

# An Assessment Of 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, interviews, and document analysis. Finally, data were analyzed using statistical tools such as figures 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 the price of the product is affordable for consumers. The price of the company's product depends upon transportation charges, 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. 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 strategy and activity with research.

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

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## 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).

## **II. 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.

## **III. Objective of the study**

### ***General Objective***

The general objective of the study was to assess 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 identify the company's marketing mix strategies that will appeal to the target market
- To investigate how the company strategically positions and segments the market to achieve its objectives

### **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 be 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.

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

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

When we start marketing strategy, the same term applies 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 shorthand will also apply; the marketing objectives must begin with the word "To..." and the marketing strategies with the word "By" (Paul Fifield 1994).

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).

##### **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.).

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

STP (Segmentation, Targeting and Positioning) Marketing is the name of the game.

- ✓ The days of "one size fits all" are over
- ✓ No longer can one say "You can have any color as long as it is black"

Need to follow the "horses for courses" policy no more mass marketing When it comes to marketing strategies, most people spontaneously think about the 4P (Product, Price, Place, and Promotion). Market segmentation and the identification of target markets, however, are an important element of each marketing strategy. They are the basis for determining any particular marketing mix.

At its most basic level, the term "market segmentation" refers to subdividing a market along some commonality, similarity, or kinship. That is, the members of a market segment share something. The purpose of segmentation is the concentration of marketing energy and force on the subdivision (or the market segment) to gain a competitive advantage within the segment. Concentration of marketing energy (or force) is the essence of all marketing strategies and market segmentation is the conceptual tool to help achieve this focus.

The importance of market segmentation results from the fact that the buyers of a product or service are no homogenous group. Actually, every buyer has individual needs, preferences, resources, and behaviors. Since it is virtually impossible to cater to every customer's individual characteristics, marketers group customers to market segments by variables they have in common. These common characteristics allow the development a standardized marketing mix for all customers in this segment (Anderson, Carol H., 2000).

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

Targeting is the next step in the sequential process and involves a business making choices about segment(s) on which resources are to be focused. Targeting is the actual selection of the segment. "A set of buyers sharing common needs or characteristics that the company decides to serve." Companies use target marketing to tailor for specific markets. There are three major targeting strategies: undifferentiated, concentrated, and differentiated. During this process, the business must balance its resources and capabilities against the attractiveness of different segments (Kotler, P, 2007, pp.360).

### **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. It answers the question: "Why will someone in the target market(s) buy my product or service instead of the competitions?" An equivalent question is: "What should be the perceived value of my offering compared to the competitions?" (Kotler, P, 2007).

### **Branding, Packaging and Labeling**

When conceiving, developing and managing its products, a firm needs to make and enact a variety of decisions regarding the brand, package and labels used with each item.

### **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).

### **Product Strategy**

Product strategy specifies market needs that may be served by different product offerings. It is a company's product strategies, duly related to market strategies, which eventually came to dominate overall strategy and the spirit of the company. Product strategies deal with such matters as number and diversity of products, product innovations, product scope, and product design

### **Product Positioning Strategy**

The term positioning refers to placing a brand in that part of the market where it will receive a favorable reception compared to competing products. Because the market is heterogeneous, one brand cannot make an impact on the entire market. As a matter of strategy, therefore, a product should be matched with that segment of the market in which it is most likely to succeed. The product should be positioned so that it stands apart from competition brands. Positioning tells what the product stands for, what it is, and how customers should evaluate it.

Positioning is achieved by using marketing mix variables, especially design and communication. Although differentiation through positioning is more visible in consumer goods, it is equally true of industrial goods. With some products, positioning can be achieved on the basis of tangible differences (e.g. Product feature), with many others, intangibles are used to differentiate and position products (Andrew E.2001).

