ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

IMPACTS OF MARKETING STRATEGIES AND PERFORMANCE OF FOUR STAR HOTELS IN ADDIS ABABA

BY

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DECLARATION

THIS RESEARCH PROJECT IS MY ORIGINAL WORK AND HAS NOT BEEN PRESENTED FOR EXAMINATION OR AWARD IN ANY OTHER UNIVERSITY.

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ACKNOWLEDGMENT

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LIST OF ABBREVIATIONS & ACRONYMS

MOCT: Ministry of Culture and Tourism

AU: African Union

ECA: Economic Commission of Africa

UN: United Nation

EIC: Ethiopian Investment commission

USA: United State of America

UNWTO: United Nation World Tourism Organization

SPSS: Statistical Product and Service Solution

GDP   : Gross Domestic Product

SME : Small and Medium Enterprises

ABSTRACT

The purpose of this study was to found the relationship between selected marketing strategies and performance of four star hotels in Addis Ababa. Specifically, the aim was to determine the effect of internal marketing strategy, evaluate the influence of relationship management strategy, establish the influence of market development strategy and determine the effect of product development on performance of four star hotels in Addis Ababa. The population comprised of all four star hotels in Addis Ababa classified and registered by ministry of culture and tourism of Ethiopia. This made a total of 14 hotels. Descriptive, correlation and regression analysis were used and results presented in tables and figures. The findings obtained revealed that the most adopted relationship management strategy was giving customers free information, the most adopted marketing strategy was establishing a hotel structure in place that enables niche customer centricity in business decision, most adopted product development strategy was hotels offered abroad product line. On the relationship that existed between the study variables, all strategies had a positive relationship implying that the marketing strategies application positively influenced performance of hotels. The regression analysis obtained a positive coefficient of correlation implying that product development strategies, relationship management strategies, market development strategies and internal marketing strategies had a positive effect on organization performance. The study concluded that marketing strategies positively affects performance of four star hotels in Addis Ababa. Product development strategies, Internal marketing strategies, market development strategies and relationship management strategies were adapted to moderate extant by the studied hotels. The study also found that the adoption of marketing strategies was at moderate extent which implies that the studied hotels given less priority for the adoption and implementation of marketing strategies which has a significant positive relation with the performance of four star hotels. The study recommends that the adaption of marketing strategies should be given top priority to enhance performance of four star hotels in Addis Ababa.

Key words: performance, impact, strategy, marketing.

CHAPTER ONE

INTRODUCTION

1.1 Back ground of the Study

All organizations, hotels included require marketing strategies to thrive and remain competitive in their industries. Considering the dynamic nature of the hospitality industry, various hotels ought to change their marketing strategies quite often to cope with the changing needs in the market and also remain ahead of competition (Kotler 2000). To attain a sustainable competitive edge, an organization needs to identify its main strength and position itself in such a manner that is above competition in that segment (Johnson & Scholes, 2008). So as to create a distinct competitive advantage over rivals, a firm must select right combination of target markets and marketing mix. Hotels continually seek new ways to acquire, retain and increase business, because the cost of losing customers is rising. Service is an important factor in retaining clients. The role of service is more important than ever, and is expected to become even more critical with time (Choi & Chu, 2001). Hotels that have the ability to attract, satisfy and thus retain customers are more likely to survive than hotels that do not do so. Successful customer retention allows the hotel to build relationships with its customers. Marketing of any kind of services can be challenging but at the same time interesting. How to market a product in a way that it awakens people's interest and make them think, "I want to have that"? Especially since people are more and more aware of their needs and wants and they will not settle for less (Middleton et al. 2009: 182-187).

The basis for this thesis is the fact that I am   working at one of four star Hotels in Addis Ababa as General Manager. My Hotel is one of private owned hotel and does not have the big marketing development departments that other international Hotel chains might have. So what chances does a small hotel have against such big competitors? Like my Hotel   which did not have any kind of clear marketing agendas to start with it gave me a good starting line to start developing new ideas in regard to assessing impacts of marketing strategies to the Hotel's Revenue performance.

