



**ST.MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF STRATEGIC MARKETING PRACTICES AND CHALLENGES IN  
THE CASE OF ST.GEORGE (BGI) REWERY S.C.**

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**ID No: SGS/0165/2014B**

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**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR AWARD OF MASTERS DEGREE IN MBA IN ACCOUNTING  
AND FINANCE**

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**THESIS TITLE**

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**BY**

**YARED MENGESHA KASSA**

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## ABSTRACT

*This study focused on assessing the marketing mix practices and challenges in the case St. George Brewery Company. To achieve the research objectives, both primary and secondary data collection instruments were used to collect data. Closed ended and open ended questionnaires along with interviews were used for the purpose of data collection. The selections of the respondents were carried out by using purposive sampling research method because no other departments were concerned about marketing strategies and the researcher took all the respondents of marketing staffs as a total population of the study. The St. George Brewery's marketing strategy is effectively practiced by its employees and managers because they are committed to work and the smooth communication flow between marketing and other departments. It provides quality products with affordable prices by promoting its products by using high and effective advertising mechanisms with the determination of the buyers' accessibility to the products. Even though the marketing strategies of the company are effectively practiced, there are some challenges that the company faced while implementing it. These are; Infrastructure problems, Economic problem, Intensive competition in the market, Shortage of raw materials, Seasonality of consumption, Sociocultural problems and the time and cost of awareness creation for the customers. In the research, the assessment focused on the marketing strategy practices within the St. George Brewery (BGI). Looking ahead, it is recommended to broaden the scope to encompass the overall marketing strategy involving the organization, customers, intermediaries, and government regulations within the brewery industry. Additionally, conducting a survey on marketing strategy practices across Ethiopia's brewery sector is advised for future research endeavors.*

*Key words: Marketing mix, Target marketing, St. George Brewery, Marketing Strategy*

## DECLARATION

I, Yared Mengesha kassa, declare that this work entitled “assessment of strategic marketing practices and challenges in the case of st.george (BGI) brewery S.C.” is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged.

I have produced it independently except for the guidance and suggestion of the Research Advisor. This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of Masters in Business Administration in accounting and finance.

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This thesis has been submitted for examination with my approval as advisor

Advisor; Zemenu Aynadis (asst.professor)

Signature\_\_\_\_\_

January 2024

## ACKNOWLEDGEMENTS

This thesis wouldn't have been completed without the help of Almighty God and a great many people. First and for most, my heartily thanks go to Almighty Father, God for his graciously provision of knowledge, wisdom, inspiration and diligence required for the successful completion of this thesis and for bringing my dreams into reality.

I want to express my greatest pleasure working with Zemenu Aynadis (asst.professor), advisor. I want to thank him for answering my frequent questions without any hesitation, for his countless suggestions, assistance and invaluable advice.

I highly appreciate and thank the BGI Brewery underwriting and marketing division staffs who were cooperative and helpful.

I would like to extend my love and respect to my wife, selamawit Robi and my brother Andualem mosisa and also my mother, Etenesh Bekele who are role models to my life and who showed me love and endurance.

Last but not least, my warmest appreciation and thanks goes Ephrem Lemma (Dr.) who supported and encouraged me to succeed in this thesis progress; and artist Kaleb walelegn, other friends of mine could always be counted for their support, courage and motivation.

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## **LIST OF ACRONYMS**

S.C Share Company

ST Saint George

PLC Product Life Cycle

R&D Research and Development

4P Product, Price, Place, Promotion

STP Segmenting, Targeting, Positioning

PR Public Relation

HL Hector litter

E.C Ethiopian Calendar

TV Tele Vision

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## **CHAPTER 1: Introduction**

This section mainly focuses on addressing the background of the study, statements of the problem, Objectives of the study, Significance of the study, scope and limitation of the study and organization of the paper.

### **1.1 Background of the Study**

The art of strategic marketing encompasses a methodical approach, orchestrating, and governing marketing endeavors to attain organizational goals and secure a competitive edge in the market sphere (Cravens & Piercy, 2009). It entails a thorough examination of the external milieu, encompassing market tendencies, rival conduct, and technological progressions, alongside an evaluation of internal competencies and assets (Hooley, Piercy, & Nicoulaud, 2012).

At its essence, strategic marketing endeavors to craft superior value for patrons through the formulation of distinct products or services and efficacious communication methodologies (Kotler & Armstrong, 2018). By grasping patron requisites and inclinations, establishments can tailor their marketing initiatives to furnish pertinent and captivating propositions that either fulfill or outstrip patron anticipations (Kotler & Keller, 2016).

In the contemporary dynamic and interlinked commercial panorama, strategic marketing practice assumes heightened significance. Swift technological advancements, shifting consumer conducts, and globalization have heightened competition and dislodged conventional business paradigms (Kotler et al., 2017). Consequently, establishments must persistently acclimate and innovate their marketing tactics to endure relevance and competitiveness (Cravens & Piercy, 2009).

The assimilation of digital technologies has metamorphosed marketing methodologies, empowering establishments to connect with and captivate patrons through sundry online platforms (Smith & Chaffey, 2019). Digital marketing mechanisms such as social media, search engine optimization (SEO), and content marketing have evolved into indispensable constituents of strategic marketing practice, enabling establishments to enrich brand prominence, stimulate patron interaction, and foster lead generation (Chaffey & Ellis-Chadwick, 2019)..

When a company is making a plan for its future, it's important to think about how they're going to sell their products in a new or existing market. For the people in charge of selling the company's stuff, creating a good plan is really important. This plan helps in several ways, like making it easier to launch new products, spending less money, and making the products better, which all leads to doing better in the market. So, before a company starts making a new product, the person running the business needs to be sure that people will want to buy it, and their plan for selling it will work well (Zelalem & Negi, 2009).

Strategic marketing planning is about clearly stating what you want to achieve in the markets you target. It means making plans for each product your company sells and setting goals accordingly. It's important for companies to also think about what they're good at and how they can use that to compete and make money. Nowadays, competition is everywhere in almost every industry because of things like less regulation and the world becoming more connected. So, having a good marketing plan is really important for companies to make sure they stay profitable in the future. This planning process starts with figuring out what you want to achieve and who you want to sell to, and then making detailed plans for each product (Dibb, 2005).

According to Cravens and Piercy (2009), strategic marketing practice is really important for making a company better than others by giving customers something they value, building a strong brand, and making customers stick with them. Also, strategic marketing helps companies change when the market does, when technology moves forward, and when people's tastes change. This makes sure companies keep making money and keep going (Cravens & Piercy, 2009).

Moreover, strategic marketing practice means always checking how well your marketing is doing to see if your plans are working and where you can do better (Hooley, Piercy, & Nicoulaud, 2012). Doing this over and over lets companies react quickly to changes outside and keep being ahead in the market (Hooley et al., 2012). In today's digital world where businesses operate globally, there's a pressing need for companies to develop new and improved marketing strategies and find effective ways to put them into action. Some experts argue that due to advancements like the internet, companies must undergo significant changes in their business approaches, almost akin to a new industrial revolution. To survive and thrive, managers must adapt to new rules to keep up with the fiercely competitive market and meet the demands of technological innovation. Another suggestion is that in the 21st century, companies must embrace web-based management, as the internet is reshaping how we interact with customers and suppliers, and how we create value for

them, ultimately leading to profitability. In essence, this revolutionizes marketing. Therefore, companies need to retain proven skills and strategies while also embracing new approaches to succeed in today's ever-evolving economy (Kotler, Veronica, Saunders & Armstrong, 2005).

In short, strategic marketing is a complex field that needs a good grasp of markets, how people buy things, and what's new. By using smart marketing ideas and focusing on customers, companies can handle the challenges of today's business world and grow steadily.

## **1.2 Statement of the Problem**

Competing in today's economy means finding ways to break out of commodity status to meet customers' need better than competing firms. All organizations both for-profit and nonprofit require effective planning and a sound marketing strategy to do this effectively. Without these efforts, organizations would not be able to satisfy customers or meet the needs of other stakeholders. Having an effective marketing strategy allows companies to develop popular products. Further, effective planning and strategy allows companies to continue in their leadership in the area of their business while continuing their expansion into the lucrative markets around the world. Many organizations use sound marketing strategy to leverage their strengths and capitalize on opportunities that exist in the market. Every organization from your favorite local restaurant to giant multinational corporations; from city, state, and federal governments, to charities develops and implements marketing strategies. (Ferrell and Hartline, 2011).

The assessment of strategic marketing practice in the case of Saint George Brewery SC faces several key challenges and areas of inquiry. Firstly, understanding the effectiveness and efficiency of the current strategic marketing initiatives undertaken by the brewery is crucial. This involves evaluating the alignment of marketing strategies with organizational goals and market demands. Secondly, identifying any existing gaps or shortcomings in the brewery's strategic marketing approach is essential for pinpointing areas for improvement. This includes assessing whether the brewery adequately addresses changing consumer preferences, market trends, and competitive dynamics. Additionally, exploring the integration of digital marketing practices, such as online advertising and social media engagement, within the brewery's overall marketing strategy is important to stay relevant in today's digital landscape. Lastly, considering the brewery's unique position within the Ethiopian market and the brewing industry as a whole, analyzing the impact of

socio-cultural factors, regulatory constraints, and economic conditions on strategic marketing decisions is necessary for a comprehensive assessment.

In recent years, St. George Brewery has faced challenges expanding its market reach beyond the northern region due to local conflicts and heightened competition. Moreover, the rapid growth of Ethiopia's beer industry has attracted numerous new players, both domestic and international, intensifying market competition. This study endeavors to examine the marketing strategy issues confronting St. George Brewery. Specifically, it aims to uncover the hurdles hindering the brewery's market expansion efforts and to address fundamental questions regarding its marketing practices. However, despite the significance of this research, there appears to be a gap in understanding how St. George Brewery's strategic marketing initiatives have evolved over time in response to shifting market dynamics. While existing literature may shed light on general marketing challenges within the brewery industry, there is a lack of recent research specifically examining St. George Brewery's strategies amidst the changing competitive landscape and regional conflicts. Therefore, this study seeks to fill this gap by exploring the brewery's strategic marketing practices in light of current market conditions, offering valuable insights for academic research and industry practitioners alike. As of 2024, there may be a significant time gap since the last research conducted on this topic, underscoring the need for updated insights into the brewery's marketing challenges and practices.

This study attempted to assess the challenges associated with the marketing strategy practices in St. George Brewery. Specifically the study is designed to address the following basic questions.

### **1.3 Research Question**

1. How can the company identify marketing mix strategies that will appeal to the target market?
2. How does the company strategically position the market to achieve its objectives?
3. How does the company strategically segment the market to achieve its objectives?
4. What marketing strategy practices of BGI Brewery align with its mission to satisfy customer needs?
5. How does the marketing strategy practice of BGI Brewery align with its target market?

6. How does the marketing strategy practice of BGI Brewery align with its marketing mix to satisfy customer needs?
7. What problems are encountered in the implementation of BGI Brewery's marketing strategy, and what recommendations can be given?

#### **1.4 Objectives of the Study**

The study's main goal was to assess the St. George Brewery factory's (BGI) marketing strategy practices and challenges.

