

Determinants That Affect The Marketing Strategy Practices Of The Beverage Industry: The Case Of Ambo Mineral Water Factory

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Abstract

The main objective of this study was to assess the marketing strategy practices of Ambo Mineral Water Share Company and thereby to suggest alternative solutions to the problem. To this end, a descriptive survey of quantitative and qualitative research design was employed. The subjects of the study included 23 purposively selected marketing and sales department employees and 3 managers of the company. The data were gathered through questionnaires, interview and document analysis. Finally, data were analyzed using statistical tools such as figure and percentages. The result of the study revealed that individual customers are the target consumers of the Company's product. Accordingly, the basis of the company's market segmentation is the geographic location. Besides, the company uses all the 4P's marketing mix elements for the purpose of marketing strategy. In addition, the finding indicated that Royal ground, Royal tonic, Coke, Miranda, Pepsi and all beer and brewery products in the market are the competitors of the product. The finding also showed that the branding, labeling, handling, and packaging attractiveness level of the product is very feasible. Moreover, the finding showed that price of the product is affordable by consumers. The price of the company's product depends up on transportation charge, competitors' costs, economic factors, gross profits costs, and net profits. Indirect channels through intermediaries are the best-selling mechanism of the company. The finding also showed the company's marketing strategy focused on delivering quality products and implementing an efficient distribution network. The communication between marketing and other staff of the company is strong. The company's effective promotional tools were advertising through media communication. The company's product availability and accessibility in the market is less. Finally, the study revealed that shortage of research, economic problem, intensive competition, seasonality and shortage of supplies were some of the problems the company has faced in implementing the marketing strategies well. Finally, it was recommended that currently the company should work more to fill the gap between the imbalances of demand to supply requirements. It is also better to include those customers by producing Alcoholic breweries. Moreover, the company should constantly alter the sub-elements of each marketing mix to successfully compete with its competitors. Lastly, the company has to support each marketing strategies and activities with research.

Keywords: Marketing strategy, Marketing mix, Target marketing, Ambo Mineral Water

Date of Submission: 02-06-2023

Date of Acceptance: 12-06-2023

I. Background of the Study

The ultimate goal of any business establishment is to remain in business profitably through the production and sales of products or services (Philip Kotler, 2007). Without optimal profit, a business firm cannot survive. One of the core activities of a business company is to stay in business by having a well-developed marketing strategy (Chalachew, 2001). However, with the growing competition in the domestic and international markets, more demanding and assertive customers, rapid advancement in technology, and changing government policies and laws, the marketing environment has changed dramatically and is becoming more turbulent (Paul Fifield 1994). Marketing is a major stakeholder in new product development, customer management, and value/supply chain management, and marketing strategy provides concepts and processes for gaining a competitive advantage by delivering superior value to the business's customers. Therefore, to deal with the current challenges, businesses must have more distinctive and purposeful marketing strategies and they should be effectively implemented (Jain, 1997).

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

The strategic marketing planning process flows from a corporate strategy to the selection of target markets, and the formulation of specific marketing mix and positioning objective for each product the organization will offer. Additionally, organizations consider internal strengths and how these strengths can be leveraged through strategy to achieve sustainable competitive advantage (Paul Fifield 1994). Nowadays, most companies face some form of competition, no matter what the industry, because of deregulation and because of the globalization of many industries. Consequently, marketing strategy has become all the more important for companies to continue being profitable.

Therefore, marketing strategy is most effective when it is an integral component of corporate strategy, target marketing, marketing mix and defining how the organization will successfully engage customers, prospects, and competitors in the market arena (Dibb, 2005).

Statement of the Problem

Marketing managers (marketers) must think about the methods of winning, retaining, in general, satisfying customers in various ways that will lead to organizational success (Littler and Wilson, (1995). To do so, the elements of the marketing mix (product, price, promotion, and place) serve as the most crucial tools for meeting the company's objective together with satisfying customers through effective utilization of them. These variables are controllable variables by marketers. In addition, marketing managers can use them to attract and retain customers since they can be reshaped by a given marketing manager (Littler and Wilson, (1995).