## **V. 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.

*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

<b>Europe</b>			
-			<b>England</b>
- Sweden			
<b>Africa</b>			
-		<b>South</b>	<b>Africa</b>
-		<b>Djibouti</b>	<b>-Kenya</b>
- Sudan			
<b>Canada</b>			
- Toronto			
-USA			
-			<b>California</b>
-			<b>Denver</b>
-		<b>Las</b>	<b>Vegas</b>
-		<b>New</b>	<b>York</b>
- Washington Dc			
<b>Middle East</b>			

- Saudi Arabia  
- UAE (Dubai)

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 and Sampling 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: Respondents Opinion towards Target Consumers**

<b>1.Target consumers</b>	<b>Number</b>	<b>Percentage</b>
Individual consumers	14	60.8%
Hotels, Restaurants, and Groceries	6	26.2%
Other intermediaries	3	13%
Total	23	100%

As depicted by the above table 2, the majority of the respondents said that the target market are individual customers while the least of them also replied that the target consumers the company's product are hotels, restaurants and groceries. Lastly 13% of them responded that their target consumers are other intermediaries.

Of course, the crucial activity of the marketing strategy is the selection of target markets or the identification of the products to which it produced. Therefore, the company's target customers are individuals who have the interest of drinking carbonate water. Moreover, as the researcher got additional information from the interviews of the managers, the target consumers are any individual regardless of age, sex, religion, health, living, area etc.

**Table2: Responses in Relation with the Basis of Market Segmentation**

<b>2.Basis of market segmentation ofAMWC</b>	<b>Number</b>	<b>Percentage</b>
Geographic location	10	43%
Psycho graphical or Lifestyle Segmentation	4	17%
Economic situation	3	13%
Demographic	6	27%
Total	23	100%

As indicated in table 3 above, the majority of respondents (43%) of them said that the bases of the company's market segmentations are geographic location and demographic segmentation which accounts 43% and 27% respectively. Nearly 17% of the respondents answered as the basis of segmentation is psychographic or Lifestyle Segmentation and the least number of respondents said that it is based on the economic situation.

From these responses, we can conclude 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, west to east, etc.

Besides, the managers said that the basis of the company's market segmentation is based on the facility of infrastructures like roads, water, electricity, telecommunication, cultures, values, and urban areas. It is believed that, even though all the alternatives were the basis of market segmentation, geographic segmentation is the common form of the company's market segmentation mechanism.

**Table 1: Opinion of employees towards the company's marketing mix strategies**

<b>3. Company's marketing mix to appeal to marketing strategy</b>	<b>Number</b>	<b>Percentage</b>
Product	-	-



Price	-	-
Promotion	-	-
Place	-	-
All the above mixes	23	100%
Total	23	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 4, all employees (100%) responded that 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.

## VI. Conclusion and Recommendations

### Conclusion

Marketing strategies are the means by which the marketing objectives will be achieved. The study revealed that the employees and managers of the marketing department are genuinely performing their duties to achieve the company’s objectives. The smooth communication flow between marketing and other departments are the main important issue for the success of the work. Ambo Mineral Water Company employs each of the marketing strategy elements to achieve its objectives. Those elements are the selection of target customers, segmentation strategies and marketing mix strategy elements. The selection of target customers is a fundamental activity of the marketing strategy in Ambo Mineral Water Company. Accordingly, the research also showed that the Company provides its products to all individuals who are more interested and prefer to consume the product regardless of their age, religion, social, and cultural background, values, and norm differences; all are the target consumer of their products. This is because the product is non-alcoholic, full of minerals that are suitable for health, has no addiction, reaches in gas content, and is even used as a mixer of other alcoholic drinks.

Market segmentation is the activity of subdividing the market along with some commonalities, similarities 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 variable.

The investigation, furthermore, explored that Ambo Mineral Water exploits all 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 implementing 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 on quality by objecting to the lion’s share of the market. In each stage of the fermentation, 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 a fair pricing strategy for its customers. The objective is to maximize its profits. It has not had any written pricing policy; as a result, the prices of the products depend on different factors like; transportation charges, Competitors’ costs, Economic factors, Gross profit costs, Overhead costs, Net profit, and Direct costs. public relation.

### 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.
- ❖ 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 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.
- ❖ Finally, the researcher would like to recommend further study on the problem under investigation.

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