The specific objectives are:

- ❖ To assess the company's marketing mix strategies that will appeal to the target market.
- ❖ To analyze how the company strategically positioning the market to achieve its objectives.
- ❖ To assess how the company strategically segmenting the market to achieve its objectives.
- ❖ To explore how the marketing strategy practice of BGI Brewery is aligned with its mission to satisfy customers need
- ❖ To explore how the marketing strategy practice of BGI Brewery is aligned with its target market
- ❖ To explore how the marketing strategy practice of BGI Brewery is aligned with its marketing mix to satisfy customers need
- ❖ To assess problems encountering the marketing strategy implementation of BGI Brewery.

#### **1.5 Scope of the Study**

Conceptual scope

The study covered how the marketing strategies are practiced in the Saint George Brewery to achieve its stated goals that aligned with target markets, positioning, segmenting and the marketing mixes to satisfy customer requirements.

Methodological scope

The study is delimited to the marketing strategy practices by the organization's side with concerned employees (marketing department staffs and managers). In the course of analyzing the

problems, both primary and secondary data collection procedures were employed. To achieve this goal, questionnaires, interviews and document reviews were going to be the main tools.

#### Geographical scope

The focus of the study were also delimited to the data that is obtained from only in Adiss Ababa.

### **1.6 Limitation of the study**

The interviews part were made with managers and those managers may not be volunteer to give the true situation/sense of the organizations strategy because they may fear that their competitors may imitate their ideas. The study was conducted on the organization's side which is the marketing strategy practices of the employees and will not cover the other stakeholders such as government (government regulation on Brewery industries), intermediaries and to see what looks like the marketing strategy of the company in terms of customers 'side.

### **1.7 Significance of the Study**

The ultimate goal of any business establishment is to remain in business profitably through production and sale of products or services. Without optimal profit, a business firm cannot survive. One of the core activities in a business company is having a well-developed marketing strategy. The ultimate success or failure of a company depends on its marketing strategies.

The purpose of the study is to assist the company's management in prioritizing this crucial aspect of their operations. It examines the utilization of marketing mix, corporate mission, and target marketing to improve customer attraction, retention, and engagement. Understanding how these tools influence marketing strategy is essential for any business entity. Conducting such a study is vital for shaping effective marketing strategies. This research was valuable as it enabled the company to identify its challenges, consider alternative approaches, and gain fundamental insights into marketing strategy and its importance within the brewery industry.

## **1.8 Organization of the Paper**

This research paper consists five chapters. The first one is the introductory part of the paper which contains background of the study, statement of the problem, research questions, objective of the study, definition of terms, significance of the study, scope and limitation of the study, organization of the study. The second part discussed the review of related literatures about the subject matter. The third chapter is research design and methodology. The fourth part contains the data analysis. The last chapter, the fifth is about the summary, conclusion and recommendation of the analysis.

## **CHAPTER TWO: REVIEW OF RELATED LITERATURE**

### **1.1 Introduction**

The primary focus of this chapter is to review literature relevant to the research problem. The chapter will address several key issues, including theoretical literature such as an overview of marketing strategy, the development of marketing strategy, the components of marketing strategy, segmentation, targeting, positioning, marketing mix strategy, pricing strategies, and the concept of competitive advantage. Subtopics within these areas will also be presented to provide a clear understanding of the research area. Additionally, empirical literature will be discussed, followed by the presentation of the conceptual framework.

### **2.2 Conceptual review**

#### **2.2.1 Marketing Strategy Overview**

When we start marketing strategy, the same term apply to the words “objective” and “strategy”. The marketing objectives are the aims, the goal to which the entire marketing effort of the organization is directed. Marketing strategy therefore refers to the means by which the marketing objectives will be achieved. The same short hand will also apply; the marketing objectives must begin with the word “To...” and the marketing strategies with the word “By” (Paul Fifield 1994, p.174). While all marketers do not agree on a common definition of marketing strategy, the term generally refers to a company plan that allocates resources in ways to generate profits by positioning products or services and targeting specific consumer groups.

Marketing strategy focuses on long term company objectives and involves planning marketing programs so that they help a company realize its goals. Companies rely on marketing strategies for established product lines or services as well as for new products and services. 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. (Paul Fifield 1994). According to Mc Donald, 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 (Malcolm McDonald and Ian Dunbar,2007). In the word of Kotler, marketing strategy is the marketing of logic by which the business unit expects achieve its marketing objectives.

Marketing strategy consists of marketing decisions on the business's marketing expenditure, marketing mix and allocations in relation to expected environmental and competitive conditions (Kotler, 2007). Some researchers of the marketing strategy, for example, Ingman (1992), highlight the significance of marketing strategy. Chlivickas (2008) notes that marketing strategy development often is one of the most important aspects of business, because it is necessary to achieve company goals, to organize activities in a focused and targeted manner. Marketing strategy addresses specifically how to act to achieve the desired results.

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 (Malcolm and Dunbar, 2007). Marketing strategy depends on the organizational structure of the marketing department. Marketing department staff is responsible for strategy implementation and control. Strategies must be implemented and marketing mix has to be developed.

### **2.2.2 Marketing Strategy Development**

After testing and selecting a product concept for development, the new product manager must draft a three-part preliminary marketing strategy plan for introducing the new product into the market. The first part will describe the target market's size, structure, and behavior; the planned product positioning; and the sales, market share, and profit goals sought in the first few years. The second part will outline the planned price, distribution strategy, and marketing budget for the first year. The third part will describe the long run sales, profit goals, and marketing mix strategy over time. This plan forms the basis for the business analysis that is conducted before management makes a final decision on the new product (Ranchhod, 2007).

### **2.2.3 Elements of marketing Strategy**

To be successful in the business world is not an easy job, to be able to accomplish 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 Segmentation, Targeting, Positioning and the marketing mixes (Roger Brooks bank, 1994, pp.1014.).

#### ***2.2.3.1 Segmentation, Targeting and Positioning***

Segmentation entails examining a market's makeup to identify clusters of potential buyers with similar needs, characteristics, or behaviors, known as market segments. Each segment seeks distinct benefits from the product or service they acquire. (Marilyn and Desmond, 2007)

Market segmentation is defined as the process of dividing the total market for a particular product or product category into relatively homogeneous segments or groups. To be effective, segmentation should create groups where the members within the group have similar likes, tastes, needs, wants, or preferences, but where the groups themselves are dissimilar from each other. (Ferrell and Hartline, 2011)

##### **2.2.3.1.1 Bases for Segmentation**

In theory, marketers select segmentation bases based on consumer needs, usage patterns, or behaviors concerning a product or service. The primary variables used to segment consumer markets can be categorized into four main headings:

###### **A. Geographic Segmentation**

This method defines customers according to their location. Geographical factors can play a major role in segmentation. For example, for businesses such as discount warehouses, major supermarkets and franchised restaurant operations, market density is an important factor to consider. This refers to the number of customers within a unit of land area such as a square kilometer. (Marilyn and Desmond, 2007)

Geographic Segmentation involves splitting a market into various geographical units, such as countries, states, regions, cities, or neighborhoods. A company may choose to focus its operations in specific geographic areas or cater to all regions while considering variations in needs and

preferences across different locations. It is among the oldest and most widely utilized segmentation methods, applicable to both consumer and industrial sectors. Geographic segmentation operates on the premise that neighboring nations share similar characteristics and behaviors. (Kotler, et al; 2005)

### **B. Demographic Segmentation**

Demographic characteristics serve as descriptors of individual consumers and households, encompassing various measurable criteria such as age, income, race, socio-economic status, and family structure. For instance, gender plays a significant role in shaping consumer preferences, with women often exhibiting more varied and intricate needs for skincare products compared to men, though there are indications of evolving trends in this regard. Demographic segmentation involves dividing the market into groups based on variables like age, gender, income, family size, and education. Demographic factors are widely used for segmenting customer groups because consumer needs, preferences, and usage patterns often correlate closely with demographic variables.

Another is that demographic variables are easier to measure than most other types of variable. Even when market segments are first defined using other bases – such as personality or behavior their demographics need to be known to assess the size of the target market and to reach it efficiently. (Kotler, et al; 2005)

### **C. Behavioral Segmentation**

Markets can be divided into discrete sub-groups according to the way people react to and interact with the product itself. Although a more difficult concept to grasp, in markets where other forms of segmentation are found to have little relevance, behavioral segmentation holds the key to effective and innovative marketing. Occasions, benefits sought, applications, user status and user volumes are some of the most popular forms of behavioral segmentation criteria. (Marilyn and Desmond, 2007) Behavioral segmentation divides buyers into groups based on their knowledge, attitudes, uses or responses to a product. Many marketers believe that behavior variables are the best starting point for building market segments. (Kotler, et al; 2005)

## **D. Psychographic segmentation**

Psychographic segmentation divides buyers into groups based on social class, lifestyle or personality characteristics. People in the same demographic group can have very different psychographic make-ups. (Kotler, et al; 2005) The psychological variables derive from two principal types of customer; personality profiles and lifestyle profiles (psychographics). Psychological profiles are often used as a supplement to geographic and demographics when these does not provide a sufficient view of the customer behavior. While the traditional geographical and demographical bases (sex, age, income etc.) provide the marketer with accessibility to customer segments, the psychological variables provide additional information about these and enhance the understanding of the behavior of present and potential target markets (Gunter and Furnham, 1992)

### ***2.1.3.2 Target Market Selection***

Marketing segmentation reveals the firm's market-segment opportunities. The firm now has to evaluate the various segments and decide how many and which ones to target. Market targeting involves evaluating each market segment's attractiveness and selecting one or more segments to enter. An organization evaluates its strengths relative to the competition and considers how many segments it can serve effectively. (Kotler, et al; 2005)

### ***2.1.3.3 Positioning***

The third and final step in the market segmentation process deals with positioning. Once the company has identified the segments and chosen which segment or segments to target the final step is to decide on, what position it wants to occupy in those segments.

Positioning is concerned with how the customers perceive the products and how it is defined by the customers in order to maximize the potential benefit to the company. The result is a persuasive reason why the target market should buy the product or products. (Kotler and Keller, 2009).

### ***2.1.3.4 Marketing Mix Strategies***

The marketing mix is the set of controllable, tactical marketing tools that a company uses to produce a desired response from its target market. It consists of everything that a company can do

to influence demand for its product. It is also a tool to help marketing planning and execution. Brodrechtova, (2008) explained that marketing strategy is a roadmap of how a firm assigns its resource and relates to its environment and achieves a corporate objective in order to generate economic value and keep the firm ahead of its competitors.

The marketing strategies have a major impact upon the efficiency and cost structure of an enterprise. In the international marketing research, scholars have applied several dimensions to indicate marketing strategy as business strategy. However, all of these dimensions based on marketing mix, and some scholars add few variables in order to make it more meaningful (Addis, 2010; 2010). Slater et al., (2010); Brodrechtova, (2008); Mavrogiannis, et al., (2008); Calantone et al., (2006); Lee and Griffith (2004); Langes and Montgomery, (2004); Kotler, (2003); Leonidou, et al., (2002); Thirkell and Dau, (1998) explained that generally, the concept of marketing strategy extensively embraces marketing mix elements, which consists of product, price, distribution and promotion.