From the organization's point of view, each customer need has a counterpart in the marketing mix elements. Therefore, in order to be successful or a leading, an organization should be able to satisfy (Chalachew, 2001). Besides, it is natural that every business organization whether small or large, private or government, domestic or international operates in a turbulent and uncertain environment. In the context of changing customer expectations, technological discontinuities, and increasing environmental uncertainties, business managers have a big challenge of making the right strategic choice and setting their strategic priorities in order to allocate their resources to different functions in an efficient manner for business success. Due to this, managers must develop new tools, new concepts, new strategies, and new mindsets to cope with turbulent and chaotic environments leading to discontinuous change (Jain, 1997).

In fact, when you run a business, nothing might be easily accomplished. Marketing success is the lifeblood of any company. Everyone knows that a marketing strategy influences the company's ability to generate profits or stay in business. Not all too often good product ideas are funded because of a poor marketing strategy. Likewise, Ambo Mineral Water Share Company might face with some problems while practicing /implementing the marketing strategies.

Therefore, this study was designed to assess the problems associated with the marketing strategy practices in Ambo Mineral Water Share Company with the following main research questions.

Objective of the study

General Objective

The general objective of the study was to assess the determinants that affect the marketing strategy practices of Ambo Mineral Water Share factory and to identify whether it is aligned with the target marketing, and marketing mix to satisfy customer requirements with the following specific objectives.

Specific Objectives of the Study

The specific objectives of this study were:

- To explore the various factors to be considered in marketing strategy
- To identify problems encountered in the marketing strategy implementation of the company

Scope of the Study

The scope of the study covered how the marketing strategies were practiced by the Ambo Mineral Water Company to achieve its stated goals that aligned with target markets, positioning, segmenting, and marketing mixes to satisfy customer requirements. The study was delimited to the marketing strategy practices by the organization's side with concerned employees (marketing department staff and managers). Hence the study was only delimited to Ambo Mineral Water Company.

Limitations of the Study

Since the study was made based on interviews and questionnaires, these methods were not certain to clearly reveal real situations due to personal biased, especially the interview's part will 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 uncovered the other stakeholders such as government (government regulation on Beverages industries), intermediaries and to see what looks like the marketing strategy of the company in terms of customers' side.

II. REVIEW OF RELATED LITERATURE

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 A., 2007).

Elements of Marketing Strategy

In order to achieve the marketing objectives, we need to have a strategy that includes different elements. Here there are four major elements that are used in the literature to explain the detail of marketing strategy. These are the Target market, Segmentation, Positioning and marketing mixes (Roger Brooks Bank, 1994, pp.1014.).

Marketing Mix Strategies

The marketing mix was first developed by McCarthy over 40 years ago. It was designed to suggest that you should have a balanced mix of marketing activities within your marketing plan. It is a planned mix of the controllable elements known as a "mix" because each ingredient affects the other and the mix must overall be suitable to the target customer. The main four elements of the marketing mix are described as "the 4 P's" product, price, promotion and place (Littler and Wilson, (1995).

Factors to be Considered When Setting Prices

A company's pricing decision are affected both by internal and external company factors.

- Internal factors affecting pricing includes company's marketing objectives, marketing mix strategy, cost and organization.

- External factors affecting pricing includes nature of the market and demand, competition and other environmental factors (economy, resellers, government) (Tellis, G. (1986).

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.

Pricing Strategies for Established Products

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

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 products.

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).

Pricing Adjustment Strategies

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

Promotion Strategies

Promotion strategies are concerned with the planning, implementation 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.

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.

Distribution Strategies

Distribution strategies are concerned with the channels a firm may employ to make its goods and services available to customers. Decisions about marketing channels, which help producers deliver goods and services to their target markets, are among the most critical facing management

because the channels that are chosen intimately affect all of the other marketing decisions. For example, the company's pricing depends on whether it uses a direct Web presence, discount merchants, or high-quality boutiques. In addition, the firm's sales force and advertising decisions depend on how much training and motivation its dealers need.

