to be another factor having an effect on the performance of Oromia International Bank. This simply means the location, accessibility, and channel of distribution employed by the business organization is a major concern.

The fifth hypothesis which states that people strategy has positive and significant effect on performance is **confirmed** because the p-value of people strategy is (P-value ≤ 0.01; $\beta=0.532$).This is because people are the most important element of any service or experience. Services tend to be produced and consumed at the same moment and aspects of the customer experience are altered to meet the individual needs of the person consuming it.

Finally, the regression coefficient of the **sixth hypothesis** indicates that process has a positive and significant effect on performance (P-value ≤ 0.05 and $\beta=0.107$). Therefore, the last hypothesis (H_6) is also **confirmed**. Based on the H_6results, the researcher can infer there are a number of perceptions of the concept of process within the business and marketing literature. Some see processes as a means to achieve an outcome. For example, to achieve a 30% market share, a company implements a marketing planning process. However, in reality it is more about the customer interface between the business and consumer and how they deal with each other in a series of steps in stages, i.e. throughout the process.

5.3 Recommendations

The researcher forwards the following recommendations based on the research findings and the conclusions drawn in the previous sections.

- **With regards to the Product Strategy:** OIBs shall ensure that the bank's products and services are effectively made available to customers. In addition The OIBs shall make Products and Service positioning strategy to differentiating the products and service from other competitors' products.
- **Pricing strategy** has been identified as one of the major predictors of financial performance. Bank customers today are more demanding and willing to switch to other providers due to price. Therefore, the bank shall set its prices against this background and charge acceptable and competitive service fees, charge reasonable interest charges and communicate to customers in an easily understandable way.
- **With respect to the Promotion Strategy:** The Bank shall ensure that the products and/or services are effectively and adequately communicated to the public using the right mix of promotion strategies.
- **Place strategy** is also another important element which strongly predicts the performance of OIBs. Hence, the OIBs shall increase the accessibility and convenience of its location and ensure availability of multiple distribution options.
- **People Strategy** element in the service organization is found to be very important. Employees represent the company in the eye of the customers. Hence, the Bank should make sure that the right customer service staff are recruited, that they are well trained, motivated and competent to provide service.
- **The Process strategy** is also an important element of the bank's performance. OIBs shall also ensure to implement flexible systems and procedures and to facilitate efficient service delivery.

5.4 Limitations and Suggestions for Future Research

The findings of this study will provide a platform for a variety of future research efforts. In this study, only Oromia International Banks were taken into consideration. So, it is recommended that a similar study will be undertaken using all other private and peer banks for comparative analysis.

It is also recommended to examine the research model of this study in other sectors which will be helpful for generalization purposes. Hence, a potential area of future research is to examine the effect of marketing strategy on another industry's performance, especially in the Ethiopian context. This research is also limited in that it only focused on the performance of firms measured on profitability, sales, customer satisfaction, and brand awareness. Therefore, future researchers could also study the effect of marketing strategies on ROI, market share, growth, ROA, ROE, and others measures (marketing, financial, and non-financial measurements).

Furthermore, mediating/moderating factors affecting the relationship between marketing strategies and performance were not included in this study. According to Akroush (2003), company marketing assets and capabilities, and company marketing experience are found to have the most influential effect on moderating performance. This provides an opportunity for a research endeavor including these moderators.

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APPENDIX I

ST.MARY'S UNIVERSITY

DEPARTMENT OF MARKETING MANAGEMENT

GRADUATE PROGRAM UNIT

Questionnaire for Employees at Managerial Level

Dear Respondents,

My name is Hiwot Kassahun I am a post graduate student at St. Mary's University This questionnaire is prepared to collect data for my thesis on the topic of "**The Effect of Marketing Strategy On Bank's Performance: In The Case of Oromia International Bank"** in partial fulfillment of the requirement for MA in Marketing Management. Therefore, your genuine and honest response is very important for the success of the research and the researcher would like to thank you for your cooperation in advance.

Kindly be assured that all information that you provide will be kept strictly confidential and used for academic purpose only. If you require any further information, want feedback on the study or unclear situation please contact me by the following address;

❖ Email: hiwotkt21@gmail.com

Thank you in advance for your Space Time and Cooperation!

Part I: Demographic and General Information Question

If you have any inquiries, feel free to contact me through my E-mail: hiwotkt21@gmail.com
Please answer by putting a tick mark (√) in the box provided.