#### **2.1.3.4.1 Product strategy**

Product dimensions are an important part of a marketing mix. Leonidou, et al., (2002) have studied about marketing strategy: a meta-analysis concerning previous studies. They synthesized empirical studies about marketing strategy and concluded that product design, brand mix (name, sign, symbol, design), warranty, customer service as pre- and after sales services, and product advantages (such as luxury, prestige, and quality) are variable of product marketing strategy. Product design adaptation strategy was related to firm performance positively. Lages et al., (2004) has studied showed that product quality and service quality was the one of the main determinants. Design, brand image, innovation and product differentiation was found as other determinants.

##### **2.1.3.4.1.1 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

busing marketing mix variables, especially design and communication. Although differentiation through positioning is more visible in consumer goods, and 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).

#### **2.1.3.4.1.2 Product Elimination Strategy**

Marketers have believed for a long time that sick products should be eliminated. It is only in recent years that this belief has become 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)

#### **2.1.3.4.1.3 New product development strategy**

New-product development is an act of innovation which entails a process of identifying, creating and delivering new-product values or benefits that were not offered before in the marketplace. A firm can obtain new products in two ways. One is through acquisition – by buying a whole company, a patent or a license to produce someone else's product. Many large companies have decided to acquire existing brands rather than to create new ones. Another route to obtaining new products is through new-product development in the company's own research-and-development department. By new products we mean original products, product improvements, product modifications and new brands that the firm develops through its own research-and-development efforts. (Kotler, et al; 2005)

#### **2.1.3.4.1.4 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 related 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 and Keller, 1990).

#### **2.1.3.4.1.5 Product Life Cycle and Marketing Strategies**

In today's fast-paced marketing landscape, companies face the challenge of adapting their marketing strategies to align with the evolving dynamics of products, markets, and competitors. Central to this adaptation is the concept of the product life cycle (PLC), which delineates the stages through which a product progresses over time. Firstly, the notion that products have a limited life underscores the inevitability of eventual decline or obsolescence. Secondly, the recognition of distinct stages within the product life cycle highlights the varying challenges, opportunities, and obstacles encountered by sellers as products move from introduction to decline. Thirdly, the fluctuation of profits across different stages of the product life cycle underscores the importance of strategic planning and resource allocation to maximize profitability at each stage. Finally, the acknowledgment that different strategies are required across functions such as marketing, finance, manufacturing, purchasing, and human resources at each stage emphasizes the need for a holistic approach to product management. As depicted in the typical bell-shaped product lifecycle curve, understanding and effectively navigating through each stage of the PLC is essential for companies to sustain success and competitive advantage in today's dynamic market environment (Lancaster, 2004).

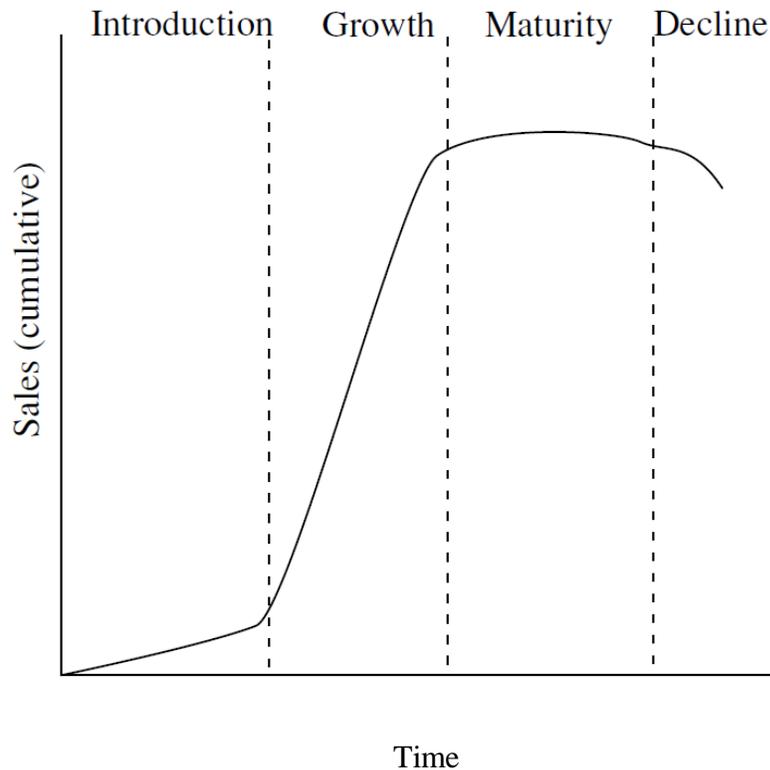


Figure 1: Sales and product life cycles (Baker, 2003)

Product life cycle shows the course of a product's sales and profits over its lifetime. It involves five distinct stages: product development, introduction, growth, maturity and decline. After launching the new product, the management challenge lies in making sure that the product enjoys a long and healthy life. The new product is not expected to sell forever, but the company will want to recover 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. (Kotler, et al; 2005)

#### **A. Marketing Strategies: Introduction Stage**

Because it takes time to roll out a new product and fill dealer pipelines, sales growth tends to be slow at this stage. There are several causes for the slow growth: delays in the expansion of production capacity, technical problems (“working out the bugs”), delays in obtaining adequate distribution through retail outlets, and customer reluctance to change established behaviors.

Firms focus their selling on those buyers who are the readiest to buy, usually higher income groups. Prices tend to be high because costs are high due to relatively low output rates, technological problems in production, and high required margins to support the heavy promotional expenditures.

### **B. Marketing Strategies: Growth Stage**

During the growth stage, companies experience a surge in sales as market demand rises. This period attracts new competitors eager to capitalize on emerging opportunities, resulting in the introduction of products with enhanced features and wider distribution. Prices typically stabilize or may decrease slightly as demand grows. To stay competitive, companies often increase promotional efforts to educate consumers and maintain market share. Various strategies are employed during this phase to sustain rapid growth, including enhancing product quality, introducing new models, and expanding into new market segments. Additionally, companies aim to broaden their distribution coverage, explore new channels, and transition from awareness-focused advertising to campaigns promoting product preferences. Lowering prices may also be employed to attract price-sensitive buyers and further fuel growth.

In summary, the growth stage is characterized by dynamic market conditions, with companies employing a range of strategies to capitalize on expanding opportunities and maintain momentum. Through continuous innovation, market expansion, and strategic pricing and promotional efforts, firms aim to prolong the growth phase and solidify their position in the market.

### **C. Marketing Strategies: Maturity Stage**

At some point, the rate of sales growth will slow, and the product will enter a stage of relative maturity. This stage normally lasts longer than the previous stages, and poses formidable challenges to marketing management. Most products are in the maturity stage of the life cycle, and most marketing managers cope with the problem of marketing the mature product. Three strategies for the maturity stage are market modification, product modification, and marketing mix modification.

#### **D. Marketing Strategies: Decline Stage**

As sales and profits decline, some firms withdraw from the market. Those remaining may reduce the number of products they offer. They may withdraw from smaller market segments and weaker trade channels, and they may cut their promotion budget and reduce their prices further. In a study of company strategies in declining industries, The five possible decline strategies: Increasing the firm's investment, maintaining the firm's investment level until the uncertainties about the industry are resolved, Decreasing the firm's investment level selectively by dropping unprofitable customer groups while simultaneously strengthening the firm's investment in lucrative niches, Harvesting ("milking") the firm's investment to recover cash quickly; and Divesting the business quickly by disposing of its assets as advantageously as possible.

##### **2.1.3.4.2 Pricing Strategies**

Pricing has traditionally been considered as a me-too variable in marketing strategy. Effective pricing is not an easy task, even under the most favorable conditions. A large number of internal and external variables must be studied systematically before price can be set. For example: the reactions of a competitor often stand out as an important consideration in developing pricing strategy (Tellis, G. (1986).

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

A company's pricing decisions are influenced by a myriad of internal and external factors. Internally, considerations such as the company's marketing objectives, its chosen marketing mix strategy, and its cost structure play crucial roles in determining pricing strategies. Additionally, the organization's overall goals and structure can impact pricing decisions significantly. Externally, the nature of the market and demand dynamics, competition within the industry, and various environmental factors such as the state of the economy, the presence of resellers, and governmental regulations all exert influence on pricing strategies. As highlighted by Tellis (1986), understanding and navigating both internal and external factors are essential for devising effective pricing strategies that align with the company's objectives and market conditions.

#### **2.1.3.4.2.2 Pricing Strategies for New Products**

The pricing strategies for new product should be developed so that the desired impact on the market is achieved while the emergence of competition is discouraged. Two basic strategies that may be used in pricing new products are; skimming pricing and penetration pricing strategy.

1). Skimming pricing: is the strategy of establishing initial price for a product with a view of “skimming the cream of market” at the upper end of the demand curve. It is accompanied by heavy expenditure on promotion. A skimming strategy may be recommended;

When the nature of demand is uncertain, when a company has expended large sums of money on research and development for a new product,

When a competition is expected to develop and market a similar product in the near future or when the product is so innovative that the market is expected to mature very slowly. Under these circumstances, a skimming strategy has several advantages.

Premium and umbrella prices are two other forms of price skimming. Some products carry premium prices (high prices) permanently and build on image of superiority for themselves. Some times higher prices are maintained in order to provide an umbrella for small high cost competitors. Umbrella prices have been aided by limitation laws that specify minimum prices for a variety of products, such as milk.

2). Penetration pricing: is the strategy of entering the market with a low initial price so that a greater strategy is used when an elite market does not exist and demand seems to be elastic over the entire demand curve even during early stages of product introduction. High price elasticity of demand is probably the most important reason for adopting a penetration strategy. The penetration strategy is also used to discourage competitors from entering the market. Penetration pricing reflects a long term perspective in which short term profits are scarified in order to establish sustainable competitive advantage (Paul Fifield, 1994).

#### **2.1.3.4.2.3 Pricing Strategies for Established Products**

Examining existing prices can lead to three strategic options: keeping the price as it is, lowering the price, or raising the price. Keeping the prices stable might be chosen if the market segment where most sales come from isn't affected by changes. Lowering prices can happen for a few reasons: to defend against competitors, to stay competitive in mature industries (called value pricing), or to take advantage of lower costs due to experience or technological advancements. Sometimes, prices might be lowered to meet customer needs or to counteract rising costs during inflation. Deciding how much to adjust prices depends on the specific situation and strategy. This was discussed by Philip K. and Garry A. in 2007.

#### **2.1.3.4.2.4 Price Bundling Strategy**

Bundling also called iceberg pricing refers to the inclusion of an extra margin (for support services) in the price over and above the price of the product as such. This type of pricing strategy has been popular with companies that lease rather than sell their product.

Under the bundle strategy, not only are costs of hardware and profits covered, anticipated expenses for extra technical sales assistance, design and engineering of the system concept, software and applications to be used on the system, training of personnel and maintenance also include (Philip K. & Garry A. (2007).

#### **2.1.3.4.2.5 Pricing Adjustment Strategies**

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

#### **2.1.3.4.3 Promotion Strategies**

Promotion strategies are concerned with the planning, implementing and control of persuasive communication with customers. Modern marketing calls for more than developing a good product,

pricing it attractively and making it accessible. Companies must also communicate with present and potential stakeholders as well as the general public. For most companies, the question is not whether to communicate but rather what to say, to whom, and how often.