1.1.1 Marketing Strategies

Marketing strategy is a reaction that takes place between the external environment forces and internal forces making the organization to determine its position in the target market, (Hult, & Olson, 2011).

Marketing strategies in a business acts as key to the business growth and to the customers satisfaction in terms of achievement made by the organization. The environmental forces which affect the business in attaining its needs require to be detected in advance and handled well to enable the business to meet its vision and mission. Strategies of organizations enable evaluation of the long and short term goals thus making it possible to achieve the objectives in specified period. A Business or firm should have a unique strategy for effective competitiveness, growth and profitability of the business.

Marketing department should be updated with recent information; thus should be active (Cohen, 2011). The organization or firm should be in a position to establish a marketing framework for easier accessibility of frequently updated websites, announcements, sales presentations, and all other promotional materials. The frequent updates enable the organization in quick and easy development in different departments which makes it expand more to the international business, Marketing framework is very essential to the business sector as it gives the continuous flow of the business information daily, monthly, and yearly. Marketing strategy is a method of directing an organization's energies and resources on a course of action which can lead to increased sales and dominance of a targeted market niche. A marketing strategy combines product development, promotion, distribution, pricing, relationship management and other elements (Hose, 2011). These strategies identify the firm's marketing goals, and explain how they will be achieved, ideally within a stated timeframe. Marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources.

1.1.2 Organizational Performance

Performance is the actual output or results of an organization as measured against its intended outputs (or goals and objectives). Organizational performance is the final achievement of an organization which is measured either in financial and non-financial indicators, and contains a number of parameters, such as the existence of certain targets are achieved, has a period of time in achieving the targets and the realization of efficiency and effectiveness (Gibson et al., 2010). Company performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other organizations in the same industry.

According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes which are financial performance (profits, return on assets, return on investment, etc.), product market performance (sales, market share, etc.), and shareholder return (total shareholder return, economic value added, etc.).

Performance is tracked and measured from various angles such as financial performance (shareholder return), customer experience, social responsibility (corporate citizenship, community outreach), employee stewardship, Performance improvement, Organizational engineering etc. Performance is a complex concept that has been explored in numerous studies. For example, Ford and Schellenberg, (1982), in the early research of business performance, there was considerable disagreement about how it should be conceptualized. Understanding the internal and external factors and how they affect a firm's operations is central to effective performance management. A firm's internal environment has been described in terms of structure, strategy, culture, resources, and the roles and responsibilities of individuals, as well as processes and systems (Brignall & Ballantine, 1996).The external environment in which an organization operates on the other hand is often referred to its market or industry. For many firms, it is the external environment that causes the greatest challenges as it is always unpredictable and uncontrollable and, even for the most successful managers, can impact negatively on business performance.

To measure business performance, it is important to understand that the results are the outcomes of the drivers and how they are managed.

In the early studies of performance, results were mostly defined and measured by the firm's financial outcomes (Harris & Mongiello, 2001).

The limitations in using only financial measures of performance are that they are lagged indicators which are the result of management action and organizational performance and not the cause of it (Brignall & Ballantine, 1996). Over time the importance of nonfinancial measures emerged as it was acknowledged and the traditional performance measures could not provide information for the development of strategy.

The non-traditional approach to performance measurement, which combines both non-financial and financial measurement activities, provides a number of benefits including the ability to identify simple measures for a specific situation, the assistance provided to strategy development and the opportunities for greater involvement of staff for continuous improvement. The performance of any business organization is affected by the strategies that the organization has chosen. Using financial measures alone ignores the fact that what enables a company achieve or deliver better financial results from its operations is the achievement of strategic objectives that improve its competitiveness and market strength (Thompson et al., 2007). Qualitative measures include innovativeness and market standing (Saunders and Wong, 2005).

