



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MANAGEMENT

**ASSESSMENT OF MARKETING STRATEGY PRACTICE: THE CASE OF DAISY
THREE STAR HOTEL IN ADDIS ABABA**

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March, 2022

Addis Ababa, Ethiopia

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF GRADUATE
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DECLARATION

I, the undersigned, declare that this thesis is my own original work and has not been presented in any other university. All sources of materials used for this thesis have been duly acknowledged.

Name: tewodrose dembu

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Abstract

This study is to assess the marketing strategies of the Daisy hotel owned by Weyeg general trading plc; the product, price, promotion and distribution strategies that is best for the consumers of the company. Makes marketing easy to handle and allow the separation of marketing activities from other activities of the firm and the delegation of marketing tasks to specialists. So as to achieve the stated objectives of the study has used mixed research approach. Quantitative data were gained from customers of the company. Besides, interviews were conducted with marketing managers of the company in order to substantiate the data gained through survey questioners. According to the result of the study, out of the total respondents, 123 (77.55%) of them are male customers whereas the rest 36 (22.45%) are female customers. This shows that majority of Daisy hotel customers are males' part of the population. Majority of the respondents are young who are expected to be on the productive age. The response from the customers shows that the company provides quality services. The company delivers food, bar and room services. From the total services delivered by the company, the majority of customers of the company like room service. The quality of the service is the main reason for the customers to prefer the company. The price of the company is affordable for most of the consumers; as a result most individual customers can handle this price. Using social media platform and watching TV are most available and comfortable for majority customers to know about the services of the company. It is highly recommended that to make promotion even if there is no problem in demand, not to change the price significantly, rather to make it gradually and keep the product/service as good as possible because/ service quality is one the customer preference.

Keywords: Marketing strategy, Hotel industry, Daisy Hotel.

chapter one

1. Introduction

1.1 Background of the Study

Due to the growing competition in the market place, more demanding and assertive customers, and rapid advancement in technology has changed the marketing environment dramatically and is becoming more turbulent. In order to be successful in the business, companies should have a competitive marketing strategy. The main reason that makes marketing a powerful concept is, it makes marketing easy to handle and allow the separation of marketing activities from other activities of the firm and the delegation of marketing tasks to specialists (Goi, 2009).

As Kotler (2016) has noted the essence of marketing is to define and create value to meet customer needs profitably. It involves understanding the customer intimately and being able to use that knowledge to build a relationship to create value and make a profit for the organization. One of the basic factors that make marketing complex and cumbersome to study is that it is centered on consumer interaction and human behavior. It is this human factor that makes marketing such a dynamic and variable process, and that complicates its implementation in organizations. Marketing strategies are tools used to achieve marketing goals. Many authors have discussed the importance of marketing strategy in the service industry; however, some organizations continue to avoid practical implementation of marketing theory (Andreu and Rosanas, 2012).

According to Kotler and Armstrong (2012) marketing strategy is a marketing logic by which the company hopes to create customer value and achieve profitable customer relationship. In order to create customer value and long term relationship with the very competent business environment companies must review and watch carefully the environment and their marketing strategy.

Homburg et al. (2009) found that marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable advantage. Marketing strategies includes all basic and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives.

Marketing strategy determines the choice of segments, target market, positioning, marketing mix, and allocation of resources. Marketing strategy encompasses selecting and analyzing the target market(s) and creating and maintaining an appropriate marketing mix that satisfies the target market and company (Paul Fifield, 1994).

Accordingly, in order to be competitive in the dynamic sector hotels should develop good marketing strategies. Consequently, this paper has assessed the marketing strategy practices on Daisythree star hotels inAddis Ababa.

1.2. Statement of the Problem

Whether the organization is domestic or international, new or existing, small or large, and private or governments all are operating in a turbulent and uncertain environment. In the context of changing customer expectations, technological discontinuities, and increasing environmental uncertainties business managers have a big challenge of making the right strategic choice and setting their strategic priorities in order to allocate their resources to different functions in an efficient manner for business success. With this regard, Burnett (2008)has argued managers must develop new tools, new concepts, new strategies and the new mindsets to cope with the turbulent and chaotic marketing environments that may lead to failure of the organization.

According to Kotler&Lee(2008) there are many companies which operate without formal plans. In new companies, managers are sometimes too busy for planning. In small companies, managers may think that only large corporations need planning. In mature companies, many managers argue that they have done well without formal planning, so it cannot be very important. They may resist taking the time to prepare a written plan. They may argue that the

marketplace changes too fast for the marketing plan to be useful and because of this they fail to make good marketing strategy (Kotler&Lee, 2008).

In order to achieve the marketing objectives, we need to have a strategy that includes different elements. When it comes to marketing strategies, most people spontaneously think about the 4P (Product, Price, Place, and Promotion). Like other products, the investment in hotel industry needs its own marketing strategy. As a result of the country's continuous economic development, the hotel and hospitality industry of Ethiopia is exposing an amazing increasing trend every year. Especially in recent five years, the industry shown a rapid increment trend each year and expected to grow in the future. Because of this attractive industrial growth, the currently existing hotels continuously update their service and plan to expand their branches. Similarly, the sector also attracts new domestic and foreign investors to invest in the business.

There are many internationally known hotel brands for instance Sheraton and RadisonBlue entered earlier into the Ethiopian hotel industry. In addition to foreign companies, the domestic investors invest to this sector. This shows that the sector is becoming more competitive than ever before and it creates a treat to the Daisy three star hotels.

When we see the market share of Daisy hotel, it is less known in the capital city. In line with this, due to the expansion of the existing branded hotels and the entrance of global branded hotel companies in Ethiopia the company will face great competition. The company's public relation activities are also limited in the city. The company is more known by having good public relation activities with the surrounding of the sub-city where the hotel is located and this enhances the acceptance of the service by the inhabitation of the surrounding. But the company does not have good public relation activities in other parts of the city. Due to some nature of the businesses, some businesses will become more competent than others because of some internal strength like the location, price. Daisy hotel is located at the best place for the business that it participates. So, is that the only strength the hotel have or not. Therefore, this study has assessed the marketing mix strategy practiced in Daisy hotel.

1.3. Research Questions

The study has tried to answer the following basic questions:

- ❖ What is quality of the service/product and the consumers' acceptance?
- ❖ How the consumers evaluate the price of the service with respect to quality?
- ❖ How the consumers respond to the promotions of the company?

1.4. Objective of the Study /research objective

1.4.1. General Objective of the Study

The general objective of the study is to assess the marketing mix strategies of the Daisy hotel owned by Weyeg general trading plc; the product, price, promotion and distribution strategies that is best for the consumers of the company.

1.4.2. Specific Objectives of the Study

While assessing the marketing mix strategies of the Daisy hotel, the researcher has focused on to address the following specific objectives;

- ❖ Examining the service (product) quality of the company and the consumers' acceptance.
- ❖ Exploring service price and consumers evaluation with its quality.
- ❖ Identifying promotional strategy of the company on the service consumers.

1.5. Scope of the Study

Having dynamic marketing strategy in a hospitality sector is not optional rather mandatory in today's marketing world. The competition is getting tougher each and every day. As a result, the biggest success lays on the marketing strategy of each hotel. With this regard the study was delimited conceptually, methodologically, geographically and time wise.

1.5.1. Conceptual Delimitation

In Ethiopia, the definition of hotel includes all hotels from 1 star to luxury 5 star hotels. In this regard, this study only focuses on the assessment of the marketing mix strategies of the Daisy hotel, which is three star hotel, it can give some importance for other similar scale product but it is delimited to daisy three star hotel.