#### **2.1.3.4.3.1 Promotional Mixes**

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

##### **2.1.3.4.3.1.1 Advertising strategy**

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. Advertising can reach geographically dispersed buyers efficiently. Certain forms of advertising (TV advertising) typically require a large budget, whereas other forms (newspaper advertising) can be done on a small budget.

In developing an advertising program, successful firms start by identifying the target market and buyer motives. Then they can make five critical decisions, known as the five Ms: Mission: What are the advertising objectives? Money: How much can be spent? Message: What message should be sent? Media: What media should be used? Measurement: How should the results be evaluated?

##### **2.1.3.4.3.1.2 Sales Promotion Strategy**

Sales promotion, a key ingredient in many marketing campaigns, consists of a diverse collection of incentive tools, mostly short term, designed to stimulate trial, or quicker or greater purchase, of particular products or services by consumers or the trade. Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy. Sales promotion includes tools for consumer promotion (samples, coupons, cash refund offers, prices off, premiums, prizes, patronage rewards, free trials, warranties, tie in promotions, cross promotions, point of purchase displays, and demonstrations); trade promotion (prices off, advertising and display allowances, and free goods), and business and sales force promotion (trade shows and conventions, contests for sales reps, and specialty advertising). Sales promotion offer three distinctive benefits: (1)

communication (they gain attention and usually provide information that may lead the consumer to the product); (2) incentive (they incorporate some concession or inducement that gives value to the consumer); and (3) invitation (they include a distinct invitation to engage in the transaction now). Sales promotion can be used for short run effects such as dramatizing product offers and boosting sales (Ranchhod, A., and Gurau, C, 2007).

#### **2.1.3.4.3.1.3 *Public Relations Strategy***

Companies must not only engage positively with customers, suppliers, and dealers but also with various other groups known as publics. A public refers to any group with a real or potential interest in a company's goals. Public relations (PR) involve different programs aimed at enhancing a company's image or protecting its products. A smart company actively manages its relationships with key publics. The appeal of PR and publicity lies in three main qualities: high credibility (news stories and features are seen as more authentic than ads), the ability to reach potential buyers unexpectedly (reaching people who prefer to avoid traditional sales tactics), and the potential for creating excitement or interest in a company or product through dramatization.

#### **2.1.3.4.3.1.4 *Personal selling strategy***

Personal selling plays a crucial role in promotion, one of the key components of the marketing mix. It has three main qualities: personal interaction, allowing for immediate and interactive relationships; cultivation, which can lead to various types of relationships, from simple selling interactions to deeper friendships; and response, making buyers feel obliged after hearing a sales pitch. Salespeople carry out several tasks, including finding potential customers (prospecting), targeting specific groups, communicating product information, approaching potential buyers, providing customer service, gathering information, and allocating resources. This was discussed by Philip K. and Garry A. in 2007.

#### **2.1.3.4.4 *Distribution Strategies***

Distribution is the process of planning, implementing and controlling the physical flow of materials, final goods and related information from point of origin to points of consumption to meet customer requirements at a profit. (Kotler and Armstrong, 2001) Distribution is the process of getting products and services from producer to consumer or users, when and where they are

needed. It provides time, place, possession utility and the transfer of ownership. (Achison, 2000) Distribution system is the network of people, institutions or agencies involved in the flow of a product to the consumers, together with the informational, financial, promotional and other services associated with making the product convenient and attractive to buy and re-buy.(Shaughnessy, 1992) Place is also known as channel, distribution or intermediary. It is the mechanism through which goods and/or services are moved from the manufacturer/service provider to the user or consumer (Meggison, 1997).

#### **2.1.3.4.4.1 Functions of Intermediaries**

The primary role of middlemen is to transform the assortment of products made by producers in the assortments desired by consumers. Producers make narrow assortments in large quantities, consumers want broad assortments in small quantities, discrepancy in quantity and assortment. Producers specializing in production and benefiting from economies of scale prefer to manufacture large quantities with a limited range of products. Intermediaries fulfill various functions, including assuming risks, providing working capital by purchasing goods upfront, facilitating information flow, financing, managing payment and title transfer, negotiating, maintaining contacts, and promoting products.

Producers engage intermediaries when they believe that these entities can perform these functions more cost-effectively and efficiently than they can. The adage "You can eliminate the middle man, but you can't eliminate their functions" underscores the recognized importance of intermediaries' roles in marketing. (Littler and Wilson, 1995)

#### **2.1.3.4.4.2 Channel Conflict**

Channel conflict arises because each member wants to maximize its own profits or power. Conflicts also arise because of frustrated expectations: each member expects the other members to act in particular ways, and sometimes these expectations are unfulfilled. For example, a retailer may expect a wholesaler to maintain large enough stocks to cover an unexpected rise in demand for a given product, whereas the wholesaler may expect the manufacturers to be able to increase production rapidly to cover such eventualities. (Blythe, 2005)

#### **2.1.3.4.4.3 Selection of Distribution Channels**

To figure out what customers want and how best to reach them, marketing-oriented distribution relies on several factors. Firstly, it considers the organization's goals, objectives, resources, and capabilities, such as offering same-day delivery. Companies with a wide range of products may choose to sell directly to retailers to utilize their promotional skills effectively. Market characteristics like geography, density, and size influence distribution decisions, especially in determining the number of intermediaries needed. Understanding buyer behavior, including where and how they prefer to purchase, requires creativity. Product attributes such as perishability or complexity also impact distribution choices, with shorter channels often preferred for perishable items. Environmental forces like competition and technology further shape distribution strategies, influencing decisions on channel width, distribution intensity, and market exposure for products. This was discussed by Kotler and Garry in 2007.

#### **2.1.3.4.4.4 Types of Channels of Distribution**

A distribution channel, also known as a trade channel, is the pathway through which goods travel from producers to end consumers. It's like a network that helps producers get their products into the hands of actual users. This channel involves the producer, consumers, and various middlemen who help in between. It acts as a vital link connecting producers and consumers, creating time, place, and possession utilities along the way. Essentially, it makes products available where and when consumers need them. There are three main flows within a distribution channel: goods flow from producer to consumers, cash flow from consumers to producers as payment for goods, and information flow in both directions. Information flow includes details about new products or uses from producers to consumers and feedback like wants, suggestions, and complaints from consumers to producers. This system ensures that products reach the right people at the right time, with payment flowing back to producers and valuable information exchanged between all parties involved.

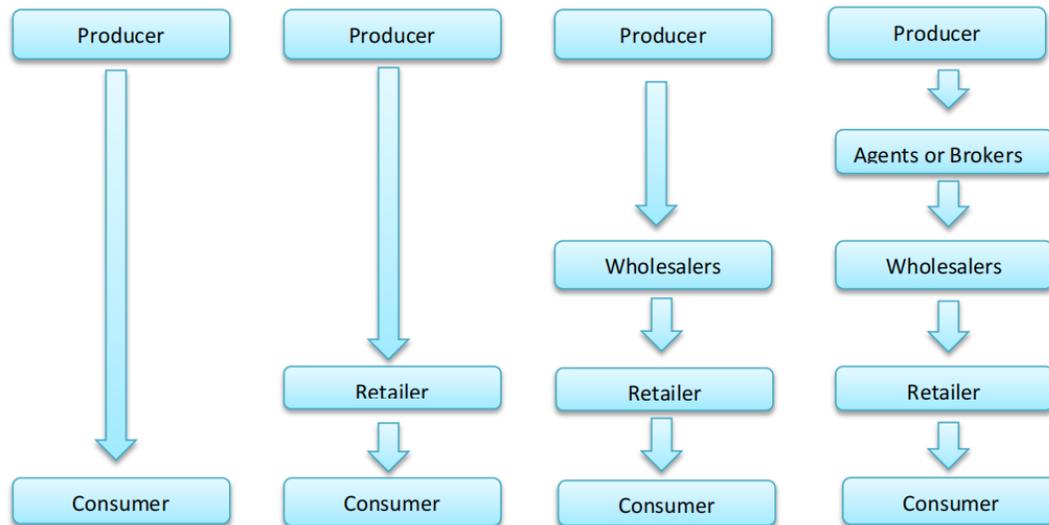


Figure 4: Channels of distribution (Blythe, 2005)

#### 2.1.3.4.4.5 The Concept of Competitive Advantage

A business firm must make unreserved effort to provide its customers with more advantages than its competitors must in order to be successful. These advantages could be achieved through the following winning strategies.

##### 2.1.3.4.4.5.1 *Differentiation:*

Because of which the customers find the Firms product unique and more attractive in some way and therefore the customer, is willing to pay premium price. Some of the attributes firm uses to differentiate their products are: Product feature for example Philips developed a television that can display two channels on the same screen. After sale service convenience and quality, services could be a critical factor in deciding among alternatives.

##### 2.1.3.4.4.5.2 *Cost leadership:*

Requires achieving a low cost position relative to once competitor. By targeting broadly defined markets with standard products, firms hope to gain the greatest possible benefits from economies of scale. Large portion of this R and D budget might be directed toward process oriented intended to make the product easier and cheaper to produce.

#### **2.1.3.4.4.5.3 Focus strategy:**

Producers need to acknowledge that it's impractical to target all buyers in the same manner. With buyers being numerous, widely dispersed, and diverse in their needs and purchasing behaviors, it's essential to recognize that different companies have varying capabilities to cater to different market segments. Instead of attempting to compete across the entire market, each company should pinpoint the segments where it can excel. Market segmentation enables sellers to divide the market into distinct groups of buyers with unique needs and characteristics, allowing them to create profiles of these segments. This process aids in establishing competitive positioning for the product and developing a tailored marketing mix. Market segmentation can be based on geographic, demographic, behavioral, and psychographic/lifestyle factors. (Emawaysh Addisu: 2002).

### **2.3 Empirical Literature**

Empirical research by Tsehaye et al. (2020) delved into the strategic marketing practices and challenges faced by St. George (BGI) Brewery S.C. in Ethiopia. The study utilized a mixed-methods approach, combining qualitative interviews and quantitative surveys to gather comprehensive insights. Findings revealed several strategic marketing practices adopted by the brewery, including product diversification, brand building, and market segmentation. However, the research identified significant challenges encountered in implementing these strategies, such as intense competition from multinational breweries, price sensitivity among consumers, and regulatory constraints within the industry.

Furthermore, a study conducted by Gebreeyesus and Tesfaye (2019) examined the strategic marketing practices of St. George (BGI) Brewery S.C. within the broader context of Ethiopia's beer market. The empirical analysis revealed the brewery's efforts in developing innovative marketing campaigns, expanding distribution networks, and enhancing product quality to maintain competitiveness. Nonetheless, challenges such as fluctuating raw material costs, infrastructural limitations, and changing consumer preferences posed significant hurdles to the brewery's strategic marketing initiatives.

In another empirical investigation by Asmamaw et al. (2018), the focus was on evaluating the effectiveness of St. George (BGI) Brewery S.C.'s strategic marketing practices in driving brand

loyalty and consumer engagement. Through surveys and focus group discussions, the research uncovered positive perceptions among consumers regarding the brewery's branding strategies, product quality, and promotional activities. However, respondents also highlighted challenges related to accessibility of products in rural areas, counterfeit products affecting brand reputation, and the need for continuous innovation to meet evolving consumer demands.