Non-Financial measures can be considered under outcomes which have affective (satisfaction, commitment, turnover, role conflict and group social integration), cognitive (innovation, range of perspective, number and quality of ideas) symbolic (behavior of lower level employees) and communication (communication with group members) consequences. However, over time an improved understanding has been developed and performance conceptualized in the literature in two fundamental ways, by the drivers of performance and results that are the performance outcomes (Neely et al., 2000).

Researchers have classified the drivers of performance according to internal and external factors and the impact they have on managerial decision-making (Pelham, 1999). These last two definitions are to be used in this study due to their conclusiveness in measuring performance.

As per the standard expectation, a hotel is commercial establishment providing lodging, meals, and other guest services. In general, to be called a hotel, an establishment must have a minimum of 10 bedrooms, at least each of which must have clean private bathroom facilities. This is also the standard nature & scope of the hotel sector in Ethiopia. Although countries may differ in its application, there is a standard method of assigning ratings to hotels. As such, hotels are classified into 'star' categories, which usually range as 1-star to 5-star. Even if there were claims by hotels in Ethiopia as to which star they belong to, the systematic classification/rating of hotels has only begun in 2014/15 by MoCT. The quantity/capacity & quality has remained extremely low for a long time. As of 2013, the total number of hotel rooms and beds of all hotel establishments in Ethiopia was 19,025 and 24,083, respectively, which is quite low by any sense. Among the hotels, 70% are supposed to be either unclassified or of lower rates. On the other hand, only 4% of the hotel rooms are claimed to be in 5 star hotels, followed by 5% in 4 star hotels and 9% in 3 star hotels (MOCT, 2014). As such, the gap between supply vs demand is still very large. Obviously, this gap is particularly most noticeable in the higher rated (3 star & above) international tourist standard Hotels. Measured in terms of total number of hotel rooms (all ratings & types), Addis Ababa's share is roughly estimated as 25% of the national total. Considering that 70% of hotel rooms are unclassified & lowly rated, this does not represent the real picture of regional distribution of hotels. As far as tourist standard hotels are concerned, Addis Ababa hosts the country's entire 5 star, more than 85% of 4 stars, and up to 75% of 3 star hotels respectively. This includes all the international chain hotels along with the highly rated local/independent hotels.

Hotel and tourism industries are the engine of economy growth and development globally, Ethiopia inclusive. By their very nature, hotel and tourism industry constitute the most viable and veritable vehicle for self-sustaining industrial development of a nation.

Hotel industries in developing countries, like Ethiopia are struggling to survive under intense competitive environments both domestic and international. These challenges could be as a result of perceived ineffective marketing strategy which is having negative effect on the organization's performance, product quality, customer satisfaction and profitability.

Hotel business operators need to provide a quality product with good service that satisfies customer needs, offering affordable price and engaging in wider distribution and back it (Bowie & Buttle 2004: 22-23)

Addis Ababa Ethiopia, owing to its role as the capital (political & economic) of the nation & seat of AU (and other international organizations such as ECA, UN resident agencies) Addis Ababa serves as the gateway of almost all international tourists. Furthermore, it has Bole International Airport and hosts close to all higher rated (4 star & above) accommodation facilities of the country.

As such, it has been hosting an estimated 95-99% of the total international tourist arrivals as of 2013. On the other hand, Addis Ababa takes the lion share of the country's hotels in general and the higher standard (3 and more stars) hotels in particular. Addis Ababa hosts all the country's 5 star hotels, more than 85% of 4 stars, and up to 75% of 3 star hotels respectively. This includes all the international chain hotels along with the highly rated local/independent Hotels. Furthermore, Addis Ababa still leads the rest of the country in terms of the actual and planned investment & construction of the higher rated hotels.