1.5.2. Methodological Delimitation

Methodologically the study has used mixed research approach. Therefore, the reality under study was captured quantitatively and qualitatively.

1.5.3. Geographical Delimitation

Though there are many three star hotel nationwide, the study has geographically be limited to Daisy Three Star Hotel located in Addis Ababa. So as one of the marketing factor place is very mandatory to consider, the study is delimited geographically to the above mentioned location.

1.5.4. Time Delimitation

Considering time the study was conducted once. Therefore, the study does not consider change over time. As time change more things like product condition, price and also other factors also changed, so this study is timely delimited.

1.6. Significance of the Study

This study is important to the hospitality sector because it will provide an in- depth analysis of the marketing strategies utilized by three star hotel in Addis Ababa. Thus, this information could be used as a guideline for marketers towards more effective marketing strategy practice in the future.

Moreover, the study will enable the researchers and academicians to have knowledge on the topic, strategies to adopt the changes in the external business environment and how turbulent the environment can get. To this end, it will contribute to the existing body of knowledge in the area of marketing strategies and form basis for further research of hotels in Addis Ababa, Ethiopia. Besides that, the findings can be a point of reference in the future.

1.7. Organization of the Study

The study is organized in to five chapters. The first chapter deals with introduction part of the study such as: background of the study, statement of the problem, objectives of the study, scope of the study, significance of the study. Chapter two, will deal with the review of related literatures. Chapter three will explain the Research design and methodology of the study. Chapter four will be about data presentation, analysis and interpretation. Finally, chapter five will contain summary, conclusions and recommendations of the study result.

Chapter Two

2. Review of Related Literature

This chapter gives an overview of literature that is related to the research problem presented in this study. In line with this both theoretical and empirical literatures correlated with the current study will be presented in this section.

2.1. Theoretical Literatures

2.1.1. An Overview of Marketing mix Strategy

Kotler and Armstrong (2012) defines Marketing strategy is a marketing logic by which the company hopes to create customer value and achieve profitable customer relationships. From the above definition we can understand that marketing strategy focuses on long term company objective and maintains a long term relationships with the customers and it is a means to realize the company's stated goal. Marketing strategy involves two key questions: which customers will we serve (segmentation and targeting)? And how will we create value for them (differentiation and positioning)? Then the company designs a marketing program the four Ps that delivers the intended value to the targeted customers.

In any business identifying the user of the products and services and as the same time value creation with the customer is a key success for the company. Marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources.

Marketing strategy encompasses selecting and analyzing the target market(s) and creating and maintaining an appropriate marketing mix that satisfies the target market and company.

Marketing strategies are the means by which marketing objectives will be achieved and are generally concerned with the four major elements of the marketing mixes; product, price, promotion and place (McDonald and Dunbar, 2007) Taking consideration of the above definition companies rely on marketing strategies for established product lines or services by designing a proper marketing mix business will sustain and customer's need will get satisfy.

All organizations, hotels included require marketing strategies to thrive and remain competitive in their industries. Considering the dynamic nature of the hospitality industry, various hotels ought to change their marketing strategies quite often to cope with the changing needs in the market and also remain ahead of competition (Kotler, 2002).

To attain a sustainable competitive edge, an organization needs to identify its main strength and position itself in such a manner that is above competition in that segment (Robert & John, 2002). So as to create a distinct competitive advantage over rivals, a firm must select right combination of target markets and marketing mix. Hotels continually seek new ways to acquire, retain and increase business, because the cost of losing customers is rising.

Service is an important factor in retaining clients. The role of service is more important than ever, and is expected to become even more critical with time (Robert & John, 2002). Hotels that have the ability to attract, satisfy and thus retain customers are more likely to survive than hotels that do not do so. Successful customer retention allows the hotel to build relationships with its customers.

2.1.2. Elements of marketing Strategy

In order to achieve the marketing objectives, we need to have a strategy that includes different elements. Here there are four major elements that are used in the literature to explain the detail of marketing strategy. These are the Target market, Segmentation, Positioning and the marketing mixes (Roger Brooks bank, 1994).

2.1.2.1. Segmentation

At its most basic level, the term “market segmentation” refers to subdividing a market along some commonality, similarity, or kinship. That is, the members of a market segment share something in common. The purpose of segmentation is the concentration of marketing energy and force on the subdivision (or the market segment) to gain a competitive advantage within the segment.

As Ferrell and Hartline (2011) stated that, many firms today take segmentation to the extreme by targeting small niches of a market, or even the smallest of market segments: individuals.

❖ *Traditional Market Segmentation Approaches*

According to Ferrell and Hartline (2011) writes that many segmentation approaches are traditional in the sense that firms have used them successfully for decades. Some organizations actually use more than one type of segmentation, depending on the brand, product, or market in question.

Mass Marketing: It seems odd to call mass marketing a segmentation approach, as it involves no segmentation whatsoever. Companies aim mass marketing campaigns at the total (whole) market for a particular product. Companies that adopt mass marketing take an undifferentiated approach that assumes that all customers in the market have similar needs and wants that can be reasonably satisfied with a single marketing program.

This marketing program typically consists of a single product or brand (or, in the case of retailers, a homogeneous set of products), one price, one promotional program, and one distribution system. Mass marketing works best when the needs of an entire market are relatively homogeneous.

Differentiated Marketing: Most firms use some form of market segmentation by dividing the total market into groups of customers having relatively common or homogeneous needs, and attempting to develop a marketing program that appeals to one or more of these groups. This approach may be necessary when customer needs are similar within a single group, but their needs differ across groups.

Niche Marketing: Some companies narrow the market concentration approach even more and focus their marketing efforts on one small, well-defined market segment or niche that has a unique, specific set of needs. Customers in niche markets will typically pay higher prices for products that match their specialized needs. (Ferrell and Hartline, 2011)

According to Ferrell and Hartline pointed out that, although markets can be segmented in limitless ways, the segmentation approach must make sense in terms of identifiable, substantial, accessible, responsive, viable and sustainable criteria.

2.1.2.2. Bases for Segmenting Consumer Markets

Consumer markets can be segmented on the following customer characteristics.

Geographic Segmentation

Geographic segmentation divides the market into geographical units such as nations, states, regions, counties, cities, or neighborhoods. The company can operate in one or a few areas, or it can operate in all but pay attention to local variations. In that way it can tailor marketing programs to the needs and wants of local customer groups in trading areas, neighborhoods, even individual stores. In a growing trend called grassroots marketing, such activities concentrate on getting as close and personally relevant to individual customers as possible (Kotler and Keller, 2012).

Demographic Segmentation

In demographic segmentation, Kotler and Keller divide the market on variables such as age, family size, family life cycle, gender, income, occupation, education, religion, race, generation, nationality, and social class. One reason demographic variables are so popular with marketers is that they're often associated with consumer needs and wants. Another is that they're easy to measure (Kotler and Keller, 2012).

Age and life-Stage segmentation deals with segmenting the market by age group like people less than 14. Family life cycle segmentation provide for the market to be segmented into segments that are related to the change in pattern of consumption as a person passes the life cycle like adolescent to young adult or bachelor to married person. Gender segmentation is to segment the market in term of sex whether male or female. Income, education and Occupation segmentation deals with the segmentation of the market by the salary earned, level of education and work of the customers. Religion, race, generation, nationality, and social class segmentation segments the market into group of customers having specific social background (Nasit, A, 2011).