These empirical studies provide valuable insights into the strategic marketing practices and challenges faced by St. George (BGI) Brewery S.C. in Ethiopia's competitive beer market, offering practical implications for improving marketing strategies and overcoming obstacles to sustainable growth

## **2.4 Conceptual Framework**

The conceptual framework is designed to show how one element of marketing strategy relate with another in a way that indicates the main process, which is useful to show the course of the study. Target market, Segmentation, Positioning and the marketing mixes are the four major elements of marketing strategy that are very important in attaining organizational goals and objectives. This diagram illustrates how the business mission drives the establishment of objectives, which in turn inform the development of the marketing strategy. The marketing strategy then influences the formulation of the target market strategy, positioning strategy, and marketing mix. Implementation involves executing the marketing plan, while evaluation and control involve monitoring performance and making adjustments as necessary.

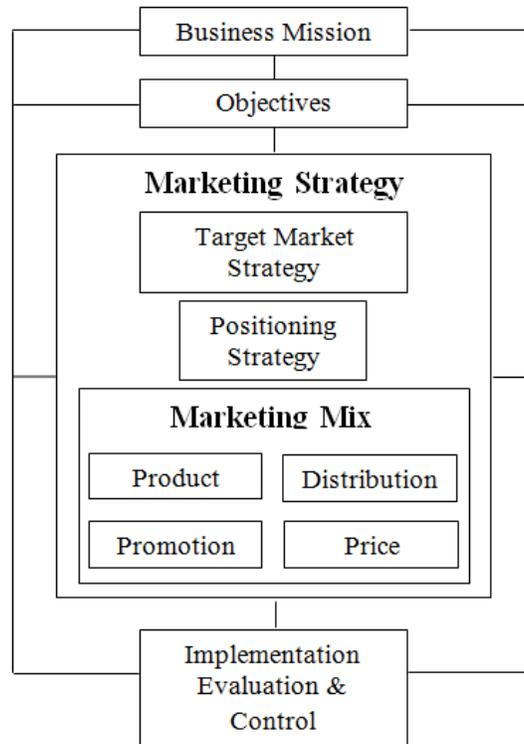


Figure 3: Model of Conceptual Frame work  
 Source: By Tilahun Negash Bekele May, 2017

This diagram illustrates how the business mission drives the establishment of objectives, which in turn inform the development of the marketing strategy. The marketing strategy then influences the formulation of the target market strategy, positioning strategy, and marketing mix. Implementation involves executing the marketing plan, while evaluation and control involve monitoring performance and making adjustments as necessary.

You can use this diagram as a visual aid to understand the relationships between the different components of the conceptual framework for developing and implementing a comprehensive marketing plan.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter describes and justifies the methodology selected to collect and analyze the data and address the research questions. The chapter begins with research design. Then the research approach, research type and method, population and sampling technique, source and tools of data collection, procedures of data collection, reliability test, trustworthiness, and method of data analysis, and ethical consideration were addressed in this section.

### **3.2 Research Design**

This study uses the descriptive research design which Intents to describe a population or phenomenon characteristics that are under study. Descriptive research is different from experimental research in that its purpose is not aimed at determining cause and effect but rather providing a careful description of existing conditions, behaviors, or attitudes. The observational and case studies are the research method that usually is used by researchers when illustrating their narratives. This type of design is commonly used whenever researchers aim to observe, record, analyze, and report patterns and regularities found in a system or area of context (Creswell, John W., 2009).

### **3.3 Research Approach**

Both qualitative and quantitative approaches were used to obtain the desired results of the study and to explore detailed evidence about the problems. The mixing of both approaches in a study Thus, it is more than simply collecting and analyzing both kinds of data; it also involves the use of both approaches in tandem so that the overall strength of a study is greater than either qualitative or quantitative research (Creswell & Plano Clark, 2007).

### **3.4 The target Population, Sampling Techniques, Sample Size**

The target populations of the study were the managers and employees of the marketing department in St. George Brewery. The populations of the study were all of the employees of marketing department including managers who are working incorporate sales and marketing department.

This research was carried out on the managers and the employees found in the marketing departments in St. George Brewery. The study used the censuses approach where the entire workforce of the respondents in the marketing departments was considered. In the consideration also included managers who handle corporate sales and marketing. With regard to Rubin and Babbie (2008) perception of purposive or judgmental sampling, the choice for the participants was on the premise that the researcher had proper grasp of the entire population, the elements it constituted, as well as the purpose of the research. In this case, purposive sampling was done by the researcher based on his judgment and the objective of the study as no other departments were relevant to the investigation of its marketing strategies. All members had fallen in the total population. The data were collected through interviews with the marketing manager and regional sales managers of the company.

The sample sizes of the study were 38 people who are working under corporate sales and marketing department. Out of 38 people questionnaires were distributed for 37, and one was interviewed.

### **3.5 Data Type and source**

Using mixed method allows the researcher to reflect participants 'point of view, provides methodological flexibility and collects rich and comprehensive data. In the course of analyzing the problems, both primary and secondary data collection procedures were employed. To achieve this goal, questionnaires, interviews and document reviews were the main tools.

### **3.6 Data collection Instruments**

In order to gather the data from relevant sources, both primary and secondary data collection instruments were used. In this regard, personal interview with the marketing managers was

undertaken and closed and open ended questionnaires were also distributed among the staffs of the marketing department as primary data. On the part of secondary data, since referring these documents provide more data as input for the research used in analysis part written documents of corporate strategies and marketing strategies, different reference books, journal articles, Internet web sites, policies, procedures and document reports from St. George Brewery were referred. Information that was collected using both instruments was integrated during data presentation and analysis phase.

### **3.7 Data Analysis technique**

In data analysis, quantitative and qualitative data analysis was used. After completing data collection completeness of the information was checked. The questionnaires were edited, coded, arranged based on common characteristics. After all these are accomplished the data collected by open ended and interview questionnaires were analyzed qualitatively. Closed ended questionnaires were analyzed quantitatively and the final findings were reported using tables, percentages, and Likert scale (five point scale) statement computations.

### **3.8 Reliability**

Reliability and validity precautions are a prerequisite for any research results. The measuring out of the research results, that is, their reliability and the internal and external aspects of validity, are highly important in evaluating the research results (Malhotra & Birks, 2000).

### **3.8 Validity**

Validity, as defined by Creswell (2003: 190-92), is how accurately the test measures what it intends to measure. Following Dawson's (2002: 95) recommendations, testing of questionnaires has been undertaken among potential respondents to increase objectivity, relevancy and appropriateness of data collection instruments. Respondents' feedback allowed a better understanding to be made on the key research subject and desirable changes have been made accordingly. In addition, detailed scrutiny of an advisor ensured the validity of the instruments.

The improved final version of the questionnaire was printed, copied, and spread among respondents.

### **3.9 Reliability**

Reliability of the instrument gauges how consistent are the instruments as explained by Creswell (2003: 190-92) who considered it to be the degree of consistency presented by the instruments or procedures. Expressed as a correlation coefficient, usually a Cronbach alpha value exceeding point 7 is generally considered fairly reliable for research's sake. The constructs identified showed reliability coefficients (Cronbach's) in the range of 0.78. Since the instruments were developed from the research questions and objectives, they leave ample room for the study's objectives to collect data consistent amongst the respondents.

### **3.10 Ethical Consideration**

Ethical considerations were given utmost importance throughout the study. Prior to collecting data, potential respondents received detailed explanations about the study's objectives, the researcher's identity, and the rationale for seeking information from them. This transparency enabled respondents to make informed decisions about their participation. They were assured that their involvement was voluntary and would not expose them to any harm, irrespective of whether they chose to participate or decline. Additionally, participants were guaranteed that their responses would be kept anonymous and confidential, thereby safeguarding the integrity of the study.

## **CHAPTER 4: DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

### **4.1 Introduction**

In this section, the overall marketing strategy practices of St. George Brewery (BGI) will be discussed. The company's marketing strategy depends on the environmental conditions. Hence, it can readjust itself according to the conditions.

This data analysis and interpretation part is composed of different data and information that were gathered through secondary data (written documents) and primary data (personal interviews with marketing managers and the result of questionnaires from employees' opinions).

The focus of this section is mainly on the marketing strategy practices of the company with respect to Target marketing and marketing mixes (Product strategy, Pricing, Place/distribution and Promotion strategy) that constitutes for marketing strategy applications/practices.

### **4.2 Profile of Respondents**

As Table 4.1 shows, the questionnaires were distributed to 38 employees of marketing department staffs. All of them were kind enough to fill the questionnaires properly and return them on time. All the returned questionnaires were completed and considered for the analysis.

Table 1: Total Number of questionnaires distributed, returned and unreturned

<b>Questionnaires</b>	<b>Number</b>	<b>Percentage</b>
Returned	36	94.74%
Unreturned	2	5.26%
Total Distributed	38	100%

## 4.3 Questionnaire Analysis

### 4.3.1 Demographic Characteristics of the Respondents

Table 4.2: General information of respondents

description of respondents	Response	
	Frequency	Percentage
a) gender		
Male	29	76.32%
Female	9	23.68%
Total	38	100%
b)age(years)		
from 18-25	6	15.79%
from 26-35	23	60.53%
from 36-50	6	15.79%
from 50-60	3	7.89%
Total	38	100%
c) educational level		
from grade 1-12 complete	0	0%
certificate	0	0%
diploma	4	10.53%
BA/BSC	21	55.26%
MA/MSC/MBA	11	28.95%
PHD	2	5.26%
TOTAL	38	100%
d)position		
senior manager	8	21.05%
manager	12	31.58%
Staff	18	47.37%
Total	38	100%
e)service year in BGI		
from 1-5	8	21.05%
from 5-10	8	21.05%
from 10-15	16	42.11%
more than 15 year	6	15.79%
Total	38	100%

The data shows that most of the people surveyed are men, about three-quarters, while women make up the remaining quarter. When it comes to age, the biggest group is between 26 and 35 years old, meaning most of the employees in the study fall within this age range. The data also tells us that a lot of the respondents have a BA/BSC degree, and many have higher degrees like MA/MS/MBA. Some also have diplomas and PHDs, showing a mix of educational backgrounds in the sample. In terms of positions, the majority are managers and senior managers, while the rest are staff members. Lastly, looking at how long people have been at BGI, a good number have been there for 10-15 years, while others have been there for 1-5 years, 5-10 years, or more than 15 years, showing a mix of long-time and newer employees. Overall, these findings give us important information about who the respondents are, what positions they hold, and how long they've been with the company, which can help make smart decisions and plan strategies within the organization.