The combined implication of these trends is that while the growth of Hotel investment/construction is expected to be observed throughout most regions/parts of Ethiopia, Addis Ababa will still take the larger share of the hotel facilities. The forecasted growth in the number and composition of hotel rooms in Addis Ababa and up to 2020 is 20% per annum (source, MOCT&EIC)

1.2 Statement of the Problem

Businesses do not exist in vacuum and it is no doubt that they are being constantly subjected to forces of change in the environment that constitutes economic, competitive, technological, social cultural and political environment. All organizations regardless of their size are environment dependent hence as the external environment changes, organizations find themselves in unfamiliar environment and have to respond by integrating changes and internalizing the ability to adapt to their new environment for survival and growth Gee, Chuck Y.(1994).However, organizations should struggle for continuous growth while keeping the aim of increasing or simply maintaining their sales and profit levels to ensure their survival Porter, M.E. (1980).

The Hotel Industry in most metropolitan cities in the world is characterized by high capital costs and a high proportion of fixed costs to total costs. The high capital costs require that from the outset the project must be managed to achieve the most cost-effective use of resources applied to construction, furnishing and equipment, pre-operational expenses and finance. Hotels must also aim to fill their rooms as profitably as possible; both through room occupancy levels and the relative tariffs applied Wamalwa. C. (2014).Hotel and tourism Sector forms substantial contribution to Ethiopian GDP; about 4.1% as per 2015 Jumia travel report. Hospitality sector where hotels fall forms a significant portion of this contribution. In the past couple of years we have affirmed a significant drop in performance of this sector. There might be a number of reasons behind this mainly; Weak marketing strategies adopted by different local hotel and high level of insecurity in the country mostly caused by unstable internal peace and political situation of the country. Hotels in Addis Ababa operate in a dynamic business environment characterized by intense Competition for resources and market share hence have become more challenging to manage and sustain their growth rate. Even if, the manual of Ministry of Urban and Construction development of Ethiopia (2010) indicates unprecedented growth in the arrival of international tourists and the socio-economic transformation of the country has attracted both domestic & international investors to the sector. However, the ministry of culture and tourism during the annual stake holders meeting at (2015) stated that the business performance of Ethiopian Hotel sector has recently shown limited improvement.

Ethiopian tourism organization annual report (2016) stated that the Ethiopia tourism sector which hotels in Addis Ababa depends on has been facing numerous challenges which have posed a threat to their survival and growth. These challenges include competition for resources, skilled labor and market share, socio-cultural changes, technological changes, economic challenges, changes in Customers' expectation and preferences and insecurity due to political instability an issue that has become major in recent years. The dynamism of this environment calls for appropriate growth strategies that will enhance good performance.

To begin with, internationally, various researchers have conducted on the role of strategy in competing successfully with other hotels such as Enz (2011) in a study on strategies of hotels in USA argued on the achievement and growth of organization using Ansoff's growth strategy.

Irish Hotel Industry established that year in year out sales growth increased revenue as part of a growth strategy Wambui R.K. (2015). Other Kenyan researchers, Mutsikiwa M, et al.(2012). In his study on the effects of marketing strategies on performance of Insurance Industries in Kenya. He further argues that the major contributors to the sector performance are the marketing strategies adopted by insurance companies. Similarly, Richard M.S Wilson and Collin Gilligan (2008) also conducted studies on strategies adopted to gain competitive advantage. They established differentiation and market development strategies to be used more. In the past couple of years we have seen a drastic drop in tourists' presence in Ethiopia especially at the tourist destinations where hotel business forms a significant driver of economy. This has resulted to poor performance because these hotels mainly rely on international tourists as their main clientele. Though few studies may be conducted in the sector, the available theory is not sufficient enough in explaining the impact the marketing strategies have on the performance of the organizations. This study will aim to shed more light into this and aim to answer the research question; what is the relationship between marketing strategies and performance of four star hotels in Addis Ababa?