Behavioral Segmentation

Behavioral segmentation is the most powerful approach because it uses actual consumer behavior or product usage to make distinctions among market segments. Typically, these distinctions are tied to the reasons that customers buy and use products. Consequently,

behavioral segmentation, unlike other types of consumer segmentation, is most closely associated with consumer needs. A common use of behavioral segmentation is to group consumers based on their extent of product usage heavy, medium, and light users. Heavy users are a firm's bread-and butter customers and they should always be served well. Marketers often use strategies to increase product usage among light users, as well as nonusers of the product or brand. One of the best uses of behavioral segmentation is to create market segments based on specific consumer benefits (Ferrell and Hartline, 2011).

Psychographic Segmentation

Psychographics is the science of using psychology and demographics to better understand consumers. In psychographic segmentation, buyers are divided into different groups on the basis of psychological/personality traits, lifestyle, or values. People within the same demographic group can exhibit very different psychographic profiles (Kotler and Keller, 2012).

According to Ferrell and Hartline (2011), Psychographic segmentation deals with state-of mind issues such as motives, attitudes, opinions, values, lifestyles, interests, and personality. These issues are more difficult to measure, and often require primary marketing research to properly determine the makeup and size of various market segments.

2.1.2.3. Bases for Segmenting Business Markets

Major segmentation variables for business market are:-Demographic, Operating Variables, Purchasing Approaches, Situational Factors, and Personal characteristics. The demographic variables are the most important, followed by the operating variables down to the personal characteristics of the buyer (Kotler and Keller, 2012).

Business to Business market segmentation is an important asset for a company. It enables the staff to manage operations more effectively and to achieve the desired results and objectives. The degree to which segmentation is used in industrial markets can vary and it depends on the changing conditions in its environment. It also depends on the needs of an organization and its type of activities (Hutt and Speh, 2001).

Industrial market segmentation is a decision making process that gives a firm an opportunity to use its marketing resources correctly and effectively in order to implement its marketing strategy

and overall objectives. Business market segmentation, or in other words Industrial market segmentation, is not that well developed compared to consumer segmentation. Even though many parts of consumer segmentation can be applied to industrial segmentation, there are several other variables specifically applicable to industrial segmentation (Croft, M., 1994).

2.1.3. Product strategy

What is a product?

In essence, the term "product" refers to anything offered to provide customer satisfaction, be it tangible or intangible. It can be a single product, a combination of products, a product-service combination, or several related products and services. Although a product is normally defined from the perspective of the manufacturer, it is also important to note two other points of view those of the consumer and other relevant publics (Burnett, 2008).

Marketers define a product as being a bundle of benefits. This means that the product is more than just the sum of its physical characteristics; it includes fringe elements such as the brand image, the way the product is packed and delivered, even the color of the box it comes in.

According to Quain (2012) primary characteristics are those core benefits of the product that it has in common with its competitors; auxiliary characteristics are the features and benefits that are unique to the product. For instance, consider the contrast between a pizza from a delivery service and a pizza from the supermarket freezer. The primary characteristics of each are the same: a dough base with tomato sauce and cheese on top, with other ingredients included. The primary benefit is that each provides a tasty and filling meal; the auxiliary characteristics are where the two products diverge.

Product Life-Cycle Strategies

After launching the new product, management wants the product to enjoy .along and healthy life. Although it does not expect the product to sell forever, the company wants to earn a decent profit to cover all the effort and risk that went into launching it. Management is aware that each product will have a life cycle, although the exact shape and length is not known in advance.

According to Kotler (2007) the product life cycle (PLC) has five distinct stages. These include the following stages:

Produce Development Stage

Produce development stage begins when the company finds and develops a new-product idea. During product development, sales are zero and the company's investment costs mount. Many companies organize their new-product development process into an orderly sequence of steps, starting with idea generation and ending with commercialization. Under this sequential product development approach, one company department works individually to complete its stage of the process before passing the new product along to the next department and stage. This orderly, step-by-step process can help bring control to complex and risky projects. But it also can be dangerously slow. In today's fast-changing, highly competitive markets, such slow-but-sure product development can result in product failures, lost sales and crumbling market positions. 'Speed to market' and reducing new product development time have become pressing concerns to companies in all industries.

Introduction Stage

In this stage, as compared to other stages, profits are negative or low because of the low sales and high distribution and promotion expenses. Much money is needed to attract distributors and build their inventories. Promotion spending is relatively high to inform consumers of the new product and get them to try it. The firms focus their selling on those buyers who are the readiest to buy - usually the higher-income groups. A company might adopt one of several marketing strategies for introducing a new product. It can set a high or low level for each marketing variable, such as price, promotion, distribution and product quality.

Growth Stage

If the new product meets market needs or stimulates previously untapped needs, it will enter a growth stage, in which sales will start climbing quickly. The early adopters will continue to buy, and later buyers will start following their lead, especially if they hear favorable word of mouth.

Attracted by the opportunities for profit, new competitors will enter the market. They will introduce new product features, improve on the pioneer's product and expand the market for the product (Mahajan, 2013).

The increase in competitors leads to an increase in the number of distribution outlets, and sales jump just to build reseller inventories. Prices remain where they are or fall only slightly. Companies keep their promotion spending at the same or a slightly higher level. The firm uses several strategies to sustain rapid market growth as long as possible. It improves product quality and adds new product features and models. It enters new market segments and tries to grow sales further by selling through new distribution channels.

Maturity Stage

This maturity stage normally lasts longer than the previous stages, and it poses strong challenges to marketing management. Most products are in the maturity stage of the life cycle, and, therefore, most of marketing management deals with the mature product. The slowdown in sales growth results in many producers with many products to sell. In turn, this overcapacity leads to greater competition. Competitors begin to cut prices, increase their advertising and sale promotions, and increase their R & D budgets to find better versions of the product. Three strategies for the maturity stage are market modification, product modification, and marketing mix modification.

Decline Stage

Sales may plunge to zero, or they may drop to a low level where they continue for many years. Sales decline for many reasons, including technological advances, shifts in consumer tastes and increased competition. As sales and profits decline, some firms withdraw from the market. Those remaining may reduce the number of their product offerings. They may drop smaller market

segments and marginal trade channels, or they may cut the promotion budget and reduce their prices further (Anderson, 2000).

2.1.4. Marketing Mix Strategies

As Eric Shaw (2011) stated that, the marketing program (popularly called the marketing mix) is the set of variables that managers use to influence customers. These variables include the product or service, price, advertising and promotion, and distribution. And the main four elements of marketing mix are described as the following:-

A. Product strategy

Of all the strategic decisions to be made in the marketing plan, the design, development, branding, and positioning of the product are perhaps the most critical. At the heart of every organization lie one or more products that define what the organization does and why it exists. Products fall into two general categories. Products purchased for personal use and enjoyment are called consumer products, whereas those purchased for resale, to make other products, or for use in a firm's operations are called business products (Ferrell and Hartline, 2011).

B. Pricing Strategies

In discussing pricing, include the rationale for choosing the price, as well as any discounts, allowances, trade margins or adjustments. Three generic approaches to pricing are known as the 3 C's: (1) customer (or demand), (2) competitor, and (3) cost oriented pricing. The highest price possible to charge is the maximum that a customer is willing to pay. The lowest price a firm can offer, and remain in business for long, is its cost of goods plus operating expenses. Typically prices are set somewhere between these two extremes based on competitors' prices.

First, in demand oriented pricing, customers are charged the highest price that each segment will pay, usually phrased: "what the traffic will bear." Price skimming is an example of demand oriented pricing. With skimming a high price is charged initially. After those who are willing to pay the most actually buy the product and sales begin to level off, the price is lowered to the next segment, and the process is repeated.

Second, competitor oriented pricing is particularly common in industries known as oligopolies. If a firm charges a higher price than competitors, no one buys from them. Third, cost oriented

pricing relates the price to cost. This method is particularly popular in wholesaling and retailing where a standard markup is common, such as “keystone” pricing using 100 percent markup above cost (Shaw, 2011).