#### 4.3.2 Questions related to the company's target market

<b>Target customers</b>	<b>Frequency</b>	<b>Percentage</b>
Individual customers	8	21.05%
Hotels, Restaurants and groceries	29	76.32%
Other intermediaries	1	2.63%
Total	38	100%

The most important part of the marketing plan is picking who to sell to or finding the specific groups of people who would like the products. According to the data given, most of the people surveyed (76.32%) said that hotels, restaurants, and grocery stores are the target markets. Also, 21.05% mentioned individual customers, while a small number (2.63%) said other middlemen like retailers and wholesalers. So, the company's main focus is on selling to hotels, restaurants, and grocery stores that sell bottled and draft beer to customers. Additionally, individual customers who are older than 20, have a good income, are healthy, not limited by religion, and live in cities are

also seen as target customers. This means teenagers under 20, who can't drink beer legally, aren't part of the target market. Overall, these criteria help figure out the specific groups of people that the company wants to sell its products to.

#### 4.3.3 Questions related to market segmentation

<b>Basis of market segmentation of BGI</b>	<b>Frequency</b>	<b>Percentage</b>
Geographic location	18	47.37%
Psycho graphical or Lifestyle Segmentation	11	28.95%
Economic situation	6	15.79%
Demographic	3	7.89%
Total	38	100%

The table indicates that the majority of respondents said that the bases of the company's market segmentations are geographic location and Psycho graphical or Lifestyle Segmentation which accounts 47.37% and 28.95% respectively. Nearly 15.79% respondents answered as the basis of segmentation is Economic situation and the least number of respondents said that it is based on Demographic situation.

From this responses, we can concluded that the basis of the company's market segmentation is the geographic location that can take many forms i.e. from urban to rural, north to south, warm areas to cold areas etc.

Additionally, managers indicated that the company's market segmentation relies on infrastructure amenities such as water, electricity, and telecommunication, as well as cultural, religious, and urban characteristics. While all these factors contribute to market segmentation, geographic segmentation emerges as the predominant method employed by the company.

Table 5: Opinion of employees towards the company’s marketing mix strategies

<b>Company’s marketing mix to appeal marketing strategy</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Total</b>	<b>Percentage</b>	<b>Mean</b>
Product								5
Price								
Promotion								
Place								
All the above mixes	38					38	100%	
Total	38					38	100%	

Marketing mixes are controllable elements of the company’s products, prices, promotion place/distribution strategies that are essential for the marketing strategy implementation. As shown in table 5, all employees (100%) responded the company exploits all the 4Ps of marketing mix elements. The response implies that the company uses all the 4Ps marketing mix elements for the purpose of marketing strategy implementation because each ingredient affects the other and each mix must be suitable to the target customers and to maximize its profits, gain market share and for competitive advantages.

Table 6: Employees’ response in relation to the company’s product quality

<b>The company product’s</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Total</b>	<b>Percentage</b>	<b>Mean</b>
Quality	38	-	-	-	-	38	100%	5
Good	-	-	-	-	-	-	-	
Medium	-	-	-	-	-	-	-	
Poor	-	-	-	-	-	-	-	
Very poor	-	-	-	-	-	-	-	
Total	38	-	-	-	-	38	100%	

Product qualities must exceed from the offering itself. As indicated in the table, all respondents are replied the company's product qualities are quite surely very good. The analysis reveals that the company provides quality products.

Furthermore, the managers also witnessed about the Company's product quality. They said, firstly the company provides two types of products (i.e. bottled beer and draught beer) .These products are produced with excellent qualities because in almost all stages of production, the company gives a high emphasis for quality by objecting the lion share of the market. In each stage of the fermentations, there are laboratory technicians who controlled the quality of the Brewery.

The company product qualities in the production process and marketing perspectives are summarized as follows:

Quality control from production processes point of view: quality in St. Gorge brewery has checked at every phase of production process. That is quality control was made at the very early stage of receiving raw materials through inspection centers. Most of the quality control were used to very technical statistical control methods identified using visual machines that shows problem or defect case of production process while the activity was on the progress.

Quality of beer, as perceived by customers, is crucial and encompasses factors like color, clarity, and foam. It's important to note that quality should be assessed based on customer preferences rather than internal evaluations. The ultimate goal is to delight customers in every aspect. For St. George beer drinkers, the key factors influencing their purchasing decisions are the brand, price, promotion, distribution, and quality of the product. Poor experiences with beer quality have heightened consumer focus on specific parameters. Apart from product quality, customers are primarily drawn to St. George products due to factors such as the proximity of supply, effective promotion, competitive pricing, and alignment with their preferences. These considerations play a significant role in shaping consumer behavior and driving purchasing decisions.

Table 7: Opinions concerning the prices of the company’s products

<b>Prices of the product</b>	<b>Frequency</b>	<b>Percentage</b>
Very cheap		
Cheap		
Affordable	38	100 %
Expensive		
Very expensive		
Total	38	100 %

In setting prices for its products, the company considers a multitude of factors, both internal and external. While all respondents indicated that the company's pricing strategies are deemed affordable, it was revealed that there is no formal written pricing policy in place. Instead, pricing decisions are influenced by various factors such as transportation charges, competitors' costs, economic conditions like inflation or deflation, gross profit margins necessary for sustainability, overhead costs related to marketing activities and employee salaries, net profit requirements to pay dividends to owners, and direct costs including raw materials and machinery expenses. Given the dynamic nature of the market environment, pricing strategies are subject to change according to prevailing conditions.

Despite the absence of a fixed pricing strategy, the company strives to maximize profits while ensuring that prices cover all associated costs and allow for profitability. This entails efforts to reduce production, overhead, and administrative costs by streamlining operations, enhancing efficiency, and boosting productivity. Ultimately, the company aims to strike a balance between offering competitive prices that appeal to customers and maintaining profitability in a constantly evolving marketplace.

Table 8: The Company's products availability and accessibility

<b>Product availability and accessibility</b>	<b>Frequency</b>	<b>Percentage</b>
Very good	34	89.48 %
Good	4	10.52 %
Medium		
Poor		
Very poor		
Total	38	100%

Distribution strategies are concerned with the channels of a firm that employ to make its goods available to customers.

As table 4.8 depicts, 89.48% of the respondents said, the availability and accessibility of the products are very good 10.52% replied good. The response implies the distribution system of the company is brilliant and determines the product's marketing presence and the buyers' accessibility to the product. Thus, products availability is so nice and buyers can get the product easily in almost everywhere except the conflict regions.

#### 4.3.8 Inter-departmental communications

Table 9: Communication effectiveness between the departments

<b>Communication effectiveness between the departments</b>	<b>Frequency</b>	<b>Percentage</b>
Very good	36	94.74%
Good	2	5.26%
Medium		
Poor		
Very poor		
Total	38	100%

Effective communication between departments is essential to accomplish strategic objectives easily. The above table shows that 94.74% of the respondents reflected that the communication

effectiveness between marketing and other departments are very good. The remaining 5.26% said it is good. This replies the marketing department of the St. George Brewery has a positive relationship and communication with other departments. This positive communication helps the department to accomplish the marketing strategy practices effectively and also reduces costs as well as saves time.

#### 4.2.2 Product selling process

Table 4.10: The selling process of the company products

<b>Process of selling the products</b>	<b>Frequency</b>	<b>Percentage</b>
Direct personal selling	10	26.32 %
Direct online selling		
Indirect through the channels	28	73.68 %
Word of mouth		
Telemarketing		
Total	38	100 %

Table 4.10 shows about 73.68 % of the respondents agreed with the selling mechanism of the product is done by through indirect channels. The remaining 26.32 % answered that the selling process is through direct personal selling. The implication of selling for the company product is mainly through indirect channels. These indirect channels are intermediaries/agents who address the products from the producer to the consumers.

St. George Brewery has its criteria to select the best intermediaries such as; they must have financial capacity, skilled and experienced manpower, necessary logistics (or transportation), they must be legal or licensed, has storage capacity, well structured, and reputed. They should also be capable of maintaining closer contact with the company and different roots under its chain.

Table 7: Opinions of employees regarding Marketing Strategy Effectiveness

<b>Company overall marketing strategy</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Mean</b>
Most Effective	27	71.05%	2.71
Moderately Effective	11	28.95%	
Least Effective	0	0%	
Total	38	100%	

From the table represents, majority 71.05% of the respondents have rated the overall marketing strategy practices of the company as Most effective and others 28.95% have rated it as Moderately effective.

Table 8: Opinions of employees regarding overall Marketing Strategy Practices

<b>I can perform the marketing Strategy practices of the company effectively</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Mean</b>
Strongly Agree	30	78.95%	4.79
Agree	8	21.05%	
Neutral	0	0%	
Disagree	0	0%	
Strongly Disagree	0	0%	
Total	38	100%	

As table shows, 78.95% of the respondents have strongly agreed, and 21.05% have agreed that they can perform their duties with the existing marketing strategy practice of the company.

Generally, as it can observed from the above Tables, the overall marketing strategy practices of the company along with the employee's commitment discharging their responsibility for the effectiveness of the marketing strategy practice of the company is positive.

### 4.2.3 The Company's means of advertising

Table 4.12: The Company's advertising strategy

Best strategy of advertising	Frequency	Percentage
Media (TV, Radio, Newspaper)	5	13.16%
Word of mouth	4	10.53 %
Free sampling		
Internet	20	52.63%
Billboard	9	23.68 %
Total	38	100 %

The table clearly reveals that the best strategy of advertising is through Internet as of 52.63% the respondents replied and 23.68% responses filled that the currently the second best advertising strategy is Billboard , and 13.16% of the respondents said the finest advertising strategy of the company is through Media (TV, Radio, Newspaper).

From this we can concluded that the best way of advertising means of the company's products is through Internet. At the moment there is government intervention by setting rules and regulation on advertising using mass media like TV, radio and newspaper for alcoholic content.

### 4.2.4 The Company's promotional tools effectiveness

Table 4.13: Appropriateness of the company promotional tools

Effectiveness of promotional tools	less effective		Effective		most effective	
	Frequency	percentage	Frequency	Percentage	Frequency	percentage
Advertising			11	28.95%	27	71.05%
Personal selling	22	57.89%	14	36.85%	2	5.26%
Sales promotion			10	26.32%	28	73.68%
Public relation	1	2.63%	25	65.79%	12	31.58%

According to the data presented, a majority of respondent's highlighted advertising, sales promotion, and public relations as the most effective promotional tools employed by the company. Additionally, another significant portion of respondents emphasized the effectiveness of personal selling. These findings underscore the importance of the company's promotional mix strategies in marketing its products. Effective promotion not only enhances the brewery's image but also fosters popularity by reinforcing the perception of quality products among consumers. Furthermore, managers emphasized that the company's promotional efforts extend beyond traditional media channels, encompassing social marketing activities such as infrastructure development projects (e.g., roads, schools, clinics, bridges), participation in HIV/AIDS prevention initiatives, and sponsorship of various events like exhibitions, music festivals, and religious gatherings. These diverse promotional activities not only contribute to brand visibility but also demonstrate the company's commitment to social responsibility and community engagement.

### **4.3 Challenges of Marketing Strategy Practice**

The responses from 34 participants, representing 89.47% of the total respondents, shed light on the challenges faced by the company in implementing its marketing strategies. The issues highlighted include a lack of consistent commitment to executing marketing strategies, particularly in practice. Respondents also pointed out a deficiency in robust marketing promotion, especially through media channels like TV and radio. Another significant problem mentioned is the shortage of working capital and foreign currency, leading to difficulties in obtaining raw materials and affecting the timely production and delivery of products to customers.