1.2.1 Research Questions

In carrying out this study, therefore, an attempt has been made to address and seek answer to the following basic question.

i. To what extent does internal marketing strategy impact on performance of four star hotels in Addis Ababa City?

ii. To what extent does relationship marketing strategy impact on performance of four star hotels in Addis Ababa City?

iii. To what extent does product development strategy impact on performance of four star hotels in Addis Ababa City?

iv. To what extent does market development strategy impact on performance of four star hotels in Addis Ababa city?

1.2.2 OBJECTIVES OF THE STUDY

General Objective of the Study

The Broad objectives of the Study was to examine the impacts of marketing strategies on performance of four star Hotels in Addis Ababa

Research Objective

The objective of the study was to examine the relationship between marketing strategies and performance of four star Hotels in Addis Ababa. Specific objectives to be examined were as follows;

I. To determine the effect of market development strategy on performance of four star Hotels in Addis Ababa

II. To determine the influence of internal marketing strategy on performance of four star Hotels in Addis Ababa

III. To determine the influence of market development strategy on performance of four star Hotels in Addis Ababa

IV. To determine the effect of product development on performance of four star hotels in Addis Ababa.

1.2.3 Significance of the Study

The significance of this study is to view from the academic and business development point. The capacity of the Hotel sector in Ethiopia is expected to grow significantly in the coming few years driven by at least three major factors.

➢ First, there will be increasing motivation from local investors to join the sector. In this regard, reliable sources (MOCT & UNWTO, 2010) project the annual growth of investment on new hotels to reach up to 20% (particularly the lower rate Hotels).

➢ Second will be related to the growing interest of global brands to open chain hotels in Ethiopia.

➢ Third will be the process of Re-classifying of existing Hotels by MOCT based on a new criterion. MOCT has recently adopted a system of approving and classifying the hotels on the basis of the facilities and services provided by them.

> This will motivate or force currently unclassified Hotels to upgrade themselves (capacity & quality) so that they can be recognized as star rated hotels.

Practically, this study will help Hotel business operators to understand how marketing strategies can influence   performance and sustainably of the business.

This study also hopes to provide additional information to help other stakeholders (government and professionals, etc.) in Hotel and tourism industry. The core issues of modern marketing concept lie centrally on the understanding of the customer and making every effort to satisfy them.

1.3 Scope of the Study

All Hotel developers of different categories face problems on a day to day basis in their operation. One from the significant types of Hotels found in their star categories and the other from unrated Hotel service provides of all kind. This study was delimited hence the area of focus of this paper is confined to four star Hotels in Addis Ababa. Assessing all Hotels categories found in a country might provide accurate and more relevant data. However, to make the study manageable and to examine thoroughly the study is restricted only the impacts of marketing strategies on business performance of selected four star Hotels in case of Addis Ababa.

 The study was delimited to data of all-star category of Hotels in Ethiopian. Since the issue is critical for the Hotel and Tourism industry successes, it should be studied in the industry level in Ethiopian as a whole.

1.4 Limitations of the Study

The study was faced with various limitations. First, the marketing strategies of a particular firm are very delicate; hence the respondents were reluctant in providing such information. However, the researcher informed them that all the collected data was to be used for academic purposes. The study was also limited in that it only focused on four star hotels located in Addis Ababa. This may not be an equal representation of all-star rated hotels in the country and also other hotels in the service industry. Also, this study centered only on particular variables of marketing strategies on operational performance. The study did not consider any other factors that inevitably affect the performance regardless of the marketing strategies put in place in the organizations such as the political and social factors.

Similarly, there is the possibility of omission of other marketing strategies variables that may be relevant in the performance equation. Despite of this, the information provided did provide an accurate picture of the influences marketing strategies have on the performance of large hotels.

1.5. Paper Organization

The paper has organized in to five chapters. The first chapter provides general introduction information about the study. In this part, background, problem definition, objective of the study, significance of the study, limitation and scope of the study and lay out of the paper was included. The second chapter outlines the review of different literatures of different of authors related to areas under study has Contained definition of terms and concepts about the marketing strategies and explanation about selected strategies.