Another reason why these decisions are so critical is that they involve relatively long-term commitments to other firms. In an era when buyers and sellers alike seek speedier sales transactions, marketing-channel technologies (including automated inventory and storage systems) and the Internet are adding value by expediting the flow of physical goods, ownership, payment, information, and promotion (Rayport, J. and Sviokla, J.1994).

Types of utility distribution offers:

- ✓ Time...when the customers want to purchase the product.
- ✓ Place...where the customers want to purchase the product.
- ✓ Possession...facilitates customer ownership of the product.
- ✓ Form...sometimes, if changes have been made to the product in the distribution channel, i.e. Pepsi/Coke, concentrate to bottlers.

Each channel member has different responsibilities within the overall structure of the distribution of the system; mutual profit/success is obtained through cooperation.

The distribution system:

- ♣ Determines a product's marketing presence and the buyers' accessibility to the product
- ♣ Entail a long-term commitment, easier to change other aspects of the marketing mix.

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. Producer Specialization in production, economies of scale etc., therefore wants to produce large quantities but narrow product mixes. Other functions of intermediaries include: Assuming risk Provide working capital by paying for goods before they are sold, Information Flow, Financing, Payment and title flow, Negotiation, Contacts, and Promotion.

A producer will use an intermediary when it believes that the intermediary can perform the function(s) more economically and efficiently than it can. "You can eliminate the middle man, but you can't eliminate their functions"-a well accepted maxim in marketing (Littler and Wilson, (1995).

III. CHAPTER THREE: METHODOLOGY

Description of the Study Area

The foundation of the modern time Ambo Mineral Water was conceptualized in 1915 E.C. by the Imperial Government of Ethiopia. It is located at 130 km west of Addis Ababa and occupies an area of 20,000 square meters of land. The source of Ambo Mineral Water is found in the rocky hills, deep ravines, craggy terrain and beautiful, green land escape of Ambo. It has been bottled since 1930. The plant was set up with modest premises to produce the country's first bottled water. The plant stands right on the same site it was 80 years ago. Slowly, but steadily, the factory continued to grow and was nationalized in 1974, and it was partially privatized in 2008. It also started to use fully automated and advanced bottling technology that enjoyed popularity and big sales (A.M.W.S.C., 2008). (Retrieved from <http://www.ambowater.com> on June 2020).

Nowadays, the factory is now owned by SABMiller PLC and South West Development, an internationally acclaimed beverage company that operates in many countries. It is the biggest mineral water bottling and distributing company in the country. Today, Ambo Mineral Water is the oldest beer in Ethiopia and is certainly also the youngest with fresh dynamism. The plant had also undergone a complete revolution. Almost all machines are renewed to meet the standard of modern bottling technologies that can compete and excel in the market.

All process of the plant complies with international and national quality control standards such as codex Alimentations, FAO/WHO, Food Standards and the national mineral water standards. During the production process, quality control testing of the water is carried out every hour to ensure the purest cleanest water and finest taste. To this end, there are five major manufacturing processes in the production of mineral water and flavor products. These are water treatments, bottle washing, Co2 production, and Syrup preparation and carbonation process.

In the year 2011, SABMiller invested around USD \$ 20 million in modernizing the bottling plant and operations. As a result, the plant which used to produce approximately 12,000 bottles per hour after these improvements, the plant started to produce 40,000 glass bottles hourly placing plant number one in terms of market share and meeting over 85% of the total consumption. Now a day's it is highly needed in Ethiopian and outside restaurants and hotels like New York, Australia, Sweden, England, Canada, Toronto, Saud Arabia, South Africa, Kenya, etc. It has resulted in new investments in capacity and packaging variations. Thus, the product and package range has been extended to include convenience packaging in plastic bottles as well as new products such as Ambo Lite, (Lower carbonation and mineralization) and Ambo flavored Water) Orange, Apple, Pineapple, Lemon-Line). However, market analysts forecast a deepening gap in the demand and supply of water based on the shortages witnessed today.

- Planned product capacity:

- 500 000 hrs.