Moreover, the feedback underscores challenges related to the availability of raw materials in the local market, inadequacies in human resource capacity, a shortage of skilled manpower, poor employee commitment, motivation issues, and conflicts of interest among employees. These diverse opinions collectively emphasize the consequences of not focusing on designing effective strategies and a lack of vigilance in monitoring the implementation of the company's marketing strategies. Addressing these challenges will be crucial for the company to enhance the efficacy of its marketing efforts and overcome obstacles in the future.

These various problems indicate several underlying issues within the company's marketing strategy implementation and broader operational framework. The lack of consistent commitment suggests potential organizational culture or leadership challenges that may hinder the execution of marketing initiatives. Inadequate marketing promotion efforts point to potential weaknesses in the company's advertising and promotional strategies, impacting its brand visibility and customer reach. Financial constraints highlight vulnerabilities in the company's financial management and resource allocation processes, which may affect its ability to sustain operations and invest in growth. The shortage of raw materials further underscores supply chain vulnerabilities, potentially impacting production capacity and customer satisfaction. Human resource capacity issues indicate potential challenges in talent acquisition, retention, and development, which are crucial for maintaining organizational effectiveness and employee engagement. Addressing these problems requires a comprehensive approach that addresses both internal and external factors affecting the company's marketing strategy and overall business performance.

#### **4.4 Interview Analysis**

To gather more information about marketing strategy practices of ST.GEORGE Brewery, interview questions were forwarded to the marketing managers and senior managers of the company. Accordingly the interviewee's responses to the questions are depicted briefly as follows. However, most interview responses are presented and analyzed in the questionnaire analysis part as a supportive response.

1. Regarding the competitors and the marketing strategies designed to win the competitors

Some of the major competitors who exist in the market currently and have created tough competition include Dashen beer, Harar beer, Habesha beer, Waliya beer, Heineken beer, and Bedele beers. Despite this drawback, St George Brewery stands among the strongest competitors in the food and drinks market sector. In charge of producing qualitative goods and working closely with partners for elaborating a well-thought distribution and various creative approaches towards marketing are also the features of the brewery's marketing strategy. The company also gives much emphasis to enhancing the skills and capabilities of both their employees and partners. Furthermore, St. George Brewery is so much involved in -diverse social activities like campaigning on HIV/AIDS awareness to the community, sports activities to young people to

develop their talent and youth centers to nurture youth talent and skills development, urban sanitation projects, constructing roads, supporting arts and craft to enhance Rwanda tourism, helping the war victims among others. These have contributed a lot to having the success of the brewery since they give it an upper hand in the competitive market.

2. The overall marketing strategy of the company in relation to promote modern marketing and to achieve the company's objectives.

According to the interviewee, modern marketing entails a multifaceted approach, encompassing the production of high-quality products, establishment of efficient distribution networks, popularization of products with competitive pricing, and provision of continuous post-distribution services. St. George Brewery has made significant strides in implementing effective marketing strategies for its products, focusing on customer satisfaction. This underscores the dedication and commitment of the brewery's employees in popularizing its products. The brewery aims to enhance its marketing strategies by improving product type, quality, and quantity, upgrading outdated machinery with modern technologies, and utilizing durable bottles distributed in sturdy crates, akin to those used by contemporary breweries.

The company effectively implements its marketing strategies by promoting its products through eye-catching notice boards strategically placed in towns, public squares, key outlets, and transportation hubs. It utilizes modern distribution networks to ensure widespread availability at reasonable prices across the country. Additionally, the company sponsors various events such as exhibitions, music festivals, religious gatherings, and mass media programs to enhance product visibility and popularity. Moreover, it invests in training programs for production, technical, and marketing staff both locally and internationally, thereby enhancing their skills and capabilities.

Managers also clarified that there are checklists for marketing strategies that facilitate effective implementation. These checklists include defining the company's identity, identifying its products, specifying target buyers or end users, determining the company's market role (leader, follower, challenger, or niche player), outlining the unique characteristics that distinguish the products from competitors, deciding on pricing compared to competitors, establishing the company's stance on changes in competitors' pricing, identifying distribution channels, detailing advertising and promotional strategies to highlight product uniqueness, outlining any distinctive research and development or market research plans, and describing the overall image or personality of the

company and its products. The use of these checklists by employees simplifies their responsibilities, ensuring the successful implementation of the company's marketing strategy.

### 3. Challenges of Marketing Strategy Practices/Implementation

The interview revealed several challenges hindering the effective implementation of the company's marketing strategies. One major issue is infrastructure problems, such as inadequate roads for transporting beer, lack of electricity for refrigeration, and limited access to water and telecommunication services. Without proper infrastructure, reaching all regions becomes difficult, affecting marketing efforts.

Economic challenges also pose obstacles, as disparities in income levels mean not everyone can afford to purchase the company's beer. Intense competition from direct, substitute, and local competitors further complicates the marketing landscape, influencing strategy formulation and execution.

Shortages of raw materials, particularly during periods of insufficient rainfall for malt production, present additional hurdles. Seasonality also plays a role, with fluctuations in beer consumption during fasting seasons and other cultural events impacting demand.

Socio-cultural factors, including religious prohibitions on alcohol consumption and cultural preferences for other beverages like araki, teji, and tella, further complicate marketing strategy implementation. Additionally, creating awareness among customers and grappling with high advertising costs add to the challenges faced by the company.

Overall, these obstacles underscore the difficulty in implementing marketing strategies effectively and achieving company objectives. Addressing these challenges will be essential for the company to navigate the competitive landscape and succeed in reaching its target markets.

### 4. Future plan of St. George Brewery (BGI)

According to the managers, as a future plan, St. George Brewery (BGI) is already on the way to open the Adiss Ababa plant beer in Oromia region which is the country's major beer producer in Ethiopia. BGI is expected to begin construction of the factory shortly.

The beer market in Ethiopia is expanding day to day. Today 8.1 million hectoliters of beer (1 hectoliter is equal to 100 liters) is consumed per year in Ethiopia. Five years ago it was around 4 million hectoliters. There is a shortage of beer in the market today. This reveals that there is a high demand of beer in the country, Ethiopia. To fill the gap between the demand and supply of beers, it is a need to expand the new ventures in different regions of the country. It also shows that Sebeta was chosen for the new plant.

By mid-2022, BGI Ethiopia secured the Green Light from TCCPA to finalize the Meta Abo Brewery Acquisition. Saving Jobs and Enhancing the economic activity in and around Sebeta Town, this acquisition of Meta Breweries will boost BGI's current production capacity from 5,200 000 HL to 6,400 000 HL. Even amid the global COVID-19 pandemic, BGI has not sat idly by. We have made a promise to work day in and day out for Ethiopia and Ethiopians, to be a shining sign of hope. To achieve that vision, we continue to diversify our products to put Ethiopia alongside the international standard of having an extensive list of beverages. We have introduced into the market a new brand for our country, the unique and world-renowned Doppel Beer. We have also introduced our first-ever Non-Alcoholic Beverage - SEN'Q into the malt drink market.

#### 5. The company's business strategy

The company's overarching business strategy extends beyond a single approach. Through analysis of internal, external, and SWOT matrices, the Brewery formulates its strategy, including differentiation by offering unique products to customers at premium prices, cost leadership by providing products at lower prices than competitors, and a focus strategy by segmenting the market into distinct buyer groups. This approach allows the company to effectively compete in a market characterized by diverse buyer needs and purchasing processes, indicating a blended approach to achieving its objectives.

#### 6. Distribution strategy of the company

The marketing and sales managers of the Brewery emphasized that the key to the company's success lies in the quality of its products, stating that this quality ensures widespread acceptance among consumers. This indicates that once a high-quality product is produced, distribution

becomes seamless. St. George Brewery maintains its reputation for quality by distributing products through both direct and indirect channels, assigning an agent to oversee each market, region, or large territory. Agents chosen by the company must demonstrate financial stability, possess skilled and experienced manpower, have necessary logistics and legal licensing, maintain storage capacity, and uphold a strong reputation while also maintaining close communication with the company and various branches within its distribution network

#### **4.5 Research Discussion:**

Understanding Saint George Brewery's marketing strategies within Ethiopia's beer market dynamics is crucial for assessing its strategic marketing practices. While previous research has shed light on various aspects of brewery marketing, there remains a significant gap in understanding the specific strategies and challenges faced by Saint George Brewery. This study aims to bridge this gap by scrutinizing the brewery's strategic marketing methods and identifying key obstacles to its growth and competitive stance.

Past studies, such as Asmamaw et al. (2018), have explored broader trends and challenges in the Ethiopian brewery industry. These studies highlight the rapid growth of the beer market and the emergence of new competitors as key factors influencing the competitive environment. However, they lack a focused examination of Saint George Brewery's unique marketing practices and challenges, limiting their relevance to understanding the brewery's strategic positioning and market dynamics.

On the other hand, the study by Johnson and colleagues (2017) looked closely at the problems breweries face in developing countries. They talked about things like not having enough places to sell their beer, pressure to keep prices low, and following the rules. These are issues that breweries like Saint George Brewery probably deal with too. But, this study doesn't really go into detail about Saint George Brewery's own situation in Ethiopia.

So, this new study wants to build on what's been done before by really looking into how Saint George Brewery markets its beers and what problems it has. It will use different methods like studying the market, talking to people, and comparing Saint George Brewery to others. By doing this, the study hopes to figure out what Saint George Brewery is good at, what it's not so good at, and what opportunities and threats it faces. Also, by seeing how the brewery deals with things like

competition, changes in the law, and what people like to drink, the study wants to give some useful advice to help Saint George Brewery market its beers better and do well in the industry.

In summary, studying Saint George Brewery's marketing tactics and challenges is really important. It helps fill gaps in research and gives useful information to both academics and people in the industry. By learning more about the brewery's marketing strategies and challenges, this research wants to help make better decisions and make Saint George Brewery more successful in the Ethiopian beer market.

## **CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATION**

### **5.1 Summary**

The objective of the study is to evaluate the marketing strategies employed by St. George Brewery (BGI) and how they utilize elements like marketing mix, market segmentation, and target marketing to attract and retain customers. The focus is on understanding how these tools align with the overall marketing strategy of the company. St. George Brewery has implemented various strategies to grow its business, including offering high-quality products, ensuring their availability in the market, utilizing modern technology for production, hiring skilled staff, and adapting to changing market demands. Additionally, the company actively engages with the community and contributes to local development, further enhancing its reputation.

The analysis of data in the study was conducted using scientific research methods to ensure accuracy and reliability in the results obtained. By employing rigorous research techniques, the study aimed to provide valuable insights into the effectiveness of St. George Brewery's marketing practices and their impact on customer attraction and retention. Overall, the company's multifaceted approach to business development and its commitment to social responsibility contribute to its success and positive impact on both the local community and the broader economy.

As a result the following findings are singled out from the study conducted. The company's product quality is somewhat excellent no matter what there are competitive companies with comparable demand of customers

The company's product prices are economic and within the limits. However, there are flaws in the efficiency and the extension of product distribution. It is not as extensive as expected, affecting the furtherance of the product to many places. Also, The changes of the marketing strategy to reach the places where competitors are present lack thoroughness.