Selecting a Pricing Method

The three major considerations in price setting: Costs set a floor to the price. Competitors’ prices and the price of substitutes provide an orienting point. Customers’ assessment of unique features establishes the price ceiling. Companies select a pricing method that includes one or more of these three considerations. According to Kotler and Keller (2012), pointed out that, Here the following are the price-setting methods:-

Markup pricing: The most elementary pricing method is to add a standard markup to the product’s cost. Construction companies submit job bids by estimating the total project cost and adding a standard markup for profit. Lawyers and accountants typically price by adding a standard markup on their time and costs.

Target-return pricing: In target-return pricing, the firm determines the price that yields its target rate of return on investment. Public utilities, which need to make a fair return on investment, often use this method.

Perceived-value pricing: An increasing number of companies now base their price on the customer’s perceived value. Perceived value is made up of a host of inputs, such as the buyer’s image of the product performance, the channel deliverables, the warranty quality, customer support, and softer attributes such as the supplier’s reputation, trustworthiness, and esteem.

Value pricing: In recent years, several companies has adopted value pricing: They win loyal customers by charging a fairly low price for a high-quality offering. Value pricing is thus not a matter of simply setting lower prices; it is a matter of reengineering the company’s operations to become a low-cost producer without sacrificing quality, to attract a large number of values conscious customers.

Going-rate pricing: In going-rate pricing, the firm bases its price largely on competitors’ prices. In oligopolistic industries that sell a commodity such as steel, paper, or fertilizer, all firms

normally charge the same price. Smaller firms “follow the leader,” changing their prices when the market leader’s prices change rather than when their own demand or costs change. Some may charge a small premium or discount, but they preserve the difference.

Auction-type pricing: Auction-type pricing is growing more popular, especially with scores of electronic marketplaces selling everything from pigs to used cars as firms dispose of excess inventories or used goods (Kotler and Keller, 2012).

2.1.5. Promotion Strategies

Promotion relates to all the communication tools that the marketers use in the marketplace. As Whalley (2010) in his strategic marketing book stated that, promotion includes all of the tools available to the marketer for marketing communications. As with the marketing mix, marketing communications has its own promotions mix, where different aspects of the promotions mix can be integrated to deliver a unique campaign. The elements of the promotions mix are:-

- ✓ Personal selling
- ✓ Sales promotion
- ✓ Public relations
- ✓ Direct mail
- ✓ Trade fairs and exhibitions
- ✓ Advertising

The elements of the promotions mix are integrated to form a coherent campaign in relation to the strategy developed using STP.

2.1.5.1. Personal Selling

Personal selling is an effective way to manage personal customer relationships. The sales person acts on behalf of the organization. They tend to be well trained in the approaches and techniques of personal selling. Personal selling is highly persuasive and is often used in markets where personal choice figures strongly in the purchase (Whalley A., 2010).

Compared to other types of promotion, personal selling is the most precise form of communication because it assures companies that they are in direct contact with an excellent

prospect. Though one-on-one contact is highly advantageous, it does not come without disadvantages. The most serious drawback of personal selling is the cost per contact.

Personal selling is also expensive due to the costs associated with recruiting, selecting, training, and motivating salespeople (Ferrell and Hartline, 2011).

2.1.5.2. Sales Promotion

Sales promotion, a key ingredient in marketing campaigns, consists of a collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade. Whereas advertising offers a reason to buy, sales promotion offers an incentive. Sales promotion includes tools for consumer promotion(samples, coupons, cash refund offers, prices off, premiums, prizes, patronage rewards, free trials, warranties, tie-in promotions, cross-promotions, point-of purchase displays, and demonstrations), trade promotion(prices off, advertising and display allowances, and free goods), and business and sales force promotion(trade shows and conventions, contests for sales reps, and specialty advertising). Sales promotions in markets of high brand similarity can produce a high sales response in the short run but little permanent gain in brand preference over the longer term. In markets of high brand dissimilarity, they may be able to alter market shares permanently (Kotler and Keller, 2012).

Sales promotion involves activities that create buyer incentives to purchase a product or that add value for the buyer or the trade. Sales promotion can be targeted toward consumers, channel intermediaries, or the sales force. Sales promotion includes broad assortment of promotional elements because it encompasses activities other than advertising, public relations, and personal selling (Ferrell and Hartline, 2011).

2.1.5.3. Public Relations

Public relation is defined as the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its publics, institute of public relations. Public relations can be split into proactive communications designed to build understanding and reactive communications designed to counter misunderstanding (Whalley A., 2010).

Not only must the company relate constructively to customers, suppliers, and dealers, it must also relate to a large number of interested publics. A public is any group that has an actual or potential interest in or impact on a company's ability to achieve its objectives. Public relations include a variety of programs to promote or protect a company's image or individual products. The wise company takes concrete steps to manage successful relationships with its key publics (Kotler and Keller, 2012).

2.1.5.4. Direct Mail Marketing

Direct mail is a popular medium because it permits target market selectivity, can be personalized, is flexible, and allows early testing and response measurement. Although the cost per thousand is higher than for mass media, the people reached are much better prospects. The success of direct mail, however, has also become its liability so many marketers are sending out direct-mail pieces that mailboxes are becoming stuffed; leading some consumers to disregard the blizzard of solicitations they receive. In constructing an effective direct-mail campaign, direct marketers must choose their objectives, target markets and prospects, offer elements, means of testing the campaign, and measures of campaign success (Kotler and Keller, 2012).

Direct marketing has now expanded into areas such as telemarketing; cataloguing, door to door leafleting, e-mail marketing, broadcast faxing etc. as such direct marketing is a major sub-section of marketing in its own right (Whalley A., 2010).

2.1.5.5. Trade Fairs and Exhibitions

The purpose of trade fairs and exhibitions is to increase awareness and to encourage trial, largely through face to face contact of supplier and customer. They offer the opportunity for companies to meet with both the trade and the consumer, for both to build relationships outside traditional sales meetings. They are heavily used with business to business marketing, especially within technology and engineering based products (Whalley A., 2010).

2.1.5.6. Advertising

Advertising is a key component of promotion and is usually one of the most visible elements of an integrated marketing communications program. Advertising is paid, non-personal

communication transmitted through media such as television, radio, magazines, newspapers, direct mail, outdoor displays, the Internet, and mobile devices.

Advertising promotes all types of products, including goods, services, ideas, issues, people, and anything else that marketers want to communicate to potential customers. Whether used in consumer or business markets, there are two basic types of advertising: institutional and product advertising.

Institutional Advertising: Institutional advertising promotes a firm's image, ideas, and culture, with the goal of creating or maintaining an overall corporate image.

Product Advertising: Product advertising promotes the image, features, uses, benefits, and attributes of products. Product advertising comes in many different forms (Ferrell and Hartline, 2011)

In developing an advertising program, marketing managers must always start by identifying the target market and buyer motives. Then they can make the five major decisions, known as "the five Ms": Mission: What are our advertising objectives? Money: How much can we spend and how do we allocate our spending across media types? Message: What message should we send? Media: What media should we use? Measurement: How should we evaluate the results? (Kotler and Keller, 2012).

2.1.6. Basic Factors Considered in Formulating the Marketing Strategy

According to Ferrell and Hartline (2011) pointed out that the key issues considered in formulating the marketing strategy is the situation analysis.

The purpose of the situation analysis is to describe current and future issues and key trends as they affect three key environments: the internal environment, the customer environment, and the external environment.