1. Gender: Male ☐ Female ☐
2. Age group: 20-29 ☐ 30-39 ☐ 40-49 ☐ ≥50 ☐
3. Educational Status: Diploma ☐ 1st Degree ☐ 2nd Degree ☐ Others ☐
4. Number of service years of the participant in the managerial position?

   1-5 Years ☐ 6-10 Years ☐ >10Years ☐

Part II: Marketing Strategy Related Questions

This part of the questionnaire covers items related to Marketing strategy of the Bank. Please indicate how much you agree or disagree with each of the following statements.

Please circle the number that best represents your opinion.

Product related Questions

S/n	Issue	Strongly Disagree1	Disagree 2	Neutral 3	Agree 4	Strong agree 5
1	The bank offer wide range of service and products	1	2	3	4	5
2	The Bank provide better quality service compared to competitor	1	2	3	4	5
3	The Bank employee most advanced Technology	1	2	3	4	5
4	The Bank develops & introduce new service based on customers' needs	1	2	3	4	5
5	The bank builds its brand reputation by providing a distinctive service quality	1	2	3	4	5
6	I do believe, OIB has got the best product strategy, which helps to enhance the overall performance of the Bank	1	2	3	4	5

Price related Questions

S/n	Issue	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strong agree 5
1	The bank charges acceptable fee	1	2	3	4	5
2	Interest charge on loan and advance are fair	1	2	3	4	5
3	The price charge are commensurate to the quality of service offered	1	2	3	4	5
4	The service charge measured up to competitors offer are competitive	1	2	3	4	5
5	The price communicated &easily understandable	1	2	3	4	5
6	I do believe, OIB has got the best price strategy, which helps to enhance the overall performance of the Bank	1	2	3	4	5

Promotion related Questions

S/n	Issue	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strong agree 5
1	The bank uses different advertising media to promote its products and services	1	2	3	4	5
2	The bank offers various sales promotion such as gifts, discounts etc	1	2	3	4	5
3	The bank sponsor special events such as sports, charities and the like	1	2	3	4	5
4	The bank uses publicity and public relation to enhance its image	1	2	3	4	5

5	The bank promotes its services & products adequately and effectively	1	2	3	4	5
6	I do believe, OIB has got the best promotion strategy, which helps to enhance the overall performance of the Bank	1	2	3	4	5

Place related Questions

S/n	Issue	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strong agree 5
1	The Bank's branch are easily accessible	1	2	3	4	5
2	The Bank provide service by using multi distribution channel (such as (ATM,POS, Internet)	1	2	3	4	5
3	The branches are located at convenient place	1	2	3	4	5
4	The ATMs of the bank are accessible & conventionality located	1	2	3	4	5
5	Customers are 24/7 obtain services from electronic banking	1	2	3	4	5
6	I do believe, OIB has got the best place strategy, which helps to enhance the overall performance of the Bank	1	2	3	4	5

People related Questions

S/n	Issue	Strongly Disagree1	Disagree 2	Neutral 3	Agree 4	Strong agree 5
1	The Bank carefully trains the personnel who interact with customers	1	2	3	4	5
2	The service staff are adequately rewarded to provide effective customer interactions	1	2	3	4	5
3	The customer contact staff exhibit enthusiastic, positive and caring attitude	1	2	3	4	5
4	The Bank uses training and development programs to improve employees capabilities	1	2	3	4	5
5	The service staff have courtesy and are competent to handle customer service	1	2	3	4	5
6	I do believe, OIB has got the best people strategy, which helps to enhance the overall performance of the Bank	1	2	3	4	5

Process related Questions

S/n	Issue	Strongly Disagree1	Disagree 2	Neutral 3	Agree 4	Strong agree 5
1	The Bank uses standard procedures in all of its branches in delivering service	1	2	3	4	5
2	The Bank prepares "flowcharts" or "diagrams" which describe the steps and activities required, to facilitate smooth workflow	1	2	3	4	5
3	The Bank uses information technology in processing work such as computerizing the work processes	1	2	3	4	5

4	The Bank uses flexible systems and procedures in responding to customers' needs	1	2	3	4	5
5	The systems and processes of the Bank facilitate efficient service delivery	1	2	3	4	5
6	I do believe, OIB has got the best process strategy, which helps to enhance the overall performance of the Bank	1	2	3	4	5