There is very coherent Communication effectiveness between departments. The most effective means of promotion were advertising, sales promotion and public relation The company's most widely used means of advertising are Internet and Billboard.

In marketing strategies, the company uses all the elements of the marketing mix named-product, price, place and promotion. In implementing marketing strategies, the company chose its target market on the basis of geographical, psychographic, demographic and behavioral market segment to implement their marketing strategies. Also, the market department of the company will use new marketing techniques to a certain extent.

The company faced problems like infrastructural, economic, political, intensive competition, shortage of raw material, seasonality of consumptions, high cost of advertising and other related problems while implementing marketing strategy. The company has future plan of expanding its production volume from 15 million hectoliters of beer to starting from June 2022.

## **5.2 Conclusion**

The main findings of the report regarding each aspect of the marketing strategy and the subsequent recommended actions are defined below.

The Marketing department employees and managers are sincerely fulfilling their duties to reach the goals of the company. The marketing department has to communicate effectively with every other division to attain success. At St. George Brewery (BGI) Brewery, all the marketing strategies right from targeting a particular customer group to segmenting, and various components of marketing mix are being in action for the achievement of their goals.

Selection of target customers is a fundamental activity of the marketing strategy in St. George Brewery (BGI) Brewery. The company provides its products to those individuals who are more than 18 years old, who have good income level, who have not any medical problems and to whom for city residents. This shows that those target customers are more users of the company products.

The division of the market into such subgroups, which share the similarities or commonalities, is called market segmentation. Market segmentation is a process where we divide or bifurcate the market on the basis of consumer characteristics like demographic, geographic, behavioral and psychographic factors. Thus, market segmentation is a customer-oriented process. Though, the geographic location is the major segmentation variable used by the company. The elements of St. George Brewery (BGI), standard marketing mix (product, price, place and promotion), are used effectively to reach the target market. In this context, the geography, as well as infrastructure

amenities like water, electricity and telecommunication or cultural, religious or urban aspects, are also considered, when it is based on geographic segmentation.

These marketing mix elements are product strategy, price, promotion and place/distribution strategy. These are vital to implement the marketing strategy effectively inseparable because each mix affects the other. Therefore, all the mixes are essential for the company to achieve its customer requirements.

The Brewery provides two types of products such as; bottled beer and Draught beer. These products are produced with excellent qualities because in almost all stages of production, the company gives a high emphasis for quality. In each stage of the fermentations, there are laboratory technicians who controlled the quality of the Brewery.

The company also uses the best technology to add quality to the products. To sum up, quality product is the key to the company's success. St. George Brewery (BGI) Brewery follows fair pricing policy aimed to build mutual trust with customers in order to maximize their profits. The pricing policy is not there in written form so that prices of products are based on different aspects like transport cost, cost of competitors, economic condition, etc. Some cost is also represented in pure profit margins, overhead costs, direct costs, and so on. Pricing policies are not constant; they change according to the changing environment. Prices may vary according to the situation of the market.

Like any typical organization, the company sets prices for its products to either maximize profits or ensure that prices cover costs and generate profits. Efforts are made to reduce production, overhead, and administrative costs by eliminating redundant operations and enhancing efficiency and productivity.

Additionally, the company employs various promotional tools such as advertising, personal selling, sales promotion, and public relations. St. George Brewery (BGI) promotes its products by installing artistic notice boards in towns, public squares, major outlets, and transportation hubs, as well as sponsoring popular events like exhibitions, music festivals, and religious gatherings. These promotional strategies contribute to the brewery's positive image and popularity, emphasizing its commitment to quality products.

Moreover, the company prioritizes social marketing initiatives, including infrastructure development (roads, schools, clinics, and bridges), contributing to public stadium construction, and participating in HIV/AIDS prevention efforts. Media advertising, including television, radio,

and newspapers, is considered the most effective advertising medium for the company. Distribution strategies are concerned with the channels of a firm that employ to make its goods available to customers. The distribution system of the company is brilliant and determines the product's marketing presence and the buyers' accessibility to the product.

This results in the wider availability of the product and a customer can easily obtain the product from different places. The sales are made through intermediaries. BGI Brewery chooses the appropriate agents for St. George Brewery based on the financial status, having skilled and experienced staff, enough logistics or transport facilities, having a legal license, storage capacity, enough staff and an organizational setup, and the agents should have the reputation. These appointed agents must have a regular conversation and deal effectively to have a proper distribution.

While the company's marketing strategies have proven effective, several challenges have arisen. These include issues with infrastructure, economic challenges, intense competition in the market, shortages of raw materials, consumption seasonality, sociocultural obstacles, and the time and cost associated with customer awareness.

### **5.3 Recommendation**

Even though the marketing strategy of St. George Brewery (BGI) Brewery is practiced effectively by employees and managers, it has some problems. Therefore, the study recommends the following points based on the analysis;

Presently, there exists a significant demand for Breweries in the market, coupled with a shortage of supply. Consequently, the company must intensify its efforts to address the imbalance between demand and supply requirements. Moreover, it should acknowledge that customer loyalty cannot be assumed, necessitating the adoption of continuous marketing strategies to meet customer demands and maintain a competitive edge over rivals.

The Marketing Mix Analysis has the dignity to help the company implement the right marketing strategies to satisfy and penetrate the company's customer groups, which is phrased as target markets. Therefore, the company should constantly alter the sub elements of each marketing mix to successfully compete with its competitors and offer the greatest value to its customers.

In the research project, the researcher has assessed the marketing strategy practices of the St. George Brewery (BGI) Brewery on the organization's side. So, for future the researcher recommends to see the overall marketing strategy of the company by involving the organization, customers, intermediaries, government (government regulations in Brewery industries) and a survey study of marketing strategy practices in the Brewery industries of Ethiopia.

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## APPENDICES

**St. Marry University School of Graduate  
Department of Marketing  
MBA in Accounting AND Finance Program**

**APPENDIX 1: Interview questions to be filled by Marketing Managers of the St.Ggeorge  
(BGI) Brewery Company Adiss Ababa branch**

Dear respondents;

The purpose of this interview question is to enable me to carry out a research for the partial fulfillment in MBA in Accounting and Finance The research focuses on St.George Brewery Company in adiss Ababa Branch with the topic of “Assessment of Marketing Strategy Practices in the case of BGI”. A Marketing Strategy interview questions are tools used to collect data from people regarding Marketing.

Hence, to gather information, I kindly seek your assistance in responding to questions listed below. Any information you present will be kept entirely confidential and will be used only for academic purpose. Your cooperation and on time response will be highly appreciated.

Thank You in advance!

1. Who are your target consumers? And how does the company positioned its products?
2. What is the company’s overall business strategy (Differentiation, cost leadership, focus strategy)?
3. Is there any competition? Who are your competitors? What are your major competitive advantages?
4. What are the marketing strategies offered by the company (in terms of 4Ps?)
5. What are the problems you encountered in implementing the marketing strategies?
6. What is your future plan to expand your products or to increase your market share?

7. What factors do you consider in setting pricing strategy? Or what are the bases for your pricing strategy?
8. What distribution objectives and strategies are the company pursued?
9. What promotional tools do the company used?
10. What is the status of promotional mixes done by the company in terms of personal selling, sales promotion, participating in bazaars and exhibitions, brochures etc.
11. Over all how do you evaluate the company's current marketing strategies?

**St. Marry University School of Graduate  
Department of Marketing  
MBA in Accounting AND Finance Program**

**APPENDIX 2: Questionnaires to be filled by employees of the marketing department of St.  
George Brewery Company Adiss Ababa branch**

Dear respondents;

The purpose of this questionnaire is to enable me to carry out a research for the partial fulfillment of master's degree in MBA. The research focuses on St. George Brewery (BGI) with the topic of "Assessment of Marketing strategy practices". A Marketing strategy questionnaires are tools used to collect data from people regarding Marketing. Hence, to gather information, I kindly seek your assistance in responding to the questions listed below. Any information you present will be kept utterly confidential and will be used only for academic purpose. Your cooperation and prompt response will be highly appreciated.

N.B:

Writing your name is not necessary

You can give more than one answer

Put “√” for your choice in the box provided

Thank You in advance!

### Part I: General Information

1 Gender

Male

Female

2. Age (in years)

Under 20

21-35

36-50

51-65

Over 65

3. Educational level

1-12 Complete

Certificate

Diplomas

BA/BSC

MA/MS/MBA

PhD

Other (if any) \_\_\_\_\_

4. Position

Senior

Manager

Managers

Staff

5. How long have you been employee of BGI Brewery S.C?

Less than one year

Two to five year

Five to ten years

Ten to fifteen years

More than fifteen years

Part II: Questions Related to Marketing strategy elements

A. Questions Related to Product

6. What are the customers' primary reasons for buying or wanting to use the company's products?

Quality of product       Proximity of supply       Lower price than others   
Effective promotion       Customer preference

Other (if any) please specify \_\_\_\_\_

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7. What is your opinion about the Products quality?

Very good       Medium       Very poor       Good       Poor

B. Question Related to Price

8. What is your opinion concerning the Price of the company's products?

Very cheap       Affordable       Very expensive       Cheap Expensive

C. Question Related to Distribution

9. What is your opinion on The Company's Products availability and accessibility?

Excellent       Good       Poor       Very good Fair

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

Financial capacity       Product factor       distributing capacity       Market Factor   
Competitive factor

D. Question Related to Promotion

11. What would you suggest as the best strategy of advertising the company's product?

Media (Newspapers, Radio, TV)  Word of mouth Billboard  Free Sampling  Internet

Other (kindly suggest another method) \_\_\_\_\_  
\_\_\_\_\_

Part III: Question related to Marketing Mix

12. What marketing mix strategies does the company use?

Product  Promotion  Distribution  Price All of the above mixes

13. How would you rate the appropriateness of the following promotional mixes to the company? (Please put a tick mark for each provided box)

<b>Promotional tools</b>	Least effective	Moderately effective	Most effective
Advertising			
Personal selling			
Sales promotion			
Public relation			

Part IV: Question related to Targeting, segmentation and Positioning

14. Who are the company's major Customer Groups?

Individual customers/consumers  Hotels, Restaurants and Groceries

Other intermediaries

Others please specify \_\_\_\_\_

15. What are the bases of segmenting the market?

Geographic location  Economic situation  Psychological or life cycle

Demographic

Other (if any) please specify \_\_\_\_\_

\_\_\_\_\_

16. Does the Company have clear attribute for Product Positioning?

Yes

No

17. What attributes according to you the Company use for Product (Brand) Positioning?

Quality Price

Availability

Test

Other (if any) please specify \_\_\_\_\_

\_\_\_\_\_

#### Part V: Questions Related to the Overall Marketing Strategy

1 Does the company have clear Mission, Vision and Objective Regarding to the marketing strategy point of view:

Yes

No

1. How you rate the company's overall marketing strategy?

Least effective

Moderately Effective

Most effective

2. How would you rate the communication effectiveness between corporate Sales and Marketing department and other department?

Very good       Somewhat Good       Very poor       Good Poor

3. I can perform the marketing strategy practices of the company effectively.

Strongly agree       Undecided       Strongly disagree       Agree       Disagree

4. What are the major problems encountered in implementing marketing strategies?

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

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