- *Planned packaging variations to include:

-	330	ML	non-returnable	glass	bottles.
-	750	ML	* non-returnable	glass	bottles.

- 500 ML *, 1000 ML * and 2000 ML * PET

24 hr shift operations

Four packaging lines

Ambo, the oldest Mineral water in Ethiopia, still serves with the same fresh and dynamic excellence You deserve.



Figure 1: The GPS map of Importing Countries/ State of Ambo Water

Europe

-
- Sweden

England

Africa

-
- Sudan

South
Djibouti

Africa
-Kenya

Canada

- Toronto
- USA

Middle East

-
-

Las
New

California
Denver
Vegas
York

South Africa

-

Saudi

Arabia

Retrieved from

<http://www.ambowater.com/export.htm>

Definition of Variables

Dependent Variables

The dependent variable is the values that can be measured in a given conditions. Moreover, it enables us to assess how it responds to a change in the independent variable. The dependent variable of this research is marketing strategy practices of Ambo Mineral Water Share Company.

Marketing Strategy Practices: a company plan that allocates resources in ways to generate profits by positioning products or services and targeting specific consumer groups.

Independent Variables

The independent variable is the condition that can be changed to observe its impact or variables whose value does not depend on and is not affected by the state of any other variable in a given condition. Hence the independent variables of this research are controllable elements of the company's strategy namely segmentation, targeting, positioning, product, price, promotion, and place /distribution strategies that are essential for the marketing strategy implementation of the company.

- ✓ **Target market:** a set of buyers sharing common needs or characteristics that the company decides to serve.
- ✓ **Segmentation:** the term “market segmentation” refers to subdividing a market along some commonality, similarity, or kinship.
- ✓ **Positioning:** Positioning is the use of marketing to enable people to form a mental image of your product in their minds (relative to other products). Positioning is how the product or service is to be perceived by a target market compared to the competition.
- ✓ **Product:** a product is anything that can be offered to a market for attention, use or consumption that satisfies consumers’ want or need.
- ✓ **Price:** it is probably the single most important decision in marketing and it is the mechanism which ensures that the two forces (demand and supply) are in equilibrium.
- ✓ **Place:** where the customers want to purchase the product or where business transactions take place or where products and/or services are available for consumers/customers.
- ✓ **Promotion:** it is a marketing activity that disseminating information about a product, product line, brand, or the company to the public

Research Design

The study was adopted a descriptive survey research design by using both qualitative and quantitative to obtain the desired results of the company and to explore detailed evidence about the problems because it appears suitable for refining the research tools such as questionnaires and interviews. The relevance of this method for such purpose has been confirmed by authorities such as Koul (1988:405) and Best(1977:116-117).Moreover, by using a mixed approach it is able to capitalize the strength of quantitative and qualitative approach and remove any biases that exist in any single research method (Creswell, 2013). Hence, 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. Moreover, the study focused on describing, recording, and interpreting the problems that prevail in the factory under question in relation to the marketing strategy practices in Ambo Mineral Water factory.

Population.

Sample Procedures

The target populations of the study were all the managers and employees of the marketing and sales department in Ambo Mineral Water Company. Of course, the company has around 462 permanent workers who serve in different departments of which only 23 of them were served in the marketing and sales department. However, the target populations of the study were 23 (all) employees who are working in the marketing and corporate sales department and three managers. The selection of the respondents were carried out by using the purposive sampling research method because no other departments are concerned about marketing strategies and the researcher took all the respondents of marketing and sales staff as a total population of the study. In addition to this, the data were collected by using interviews with marketing and sales managers and human resource managers of the company.

Data Collection Instruments

In order to gather the data from relevant sources, both primary and secondary data collection instruments were used. The primary data was conducted in the form of personal interviews with human resources; marketing and sales managers and closed and open-ended questionnaires were also distributed to marketing and sales department staff. On the part of secondary data, written documents on corporate strategies and marketing strategies, different reference books, journal articles, Internet websites, policies, procedures, and document reports from Ambo Mineral Water Plant were referred. The information obtained by using both instruments was integrated during the data presentation and analysis phase.