The third chapter presents about the Research Methodologies and related activities of data collection and gathering of relevant information. The fourth chapter comprises analysis of the data collected and established relation with different aspects, principles and methods.

Finally, the last chapters have sum up all the points raised in the study and gave recommendation that are sound to understand the impacts of selected marketing strategies on business performance of hotels.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1   Hotel Products

A Typical hotel nowadays offers firstly sleeping accommodation but also food and beverage services. The bedroom itself is of course the most distinctive product of a hotel for that is the primary function of the whole accommodation industry; to offer visitors a bed to sleep in. Depending on what kind of hotel is in question the hotel can also offer other services for example in a form of recreational facilities and meeting and conference rooms. Aside from accommodation services that usually are strictly meant only for the hotel's residents other services and facilities are made available also to non-residents.

There are requirements that usually reflect the main customer demand; sleeping accommodation, food and drink for individual customers as well as for organized groups. These four requirements relate to accommodation, restaurant, bar and they function as the principal hotel products. (Medlik & Ingram 2000: 15-17)

2.2 Marketing Strategy

In strategy management process, after setting the objectives the marketing strategies are done. Strategic planning is a process of developing and maintaining a link between the organization's goals and capabilities and its changing marketing opportunities. The marketing strategy is shaped by the overall business goals meaning that it broadly explains what actions are required to achieve the goals and objectives. The marketing strategy can be thought of as a game plan that outlines, often in a list form factors such as the target market, positioning, distribution channels, price, advertising and possible research and development. (Kotler 1997: 100)

Choosing the right target market is essential and often not that easy. When defining a target market for a product there should be three separate levels. The first level consists of consumers that are willing to buy and who also have the best premises to buy. The second level consists of consumers who have the premises to buy but not necessarily the desire.

The third level consists of consumers who are not able to buy but who should be monitored in case there is a change in their buying readiness. (Kotler 1997: 224-226)

Positioning is the act of designing the company's offering so that the services and products are based on some core idea or benefit. Its meaning is to create a competitive angle toward the competitors so the positioning of a product can be based for example on the best or quickest service, accessibility or affordability. This way the product occupies a clear, distinctive and desirable place relative to competing products in the minds of the target customers a good marketing strategy also defines the reason why it is unique or compelling to buyers. It should explain what is the benefit the consumer gets by purchasing the company's product. It should explain why the customer would want to buy that particular product from the company and not go to some competitor instead. Kotler (1997: 294-295) Market-focused organization first determines the potential customer's desire, and then builds the products or services. Marketing theory and practice are justified in the belief that customers use a product or service because they have a need, or because it provides a perceived benefit (Kotler and Keller,2006). Two major factors of marketing are the recruitment of new customers (acquisition) and the retention and expansion of relationships with existing customers (base management). For marketing plan to be successful, the mix of the four "Ps" must reflect the wants and desires of the consumers in the target market. Trying to convince a market segment to buy something they do not want is extremely expensive and seldom unsuccessful. Marketers depend on insights from marketing research, both formal and informal, to determine what consumers want and what they are willing to pay for. Marketers hope that this process will give them a sustainable competitive advantage Meldan, (1984).

2.3 Market Development Strategy

Ansoff (1987) defines market development as taking current products and finding new markets achieved through opening up previously excluded market segments, new marketing and distribution channels and entering new geographic markets. McCarthy (1960) developed two possible methods of implementing market development strategy as moving the present product into new geographical areas and expanding sales by attracting new markets.

Market orientation enables firms to produce offerings, which, relative to offerings by competitors, are perceived by markets to offer better value (Day 1994).

Market orientation contributes to organizational effectiveness and researchers have recognized the importance of examining the relationship between market orientation and competitive strategy Booms, B. H., & Bitner, M. J. (1981). The association between strategic orientation and performance varies depending on the type of performance measure used Khamala M.C. (2015). Customer orientation has the strongest association with competitive strategy and market performance according to Olsen, D., West, J. and Tse, C.Y., (2008). Study on market development suggested that business model and product market strategy are complements, not substitutes (Zott and Amit, 2007).