- **The Internal Environment**

The first aspect of a situation analysis involves the critical evaluation of the firm's internal environment with respect to its objectives, strategy, Performance, allocation of resources, structural characteristics, and political climate.

First, the marketing manager must assess the firm's current marketing objectives, strategy, and performance. A periodic assessment of marketing objectives is necessary to ensure that they remain consistent with the firm's mission and the changing customer and external environments.

- **The Customer Environment**

In the second part of the situation analysis, the marketing manager must examine the current and future situation with respect to customers in the firm's target markets. During this analysis, information should be collected that identifies: (1) the firm's current and potential customers, (2) the prevailing needs of current and potential customers, (3) the basic features of the firm's and competitors' products perceived by customers as meeting their needs, and (4) anticipated changes in customers' needs.

- **The External Environment**

The final and broadest issue in a situation analysis is an assessment of the external environment, which includes all the external factors competitive, economic, political, legal/regulatory, technological, and socio-cultural that can exert considerable direct and indirect pressures on both domestic and international marketing activities.

According to Hitesh Bhasin (2012) also suggested in the magazine of marketing91.com, there are 3 essential factors while formulating marketing strategy. They are as follows:-

- I. Developing customer intimacy: A company can gain a lot by investing time in its customers, getting to know them, their likes, dislikes, preferences.
- II. The health of the brand: The second most important factor while formulating a marketing strategy is determining the health of the brand. This takes the external environment into account.

III. Innovation: It is important to understand that innovation does not happen in one department only. It can happen in the supply chain department, the costing department, the accounting department and most importantly the product development department.

2.2. Empirical Literature Review

2.2.1. Strategic Marketing and Firm's Performance

The relationship between marketing strategies and organization performance can be described by the four P's of marketing. Some scholars argued that a firm pursuing product adaptation strategy in a global market achieves increased sales performance (Leonidou et al, 2002). An empirical study conducted by Cavusgil and Zou, (1994) validated that product adaptation is not only linked to sales growth but financial performance of companies such as profitability and return on investment. Product adaptation as a global marketing strategy therefore positively affects overall business performance. It is therefore suitable strategy toward market responsiveness as it offers the development of new products that meet the needs of a changing marketplace. There is a strong positive link between pricing and firm's performance. Pricing strategy may vary market to market because of many reasons associated with the PESTEL model such as political, economic, social, technological, environmental and legal forces.

However, the argument is valid to the extent that pricing strategy success is measured in terms of proportion of sales and profit level, and customer satisfaction. Sales, financial and customer performance is achieved through promotional mix by gaining experience in the opportunities and problems arising in specific markets, boosting communication, personalizing relationships, and cultivating a team spirit with customers, and providing timely response and immediate support to the various needs (Kaynak and Kothari, 1984). The six related promotional mix is advertising; sales promotion, personal selling, trade fairs, personal visits, and promotion adaptation were found to be positively linked to firm performance (Styles and Ambler, 1994). With sound advertising procedures, the firm can communicate information, constantly remind, and persuade customers to buy the products and, therefore, generate more sales. The study results by Cateora and Graham, (1999) verified that advertising positively influence sales performance and other organization performance greater than other promotional mix variables.

Distribution strategy carries a critical role in dealing with delivery time that influences the performance of the firm. The effectiveness and efficiency in the delivery time of the products constitutes a key to total firm performance in the market as it affects the firm's operations in terms of competitiveness and success (Piercy et al., 1997). The results of the study by Keegan, (1995) exhibited a positive correlation between distribution channel and sales performance. In addition, significant findings on delivery time which is a result of distribution structures put in place by a firm were also observed to be related to sales volume, proportion of sales, and certain composite performance measures. Many studies are in support of distribution adaptation toward achieving and improving firm performance.

Various studies have been conducted trying to establish the relationship that exists between marketing strategies and performance of organizations. To begin with, the study by Zott&Amit (2007) examined the fit between a firm's product market strategy and its business model. The study manually collected dataset and found that novelty-centered business models-coupled with product market strategies that emphasize differentiation, cost leadership, or early market entry-can enhance firm performance. Data suggested that business model and product market strategy are complements, not substitutes. The study was however limited in addressing how business models evolve and in particular how they co-evolve with the product market strategy of the firm. Arasa, and Gathinji, (2014) conducted a study to determine link between competitive strategies and organizational performance among firms in the mobile telecommunications industry in Kenya. The study identified the competitive strategies adopted by firms in the industry in Kenya, assessed the different levels of implementation of competitive strategies within the firms and examined the relationship between these strategies and firm performance. The research revealed that competition is high in the industry and product differentiation and low cost leadership are the most commonly used strategies. Other strategies include strategic alliance strategies and specific market focus strategies. The study concludes that the strategies adopted improve the overall firm performance. The key performance indicators influenced by these strategies include sales and market share, customer retention, profitability and product innovation.

Ge and Ding, (2005) conducted a study on manufacturing firms in China and evidence found that the three dimensions of market orientation exert different effects on competitive strategy and performance. Among them, customer orientation has the strongest association with competitive

strategy and market performance. The results of structural equation analyses indicated that the mediating effect of competitive strategy is mainly revealed in innovation strategy, the most vital factor in creating superior value for the company in the emerging market. Njeri et al, (2015) investigated the marketing strategies and competitiveness of four and five star hotels in Kenya. A comprehensive view of the marketing strategies of the hotels was provided by mapping out the place, product, pricing, people and promotion strategies. Clear links were also established between these strategies and the hotels competitiveness. Dzisi and Ofori (2015) investigated the effect of marketing strategies on the performance of SMEs in Ghana in terms of their profitability, brand awareness and market share. The overall results of this study suggest that strategic marketing are drivers of organizational positioning in a dynamic environment, and that it helps to enhance the development of new product/service for existing markets. Results of the study also reveal that the SMEs in Ghana mostly use traditional form of marketing to reach potential customers and also to entrench their brands.

2.2.2. The Effect of Marketing Mix in Attracting Customers

The study by Pour, Nazari and Emami (2013) named “The effect of marketing mix in attracting customers: case study of saderat Bank in Kermanshah provincel”. Since researchers sought to explore the relationship between combining elements of marketing and attracting customers to the bank in Kermanshah Province using survey method and the research was descriptive type. The study used hypothesis saying that, marketing mix elements and the relationship between bank customers are significantl.

After test has been made the researchers has drawn the following conclusions. They conclude that there is a significant positive relationship between the bank customers and the marketing mix elements to advance the goals of the bank. Marketing involves a number of activities. To begin with, an organization may decide which of its target group of customers to be served. Once the target group is decided, the product is to be placed in the market by providing the appropriate product, price, place and promotion. These are to be combined or mixed in an appropriate proportion so as to achieve the marketing goal.

Figure 1: Conceptual Framework



Chapter Three

Research Design and Methodology

3.1. Introduction

This chapter gives the details of research approach, describe the target population, data collection instrument. Here is also description of the organization, data collection procedure and method of data analysis are discussed.

3.2. Description of the organization

Daisy hotel is a three star hotel owned by weyeg general trading plc. engaged in providing hotel services like room service, restaurant and bar service for the past three years. The hotel is located in Addis Ababa, Ethiopia, bole sub city special location at bole medhanialem. The location is the hub for recreation center for the capital city Addis Ababa.

Daisy hotel provide permanent job for around 70 employee and temporary for ten employees. Daisy hotel generates above 10 million ETB for the past two years per annum, And it is expected the highest turnover in the history of the hotel will attain in this budget year according to the current year balance sheet shows.