Bank Performance related Questions

S/n	Issue	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strong agree 5
1	Profitability of the Bank is better as compared to competitive Banks	1	2	3	4	5
2	Customer Satisfaction of the Bank is better as compared to competitive Banks	1	2	3	4	5
3	Market share of the Bank is better as compared to competitive Banks	1	2	3	4	5
4	The Marketing strategy leads to attain satisfactory	1	2	3	4	5
5	Return on equity of the bank is better than other Banks	1	2	3	4	5
6	Employee satisfaction the bank is better compared to other Banks	1	2	3	4	5
7	Overall, I'm satisfied with the OIB Marketing Strategy	1	2	3	4	5

APPENDIX II: SPSS Output

a) Mean and Standard Deviation of the Variables

Descriptive Statistics

	N	Mean	Std. Deviation
The bank offer wide range of service and products	269	3.98	1.096
The Bank provide better quality service compared to competitor	269	3.80	1.088
The Bank employee most advanced Technology	269	3.60	1.157
The Bank develops & introduce new service based on customers' needs	269	3.02	.243
The bank builds its brand reputation by providing a distinctive service quality	269	3.58	1.116
I do believe, OIB has got the best product strategy, which helps to enhance the overall performance of the Bank	269	3.85	1.049
The bank charges acceptable fee	269	4.07	.952
Interest charge on loan and advance are fair	269	3.63	1.084
The price charge are commensurate to the quality of service offered	269	3.59	1.050
The service charge measured up to competitors offer are competitive	269	3.86	1.032
The price communicated & easily understandable	269	3.91	1.047
I do believe, OIB has got the best price strategy, which helps to enhance the overall performance of the Bank	269	4.02	1.013
The bank uses different advertising media to promote its products and services	269	4.03	1.027
The bank offers various sales promotion such as gifts, discounts etc	269	4.23	.930
The bank sponsor special events such as sports, charities and the like	269	3.86	1.146
The bank uses publicity and public relation to enhance its image	269	3.77	1.025
The bank promotes its services & products adequately and effectively	269	3.86	1.081
I do believe, OIB has got the best promotion strategy, which helps to enhance the overall performance of the Bank	269	4.10	.970
The Bank's branch are easily accessible	269	4.11	1.034
The Bank provide service by using multi distribution channel (such as (ATM,POS, Internet)	269	3.84	.892
The branches are located at convenient place	269	4.07	.952
The ATMs of the bank are accessible & conventionality located	269	3.63	1.084
Customers are 24/7 obtain services from electronic banking	269	3.59	1.050
I do believe, OIB has got the best place strategy, which helps to enhance the overall performance of the Bank	269	3.86	1.032
The Bank carefully trains the personnel who interact with customers	269	3.86	1.032
The service staff are adequately rewarded to provide effective customer interactions	269	3.98	1.099
The customer contact staff exhibit enthusiastic, positive and caring attitude	269	4.13	.999

The Bank uses training and development programs to improve employees capabilities	269	4.23	.930
The service staff have courtesy and are competent to handle customer service	269	3.59	1.050
I do believe, OIB has got the best people strategy, which helps to enhance the overall performance of the Bank	269	4.09	.912
The Bank uses standard procedures in all of its branches in delivering service	269	3.95	1.117
Prepares "flowcharts" or "diagrams" which describe the steps and activities required, to facilitate smooth workflow	269	3.62	1.132
Uses information technology in processing work such as computerizing the work processes	269	3.72	1.102
The Bank uses flexible systems and procedures in responding to customers' needs	269	3.72	1.160
The systems and processes of the Bank facilitate efficient service delivery	269	3.87	1.027
I do believe, OIB has got the best process strategy, which helps to enhance the overall performance of the Bank	269	3.39	1.090
Profitability of the Bank is better as compared to competitive Banks	269	4.13	.999
Customer Satisfaction of the Bank is better as compared to competitive Banks	269	4.23	.930
Market share of the Bank is better as compared to competitive Banks	269	3.59	1.050
The Marketing strategy leads to attain satisfactory Market share	269	3.65	1.053
Return on equity of the bank is better than other Banks	269	3.90	1.025
Employee satisfaction the bank is better compared to other Banks	269	4.09	.948
Overall, I'm satisfied with the OIB Marketing Strategy	269	4.09	.857
Valid N (list wise)	269		