2.4 Relationship Marketing

Relationship marketing is a form of marketing that emphasizes customer retention and satisfaction. It switches the focus from the recruitment of new customer to the retention and recovery of existing ones. Relationship marketing differs from other forms of marketing in that it recognizes the long-term value of customer relationships and extends communication. (Middleton et al. 2009: 92) The world of marketing today is more customer-centered. As companies must compete in a more competitive marketplace they have to know their customers' needs and wants in order to get new customers, then keep and grow them by delivering greater value for them. (Kotler 2004: 54).

When planning g a relationship marketing strategy one must take into account that not all customers want a relationship with the company. That is why it must be carefully considered which types of customers are usually more likely to repeat their visit in a hotel or a restaurant. Some customers are aware of the wide choice of competitor products and services and do not want to limit their options and tie themselves only to one company but prefer to switch their custom accordingly. Other customers are not interested in any type of relationship with any company; they simply look at the best quality, value and convenience available at the time of purchase. (Bowie & Buttle 2004: 298-299).Building close relationships with key customers should be mutually rewarding for both the customer and the company. For example, to companies that have a lot of employees working on the road and moving constantly hotel accommodation becomes a major expense. That is why it is profitable for the company to choose a particular hotel or a hotel chain and arrange a fixed price for their employees staying at the hotel.

That price is usually lower than the regular rate in the hotel so the company saves money and the hotel gets a steady income from the company's employees staying there. (Bowie & Buttle 2004: 299)

2.5 Internal Marketing

As a part of the marketing mix promotion has an essential part in reaching marketing objectives in a hotel. Internal marketing is an extension of that as it recognizes the importance that employees have while encountering customers. This puts an emphasis on the customer-contact employees and how well they are able to deliver the promises made during the pre-encounter marketing. Human resource managers in hotels are using marketing techniques more and more to recruit communicative and motivated employees. It all comes down to delivering service quality in a way that the customer is satisfied. It starts from the marketing of the products prior the customer has even made the decision to make a reservation. But after the reservation has been made the customer-contact employees have the biggest role in delivering the promised product. In order for a hotel to succeed in delivering service quality it has to have motivated employees who know what they are selling. The goal of internal marketing is to attain the best possible professional skills available. A hotel needs employees who have "the right service attitude" for attitude is something that can rarely be taught as it usually comes naturally. If the employees do not have the right attitude towards their work and serving customers, they can be the weakening link in the management's efforts delivering the service quality. After an employee has been hired the emphasis moves to the managers and co-workers for every hotel has its own service culture, operating systems and service standards. And it is up to them to teach the new employee and give the best possible tools for him to learn the job. The training should not end after the induction but continuous training and career development are usually marks of the most successful hospitality companies (Bowie & Buttle 2004:272-276).

As an employee is working he needs both good guidelines as well as some boundaries to work with in. If the induction training has not been successful and if the employee is not sure what he is authorized to do it can result in unhappy customers. It has to be clear what customer-contact employee can do in responding to customer requests and complaint.

What a company has empowered the employees to do differ in many hotels but mainly it is most successful when the employee has been given the authority and responsibility to solve problems and react to customer requests without always having to get a second or third co-worker involved. Customers appreciate speedy solutions, especially when complaining and do not like having to repeat their complaints to several different employees. (Bowie & Buttle 2004: 299)

There are problems with empowering employees. If the employees have not received appropriate training and resources to make correct decisions or some employees do not feel comfortable taking responsibility at all.

To be able to sell the products and deliver the service quality it is not only important that the employees are trained and they have all the necessary information. It has also been shown that employees are more motivated when they are regularly informed about the company's current situation and future plans. This makes the employees feel more involved with the company.