3.3. Research Design

The study is used a descriptive method of research design. The purpose of the researcher using this method will try to explain the characteristics of the population and define problems in proper manner. Descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing in any way. Descriptive study sets out to collect, organize, and summarize information about the matter being studied (Punch, 2006).

3.4. Research Approach

Based on the type of data that are used in the research, the general research approaches are both qualitative and quantitative research approach. So in this study quantifiable and non- quantifiable types of data were used. Quantifiable data has gathered by closed ended question which is

designed to keep the respondents in scope. Also open ended questions were prepared to provide unquantifiable data, which design to provide respondents with the freedom of expressing their opinion that they believe important for the intended study. Qualitative data gather information help to this research discussion published and unpublished documents and websites. This leads for the study to use a mixed research approach which is both qualitative and quantitative research approach.

3.3. Target Population and sample size determination

The target populations of the study were customers of the company and marketing managers. Customers of the company were selected based on the convenient sampling techniques. Accordingly, 165 customers were selected with the help of convenient sampling technique (the whole customer I get throughout the research period). I am using convenient sampling because it is easy to use and there is no trait of the respondent to be bias, because they are customers of the company, so they are not frustrated to be harmed by anyone based on their response.

Moreover, marketing managers were selected with the help of purposive sampling technique. To this end, 4 marketing managers were selected based on their seniority of serving in the company.

3.4. Data type and sources of Data

For successful completion of the study both primary and secondary data were used. Primary data were collected through survey questionnaires and interviews. Secondary data were gathered from different published and unpublished secondary sources like annual report, journal, articles and books that used for discussion purpose.

3.5. Data Collection Methods

A self-administered, structured questionnaire is used to gather data from daisy hotel customers and marketing managers. The researcher has formally request permission from daisy hotel for the study. Then after getting permission, distribution and collection of questionnaires and interviewing of the sample population has been made by the researcher as per the schedule. The structured questioner only was used for data analysis.

3.6. Reliability of research instrument

The reliability of instruments measures the consistency of instruments. Creswell (2003) considers the reliability of the instruments as the degree of consistency that the instruments or procedure demonstrates. The reliability of a standardized test is usually expressed as a correlation coefficient, which measures the strength of association between variables.

Typically, a Cronbach alpha value of above 0.7 is usually considered to offer reasonable reliability for research purposes. Constructs were identified and their reliability coefficients (Cronbach's) as ranged from 0.83. Since, instruments were developed based on research questions and objectives; it is possible to collect necessary data from respondents. Then, instruments are consistent with the objectives of the study.

3.7. Methods of Data Analysis

Data analysis refers to the process of obtaining meaningful information from the collected data (Kombo& Tramp, 2006). Regarding quantitative data, before processing the responses, the completed questionnaires were checked for completeness and comprehensibility to ensure consistency. Then, the data received from the respondents were analyzed through the use of descriptive statistics which include computing frequencies, percentages, mean and standard deviation. The analyzed data are presented in form of tables. The qualitative data is analyzed thematically.

3.8. Ethical Considerations

While conducting the study, ethical issues were primarily considered. Before conducting the data collection all the necessary information about the study has provided to the sample respondents, i.e. who is conducting the study, for what purpose, and the like, this helps the study participants to decide whether or not to participate in this study. They are also be notified that their participation in the study is voluntary; they are not be harmed as a result of their participation or non-participation in the study. They were also awarded that anonymity and confidentiality of their response will be guaranteed.

Chapter Four Result and Discussion

4. Introduction

This chapter presents the data analysis and findings from the questionnaires completed by customers of the hotel and interview from the company marketing managers. To achieve each specific objective of the study, the data obtained from survey were analyzed using descriptive statistics methods of analysis. By using convenience sampling technique, 165 samples were selected and 5% of the sample size was added for reserving to non-response. Out of this 161 questionnaires were returned from this 2 questionnaires were rejected due to missing data and unfilled. A total of 159 usable questionnaires were used for data analysis.

4.1. Demographic Characteristics of the Respondents

Table 1: Sex and Age of the Respondents

Variables		Frequency	Percentage
Sex	Male	123	77.55%
	Female	36	22.45%
	Total	159	100.0
Age	Below 20 Years	7	4.08%
	Between 21-30 Years	45	28.57%
	Between 31-50 Years	84	53.06%
	Above 51 Years	23	14.29%
	Total	159	100.0
Educational Level	Illiterate	4	2.04%
	Primary level	13	8.16%
	Secondary level	19	12.24%
	Diploma	52	32.65%
	First degree	39	24.50%
	Master's degree and above	32	20.41%
	Total	159	100.0

Source: Own Survey, 2022.

According to the result of the study, out of the total respondents, 123(77.55%) of them are male customers whereas the rest 36(22.45%) are female customers. This shows that majority of Daisy hotel customers are males' part of the population.

Concerning the age of the respondents from the total 49 respondents, 7 (4.08%) are below 20 age group, 45(28.57%) are from 21-30, 84 (53.06%) are from 31-50 and the rest 23 (14.29%) respondents are categorized above 50 years. Majority of the respondents are young who are expected to be on the productive age.

Regarding the educational level of the respondents, from the total sample taken 4(2.04%) of the study participants are illiterate customer, 13(8.16%) have attended primary level, 19 (12.24%) have attended secondary level, 52 (32.65%) respondents are diploma holder, 39 (24.50%) have first degree and the remaining 32 (20.41%) respondents have master's degree and above. This shows that majority of the people who consume the service of Daisy Three Star Hotel are educated people.

4.2. Questions related to the marketing mix of the Daisy Three Star Hotel

4.2.1. Product Related issues

Table 2: Product Related Issues

No.	Items	Respondents			
		Freq.	Percentage		
1.	How often do you use our service?			2.83	0.93
	Sometimes	49	30.61%		
	Once in a week	23	14.29%		
	Everyday	87	55.10%		
	Total	159	100.0		
2.	Which service of Daisy Three Star Hotel you prefer most?			2.91	0.72
	Food service	16	10.06%		
	Beverage	21	13.21%		
	Room service	122	76.73%		
	Total	159	100.0		
3.	What is your opinion about service quality of the			4.02	0.97

	company?	Very good	62	38.77%		
		Good	52	32.65%		
		Medium	26	16.34%		
		Poor	13	8.16%		
		Very poor	6	4.08%		
4.		Total	159	100.0		

Source: Own Survey, 2022.

4.3. Frequency of Consuming the Hotel Service

A question was raised to the respondents about the frequency of consuming the services of the company. As indicated in the above table item (1), out of the total respondents 49 (30.61%) and 23(14.29%) replied that they use the product sometimes and once in a week respectively. Most of the respondents 87 (55.10%) consume the services of the company every day. This indicates that respondents are more familiarized and experienced in the services of the company so they are capable enough to respond to the questions to be investigated.

The mean values result shows that on the item number 1, frequency of using the hotel services has the mean value of 2.83. This is interpreted as customers have frequently used the hotel services.

4.4. Services most preferred by the consumers

Currently the company delivers three major services namely, food service, beverage, and room service. Out of the total 159 respondents considered, 16 (10.06%) of the consumers prefer food service, 21 (13.21%) prefer beverage service and the remaining (76.73%) of the respondents like room service of the company. This shows that the majority of consumers of Daisy Hotel prefer their room services.

As the marketing manager replied, around 75% of the revenue is from room service. The share of beverage service from the total sales is around 15% and the share of food service is not more

than 10%. The marketing manager also replied the companies major consideration is on the room service of the company.

4.5. Service Quality of the Company

One of the principal ways in which a company can differentiate itself is by delivering consistently higher quality than its competitors. Many companies are finding that outstanding quality can give them a potent competitive advantage that leads to superior sales and profit performance. Offering greater quality results in higher costs however, investments usually pay off because greater customer satisfaction leads to increased customer retention and sales.