Interview

Interview as a data collection instrument enables to gather of in-depth information-free or flexible responses that would not be easy to obtain by other tools (Selinger and Shohamy, 1989). Interview guides are data collection instruments used through direct and verbal interaction between respondents. They involve the question-and-answer method of data sourcing. Creswell (2012) argues that interview guides are important in sourcing for volumes of qualitative data. In this study, an interview survey technique was used. Thus, the interview questions for this study were prepared in such a way that they substantiate data that was obtained through a questionnaire. As a result, a structured interview was prepared so that the same types of questions could be presented in the same order and manner to every interviewee. It was conducted immediately after the

document review was taken and the questionnaire was over. This was done intentionally in order to avoid the inconvenience of being observed after the interview. The interview questions were carefully designed to meet the main objectives of the study and note has been seriously taken while interviewing.

Questionnaire

Cohen (2011) defines a questionnaire as a self-report instrument used for gathering information about variables of interest to an investigation. These questionnaires were chosen because they ensured the confidentiality of responses and saved time.

Hence, a questionnaire was one of the main data-gathering instruments for this study. One kind of questionnaire item was designed for the marketing and sale staff members of Ambo Mineral Water Company as the issue directly concerned them. Almost all the items in the questionnaires were closed-ended. This was done mainly because the researcher felt that it was easy to collect and summarize the data. Besides, the questionnaire was translated to the Amharic language. Moreover, great care has been taken in designing the questionnaire so that the items were fit into the objectives of the study. Furthermore, the questionnaire the researcher prepared and used had been pre-tested initially with few people (5 staff members) working in AMWSC to ensure consistency, clarity and relevance to the marketing strategy practices of AMWSC case. Minor changes (related to the questions language, content, wording, and sequence) were requested by those people, which the researcher implemented before carrying out the final copy. Finally, the questionnaire was distributed to the marketing staff members.

Document Review

The purpose of documentary analysis is to enrich the literature review and also to support the study's findings derived from the participants' responses. The secondary sources are good for collecting data for both surveys and ethnographies that are largely qualitative. Gill (2013) adds that documentary evidence is necessary because it provides a rich discourse of facts punctuated with opinions making it useful in cross-referencing of present findings.

Hence, the other central instrument of data collection instrument for this paper was review of written documents on corporate strategies and marketing strategies, different reference books, journals articles, internet websites, policies, procedures, and document reports from Ambo Mineral Water Plant was referred. The information that was obtained through all instruments was integrated during data presentation and analysis phase.

Method of Data Analysis

TO analyze the responses of the subjects of the study, the descriptive quantitative and qualitative data analysis method was used. Particularly data collected from the staffs through questionnaire were worked out using percentages. Since the target of the study was to describe the existing practices, the researcher was perceived that the percentage was the appropriate statistical procedure. However, some of the questionnaires and the interview from managers were also be analyzed qualitatively. Thus, to accomplish this, first, the responses of the workers was organized, tabulated in to numerical data and analyzed quantitatively. Then, the results of the interview and the document review were analyzed qualitatively. Lastly, they were mainly used to triangulate the results of the employees' responses to the questionnaire.

Data Collection Procedures

In order to collect the necessary data from the concerned body, the researcher followed the aforementioned data collection procedures. Above all the researcher established a rapport with the deputy manager. That means, the researcher first, introduced herself and her purpose to the marketing manager, and the sales manager to facilitate the research activities. Then I requested them to provide me the necessary working documents which depicts the company's overall information and particularly in respect to its marketing strategy practices. Then after, the necessary information about the number of marketing and sales staff members and the arrangement of time was done in collaboration with the managers.

Finally, to elicit adequate information from the subjects of the study, the purpose and importance of the research were explained to the subjects of the study briefly. Then 23 questionnaire papers were administered and collected after three days. Lastly, the interview was made at the end with the managers after identifying possible issues that were not well addressed through the questionnaire.