Regarding the quality of Daisy Hotel services, 62(38.77%) of the respondents replied that the quality of Daisy Hotel services is very good or good by forming 52 (32.65%) of the total, 26 (16.34%) of them said the quality is medium and only 19 (12.24%) of the respondents said the quality of the products are poor and very poor.

The response from the consumers shows that the company provides quality services. Furthermore, the interview from the marketing managers also witnessed about the company's services quality. They said, the company has latest equipment that makes its service modern.

Quality should be from market or customer perspective with respect to test and clarity the services delivered: Here, the important point is that quality perspectives should be based on customers' preference, not on internal evaluation. So, the ultimate objectives of product service should be to delight the customers in every way possible.

4.6. Consistency of the product quality

Quality is one of the marketer's major positioning tools. Quality has two dimensions level and consistency. The service quality attributes of hotel are critical to its overall acceptance by customers. For product quality consistency, a fine degree of control is required (Bamforth, 2009).

The most important noticeable attributes used for the measuring hotel service quality is the test of service delivered and patterns of their customer handling. Therefore, the consistency of the

quality of the company depends on the test of service delivered and patterns of their customer handling.

Based on the survey result of the study 121 (76.10%) customers showed their agreement on the consistency of the product of the company while 38 (23.9%) of the study participants disagreed on the consistency of the product of the company.

From the above finding, it is clear that sometimes there is a consistency problem on the quality of the company services. But we can't conclude that the quality of the company service is poor. This can be proved by the question asking the general service quality of the company, which many consumers agree on the good quality of the product.

4.7. Reasons for preference

Customers prefer one product from the other by some reasons. Customers of Daisy Hotel have reasons to prefer the service. From the total sample taken, 123 (77.36%) of the respondent prefer by the good quality of services, 21(13.21%) prefer by the price and 15(9.43%) by the company's customer handling.

The above result shows that the quality of the company service is the main reason for consumers to prefer the service.

4.8. Opinion concerning price of the company service

Price is an important characteristic of the brands. To the consumer, higher prices generally signify better quality or status, while lower prices signify more affordable, mass-consumed services.

As far as the theory is concerned, a large number of internal and external factors are examined before prices can be set. Accordingly, the survey result shows majorities of the respondents 94 (59.12%) revealed that the pricing of the hotel services are affordable. However, 24(15.1%) and 19(11.95%) respondents said pricing of the hotel services are expensive and very expensive respectively. The remaining 14(8.8%) respondents said it is very cheap and 8(5.03) replied it is cheap. The response implies that the price of the company is affordable for most of the customers; as a result most individual customers can handle this price.

As the marketing manager of the company replied, they are working hard to lower their price, overhead and administrative costs by removing redundant activities and increasing efficiency and productivity.

4.8.1. Increasing Price and Amount of Consumption

The second item from the list of pricing issues is about increasing the price of the service and amount of consumption. Accordingly, the survey result shows majority of the respondents (55.97%) said they will reduce their amount of consumption if the company increases its price. Whereas, 44.03% of the respondents replied that they will remain their amount of consumption though the service price increase. From the above finding, it is clear that increasing the price of services are not advisable since many of the consumers will reduce their amount of consumption. Even when the company increases the price, it should consider the amount of reduced consumption by the consumers.

4.8.2. A price reduction

One of the most common ways to gain market share is to lower price. Firms strive to build a lower cost position than competitors and pass those savings along to customers in the form of lower price (Schnaars, 2009). But sometimes lowering price may not help the company to increase their long term market share.

The third item from the list of pricing issues is about reducing the price of the services and amount of consumption. Accordingly, the survey result shows majority of the respondents 88(55.35%) said they will not consume the service if the price is reduced significantly. Whereas, 71(44.65%) of the respondents replied that they will remain as the customer of the company when the price is reduced. From the above finding, one can understand that when price of the company services reduced significantly consumers will not prefer it. As some of the respondents explained when consuming a service with lower price, they felt like they are not staying in the place which is compatible with their status.

Concerning price reduction the marketing manager replied, price reduction in the developing country will increase the sales volume of the company. But the result of this study indicates

lowering price does not attract many consumers rather they will reduce consuming the company services.

Price reduction in the star hotel industry does not appear to be a good long-term strategy. Price cutting may gain sales but if lower price is staying for the longer period of time, it cheapens the image of the brand so that it becomes very difficult to return to the original prices.

4.9. Service promotion on different Mass Media

Promotion and communication efforts in marketing mix strategy are directed at accomplishing brand awareness, brand loyalty and increase in market share. Based on the survey result of the study, 112 (70.44%) of the respondent replied they see or heard the promotion of the company. The remaining 47 (29.56%) of respondents said they don't see or heard frequently the promotion of the company.

From the above finding, it is clear that many customers of Daisy hotel does not frequently access the promotions made by the company. As the marketing manager of the company replied, the company does not conduct frequent promotion. The company justify that currently they do not have problems of demand, the entire services the company delivered is immediately sold. But this will not be applied when well- known international companies are entering to the Ethiopian hotel industry and the current under construction companies start operation.

4.9.1. Advertising Media Most Comfortable For Customers

Advertising is aimed to create a favorable image of the company. It enhances the consumers' confidence on the products and services. A company that succeeds in developing the goodwill of the public can aspire to deliver more services and sell more products.

According to the response of consumers, 101 (63.52%) respondents prefer utilizing social media platform as a means to know the advertising of the company, 32 (20.13%) of them responds watching Television listening as a means to know the advertising of the company, the remaining 26 (16.35%) prefers listening to the radio is most comfortable to hear the advertising. From the response of the consumers, one can understand that using social media platform and watching TV are most available and comfortable to known about the services of the company.

4.10. Effectiveness and Ethics issues of Company's Promotion

Table 3: Effectiveness and Ethics issues of Company's Promotion

No.	Items	Respondents			
		Freq.	Percent age	Mean	SD
1.	The promotions made by the company can initiate consumers for consuming the services.				
	Strongly disagree	83	52.2%	2.48	1.01
	Disagree	31	19.5%		
	Neutral	28	17.61%		
	Agree	10	6.29%		
	Strongly agree	7	4.4%		
	Total	159	100.0		
2.	The advertising strategies of the company are ethical.			2.43	0.93
	Strongly disagree	0	0		
	Disagree	0	0		
	Neutral	47	29.56%		
	Agree	23	14.47		
	Strongly agree	89	55.97%		
	Total	159	100.0		
3.	Consumers can increase consumption if happy hours or other rewards are given when they consume more.			2.41	0.79
	Strongly disagree	1	0.63%		
	Disagree	3	1.89%		
	Neutral	1	0.63%		
	Agree	31	19.5%		
	Strongly agree	123	77.36%		
	Total	159	100.0		

Source: Own Survey, 2022.

4.10.1. Effectiveness of Company's Promotion

As indicated in the above table most of the respondents 83(52.2%) showed their disagreement that the promotion made by the company motivate them for consuming the company services. On the other hand, 10 (6.29%) respondents showed their agreement that promotions made by the company can initiate customers for consuming the company services. 28(17.61%) of the respondents were neutral to the question. From this one can conclude that the effectiveness of the

company's promotional strategies is less effective that is why most of the respondents said they are not initiated to purchase by the company's promotion.

From the result of the mean scores, the mean value is below on average. This shows that the promotional activity is not adequate for the customers. The above analysis indicates that the company's promotional mix strategy is not effective and capable for creating awareness, customer loyalty on the customer mind. So that it may create a negative impact on the company. The result also implies the company can't satisfy their customer's requirement and it needs to examine in order to understand how they affect the ultimate success of their marketing and sales program.