V. DATA PRESENTATION, ANALYSIS, AND DISCUSSION

Table 1: Responses Concerning Branding, Labling, Handling, and Packaging Attractiveness Level of the Product

10. Branding level of the product	Number	Percentage
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Adequate	15	65%
Not adequate		
Medium	8	35%
Poor		
Total	23	100%
11. Labeling level of the product		
Adequate	19	82.6%
Not adequate		
Medium	4	17.4%
Poor		
Total	23	100%
12. Handling level of the product		
Very good	23	100%
Good		
Medium		
Poor		
Total	23	100%
13. Packaging attractiveness level		
Very attractive	13	56.5%
Attractive	7	30.5
Medium	3	13%
Poor		
Total	23	100%

A brand is a name, term, design, symbol, or other features that identifies the goods and services of one seller from those of other sellers (Armstrong, 2009, pp. 21). Marketers should realize that the more customers equate quality with their brands, the more they will buy. Hence as far as branding is concerned, as shown in Table 6:10 the majorities (65%) of the respondents replied that the branding of the company's product is adequate while 35% of them replied that the branding level of the company's product is medium. So, one can infer from this that the company is doing well with respect to branding of its product.

Besides, a label is a tag or sticker attached to a container or package that provides information about the seller or the manufacture (McDonald, 2004: 203-204). Accordingly, based on the company's product labeling level, as depicted in table 6:2 majority of the respondents (82.6%) reflected that the product's labeling level is adequate and the rest of them also responded that it is medium. Moreover, as it has been shown again in this table number 12 the entire employee replied that the product's handling level is very good. Concerning this, the managers also witnessed that the factory produce variety products from 250ml,330ml,500ml,750...2000ml in order to form comfort for the customer in handling the product from one place to another easily.

On the other hand, packaging is the activity of designing and producing the container or wrapper for a product (McDonald, 2004:90). Since in recent times, packaging has become a potential marketing tool, a company needs to design the package for the safety of the product, to make the product identifiable, and to make it more appealing so as to increase profit. Concerning this as it shown in table 6:13 more than half of the respondents (56.5%) responded that the product is very attractive and 30.5% of them replied that it is attractive and the rest of them said that it is medium.

Table 2: Employee confidence to perform the marketing strategy practices of the company effectively

Items	Response					Total
	Strongly agree	Agree	Undecided	Disagree	Strongly disagree	
20. I am confident that I can Perform my job effectively.						
Total	13	5	4	2	-	25
Weights	5	4	3	2	1	15
Percentage	55.5%	20%	15.6%	8.9%	-	100%
Weighted Frequency	125	36	21	8	-	190
Calculated weighted mean						4.22
Table mean						3.0

It is clear that the table shows, the weighted frequency which accounts 4.22 is greater than the table mean which is 3.0. The majority of the respondents (75.5%) who said Strongly Agree and Agree perform their

duties effectively. 8.9% of the respondents responded that they disagree with the statement. The rest of 15.6% preferred to stay in undecided. This implies that the

Employees can perform the marketing strategy practices of the company effectively. Hence, the marketing strategies are the means by which the marketing objectives will be achieved, the employees and managers of the marketing department are genuinely performing their duties to achieve the company's objectives. They are also committed to their work.

Hint:

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

Interview Results

- As far as the problems of marketing strategy practices/implementation of the company is concerned, the managers forwarded that as the following are the major marketing strategy practices/implementation problems that faced the company so far in its implementation. These are:
 - ✓ Shortage of research: Most of the works are based on experience adopted from Central Statics Agency and the company has not its own research center.
 - ✓ Economic problem: as we know the income of individuals are not equal, some may have a good income, in the contrary some may not have enough money even to eat bread. Due to these financial problems, all people may not be drinking our water.
 - ✓ Intensive competition: there are direct/substitute/local competitors in the market. These competitors may affect our marketing strategy.
 - ✓ Seasonality: there is some seasonality of the consumption of water. For example, in the holiday season most people may drink our water, especially after meal. So, during this season there will be high consumption of the water and the opposite is also true. This also affects our marketing practices.
 - ✓ Shortage of supplies, there is a high demand in the market.
 - ✓ Because of high cost of advertising programs, less awareness of the customers.