4.10.2. Ethical and unethical of the Advertising Strategies

Hotel advertising and marketing materials should portray beer in a responsible manner. For instance alcoholic beverage advertising should not portray, encourage drunk driving. It should not depict situations where alcohol is being consumed excessively, in an irresponsible way or in any way illegally.

The second item from the list of promotion issue is concerning whether advertising strategies of the company is ethical or not. From the total respondents, 112 (70.44%) of them said the company's advertising strategy is ethical whereas 47 (29.56%) of the respondents are undecided about the issue. This shows that that advertising strategies of the company are ethical.

In line with this, the response from interviewing the marketing managers of the company shows their advertising activities are ethical.

CHAPTER FIVE

5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1. Summary of Findings

According to the result of the study, out of the total respondents, 123 (77.55%) of them are male customers whereas the rest 36 (22.45%) are female customers. This shows that majority of Daisy hotel customers are males' part of the population.

Concerning the age of the respondents from the total 49 respondents, 7 (4.08%) are below 20 age group, 45 (28.57%) are from 21-30, 84 (53.06%) are from 31-50 and the rest 23 (14.29%) respondents are categorized above 50 years. Majority of the respondents are young who are expected to be on the productive age.

out of the total respondents 49 (30.61%) and 23 (14.29%) replied that they use the product sometimes and once in a week respectively. Most of the respondents 87 (55.10%) consume the services of the company every day. This indicates that respondents are more familiarized and experienced in the services of the company so they are capable enough to respond to the questions to be investigated.

Based on the survey result of the study 121 (76.10%) customers showed their agreement on the consistency of the product of the company while 38 (23.9%) of the study participants disagreed on the consistency of the product of the company. From the above finding, it is clear that sometimes there is a consistency problem on the quality of the company services.

5.2. Conclusions

The findings and discussion part of this study are concluded as follows:

The response from the customers shows that the company provides quality services. Furthermore, the interview from the marketing managers also witnessed about the company's service quality and the company has latest working strategies that make its services timely and modern.

The company delivers food, bar and room services. From the total services delivered by the company, the majority of customers of the company like room service.

The quality of the service is the main reason for the customers to prefer the company. In addition to this, their good customers handling also benefit the company in building good public relation.

The price of the company is affordable for most of the consumers; as a result most individual customers can handle this price.

When the price of the company service increases, many of the consumers reduce their amount of consumption.

When price of the company service reduced significantly, consumers will not prefer it. As some of the respondents explained when consuming a hotel service with lower price, they questioned on the quality of the services delivered.

Using social media platform and watching TV are most available and comfortable for majority customers to know about the services of the company. The result of the study also shows that continuous advertising in social media platform and TV s is not only stimulates sales but also create customer loyalty and hence market expansion.

5.3. Recommendations

This section presents researcher's recommendation based on the finding and conclusion of the study. Therefore, based on the above sections the researcher recommends the following:

- It is highly recommendable for the company to ensure the consistency of its product quality. The test and quality attributes of the hotel are critical to its overall acceptance by customers. To keep product quality consistency, a fine degree of control is required.
- It is also not advisable to reduce the price of the services significantly. This will reduce the sales volume of the company since when consuming a service with lower price; the consumers feel the service quality may reduce.
- It is worth for to use frequent promotions of the service are not only stimulates sales but also create customer loyalty and hence market expansion.

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APPENDICES

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MANAGEMENT

Survey Questionnaires: to be filled by Customers of Daisy Three Star Hotel

Dear respondents;

My name is **Tewodros Dembu** and I am a master's student at St. Mary's University, Department of Management. The purpose of this questionnaire is to carry out a research for the partial fulfillment of master's degree in business administration. Any information you present will be kept confidential and will be used only for academic purpose. Your cooperation and prompt response will be highly appreciated.

General Instruction:

- This questionnaire is to be filled by Customers of Daisy Three Star Hotel.
- You are not required to write your name.
- You are kindly asked to read carefully and respond to each question in the questionnaire.
- Please circle in the box of your choice.

Thank you for your cooperation in advance!

Section I: General Information

1. Sex

- A. Male
- B. Female

2. Age

- A. Below 20 Years
- B. Between 21-30 Years
- C. Between 31-50 Years
- D. Above 51 Years

3. Educational Status

- A. Illiterate
- B. Primary level
- C. Secondary level
- D. Diploma
- E. First degree

F. Master's degree and above

Section II: Questions Relate To Marketing Mix

1. How often do you use our service?

- A. Sometimes
- B. Once in a week
- C. Everyday
- D. Others _____

2. Which service of Daisy Three Star Hotel you prefer most?

- A. Food service
- B. Beverage
- C. Room service
- D. Others _____

3. What is your opinion about the quality of our service?

- A. Very good
- B. Good
- C. Medium
- D. Poor
- E. Very poor

4. If you have observed problems on the quality of the Daisy Three Star Hotel services please specify

5. Why you prefer to consume the Daisy Three Star Hotel services as compared to the others?

- A. By the good quality
- B. By the price
- C. By their customer handling
- D. If other please specify _____

6. What is your opinion concerning the price of the Daisy Three Star Hotel services?

- A. Very cheap
- B. Cheap
- C. Affordable
- D. Expensive
- E. Very expensive

7. If the Daisy Three Star Hotel increase the price of its services, would you like to switch to other hotels?

- A. Yes
B. No
8. Do you consume the service if the price is reduced significantly?
A. Yes
B. No
9. If your response for the above question is No, please explain the reasons
- _____
- _____
- _____
10. Have you ever seen or heard the service being promoted on any mass media?
A. Yes
B. No
11. Which advertising tool is most comfortable for you to know about the Daisy Three Star Hotel service?
A. Watching TV
B. Listening to the radio
C. Reading magazines and news papers
D. Browsing the internet and social networking sites
E. If other please specify _____

Section III: Instruction: Please read each statement and indicate your level of agreement (on the response scale: 1 to 5) by taking from the options provided as strongly agrees, agree, neutral, disagree, and strongly disagree. (Tick one from the given five scales).

Response scale:

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Product related issues		Response scale				
		1	2	3	4	5
12.	The preparation and delivery of the services are attractive and good.					
13.	There is consistency in the quality of services.					

Price related issues		Response scale				
		1	2	3	4	5
14.	Electronic payment can encourage consumers to purchase more services.					
15.	The prices of the services are higher than the others.					

16.	Consumers are satisfied with the current overall pricing system of the company.					
Promotion related issues		Response scale				
		1	2	3	4	5
17.	The promotions made by the company can initiate consumers for consuming the services.					
18.	The advertising strategies of the company are ethical.					
19.	Consumers can increase consumption if happy hours or other rewards are given when they consume more.					

20. If you have other opinions regarding the marketing mix strategy please specify here

Thank You!

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MANAGEMENT

Interview Checklist: For Marketing Manager of the Daisy Three Star Hotel.

1. How do you evaluate whether the service quality satisfy the customers?
2. What factors you considered in setting the price of your service? Do you considered the purchasing power of the customer?
3. Which alternative approaches does the Daisy Three Star Hotel used to determining price?
4. What mechanisms you used to form a good image of your service in the minds of the customers
5. What are mechanisms the company uses to motivate its customers?
6. Which advertising tools the company mostly uses to communicate with its customers?
Why?
7. Which promotional mix does the company mostly use? What are the reasons for using it?
8. Which of the strategies you used to improve the company's competitiveness?
9. What are the major problems encountered in implementing marketing mix strategies?

Thank You!