These all imply that the company has faced a problem of implementing the marketing Strategies and these problems may hinder the strategies to not to achieve the objectives of the company successfully.

- Concerning distribution strategy of the company, the marketing and sales managers of the company said that "Quality product is the key to the company success." And as a result, everyone is willing to carry out our products." they added. This shows that once quality product is produced, it will not have any problem to distribute it, and Ambo Mineral Water Company produces quality products and distributes it through direct and indirect channels. An agent is assigned to each market or region or a big territory. For an agent to be selected by the company it must have financial capacity, skilled and experienced manpower necessary logistics (or transportation), it must be legal or licensed, has storage capacity, well structured, and reputed. The agent should also be capable of maintaining closer conduct with the company and different roots under its chain.

VI. Conclusion and Recommendations

Conclusion

Market segmentation is the activity of subdividing the market along with some commonalities, similarity or kinship. It is also classified based on the customer characteristics such as demographic, geographic, behavioral and psychographic or lifestyle segmentation. However, the study also identified among those segmentation bases, the company uses geographic location as a major form of segmentation variables.

The investigation, furthermore, explored that Ambo Mineral Water exploits all the four (4Ps) of marketing mix elements to achieve its target. 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 company provides two types of products such as; bottled water and plastic water. Moreover, 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

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stage of the fermentations, there are laboratory technicians who controlled the quality of the water. Hence, quality product is the key to the company's success.

On the other hand, in terms of the pricing strategy, Ambo Mineral Water sets the fair pricing strategy for its customers. The objective is to maximize its profits. It has not any written pricing policy; as a result, the prices of the products are depends on different factors like; transportation charges, Competitors' costs, Economic factors, Gross profit costs, Overhead costs, Net profit, Direct costs.

Promotion strategy is also an essential tool for the practice of the marketing strategy of the company. The company promotional tools are advertising, personal selling, sales promotion and

public relation. Ambo Mineral Water promotes its products by means of erecting artistic notice board in towns, at main public squares, sight catching places, major outlets and inlets, public service stations and on vehicles etc and contributing to popular events by means of sponsoring various exhibitions, music festivals, public gatherings, research forums, etc. Moreover, the company's best way of advertising means is media advertisement. This media advertisement includes TV, Radio and newspapers.

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 not brilliant and determines the product's marketing presence and the buyers' accessibility to the product. Thus, products availability is not so nice and buyers cannot get the product almost everywhere. The selling processes of the products are mainly through intermediaries. However, compared to the demand in the market, there is less supply of the product.

To sum up, even though the marketing strategies of the company are effective, the company faced some problems. These are; Lack of research, Economic problem, Intensive competition in the market, seasonality of consumption, Socio cultural problems and the time and cost of awareness creation for the customers.

Recommendations

Even though the marketing strategy of Ambo Mineral Water is practiced effectively by employees and managers, it has some problems. Therefore, the researcher would like to recommend the following points based on the analysis;

- ❖ What makes the most economic sense, what makes the most community sense, and what makes the most common sense and constitutes the highest and best use of marketing strategy is to simply let includes all the parameters of the population. It is to mean that the target customers of the company, the one who are non-alcoholic drinkers. So, it is better to include those customers by producing Alcoholic Breweries.
- ❖ Currently, there is a high demand and shortage of supply of Breweries in the market. Therefore, the company should work more to fill the gap between the imbalances of demand to supply requirements and recognize that they can no longer take their customers' loyalty for granted, and need to adopt ongoing marketing strategies to satisfy the demand of the customers' requirement and to stay ahead of their competitors.
- ❖ 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.
- ❖ Since lack of research, economic problem, intensive competition in the market, seasonality of consumption, socio cultural problems and the time and cost of awareness creation for the customers are the major problems of the company not to implement the marketing strategy as needed, it has to support each and every of its activities with research in order to minimize the problems.
- ❖ Finally, the researcher would like to recommend further study on the problem under the investigation.

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