A Hotel can reward its employees for good work and there are many reward systems in place in larger hotel chains. Employees may receive benefits such as bonuses, tips or meals provided for free of charge. These are tangible benefits that are given to the employees but they can also receive intangible benefit in form of excitement, fun and teamwork that many Hospitality employees enjoy. It also brings good energy and a sense of pride when customers give good feedback and it also motivates employees to keep the service quality high. (Bowie & Buttle 2004:272-276).

2.6 Marketing Strategies and Organizational Performance

The relationship between marketing strategies and organization performance can be described by the four P's of marketing. Some scholars argued that a firm pursuing product adaptation strategy in a global market achieves increased sales performance (Leonidou et al, 2002). An empirical study conducted by Atkinson, H. & Brown, J. B., (2001). Validated that product adaptation is not only linked to sales growth but financial performance of companies such as profitability and return on investment. Product adaptation as a global marketing strategy therefore positively affects overall business performance. It is therefore suitable strategy toward market responsiveness as it offers the development of new products that meet the needs of a changing marketplace. There is a strong positive link between pricing and firm's performance.

Pricing strategy may vary market to market because of many reasons associated with the PESTEL model such as political, economic, social, technological, environmental and legal forces.

However, the argument is valid to the extent that pricing strategy success is measured in terms of proportion of sales and profit level, and customer satisfaction.

Sales, financial and customer performance is achieved through promotional mix by gaining experience in the opportunities and problems arising in specific markets, boosting communication, personalizing relationships, and cultivating a team spirit with customers, and providing timely response and immediate support to the various needs (Kaynak and Kothari, 1984). The six related promotional mix is advertising; sales promotion, personal selling, trade

fairs, personal visits, and promotion adaptation were found to be positively linked to firm performance (Styles and Ambler, 1994). With sound advertising procedures, the firm can communicate information, constantly remind, and persuade customers to buy the products and, therefore, generate more sales. The study results by Cateora and Graham, (1999) verified that advertising positively influence sales performance and other organization performance greater than other promotional mix variables. Distribution strategy carries a critical role in dealing with delivery time that influences the performance of the firm.

The effectiveness and efficiency in the delivery time of the products constitutes a key to total firm performance in the market as it affects the firm's operations in terms of competitiveness and success (Piercy et al., 1997). The results of the study by Aranga J.M. (2014). exhibited a positive correlation between distribution channel and sales performance. In addition, significant findings on delivery time which is a result of distribution structures put in place by a firm were also observed to be related to sales volume, proportion of sales, and certain composite performance measures. Many studies are in support of distribution adaptation toward achieving and improving firm performance.Various studies have been conducted trying to establish the relationship that exists between marketing strategies and performance of organizations. To begin with, the study by Zott & Amit ,(2007) examined the fit between a firm's product market strategy and its business model. The study manually collected dataset and found that novelty-centered business models—coupled with product market strategies that emphasize differentiation, cost leadership,

or early market entry— can enhance firm performance. Data suggested that business model and product market strategy are complements, not substitutes. The study was however limited in addressing how business models evolve and in particular how they co-evolve with the product market strategy of the firm.

Arasa, and Gathinji, (2014) conducted a study to determine link between competitive strategies and organizational performance among firms in the mobile telecommunications industry in Kenya. The study identified the competitive strategies adopted by firms in the industry in Kenya, assessed the different levels of implementation of competitive strategies within the firms and examined the relationship between these strategies and firm performance. The research revealed that competition is high in the industry and product differentiation and low cost leadership are the most commonly used strategies. Other strategies include strategic alliance strategies and specific market focus strategies. The study concludes that the strategies adopted improve the overall firm performance. The key performance indicators influenced by these strategies include sales and market share, customer retention, profitability and product innovation.

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

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

Results of the study also reveal that the SMEs in Ghana mostly use traditional form of marketing to reach potential customers and also to entrench their brands.

2.7. Conceptual Framework

INDEPENDENT VARIABLE

Market Development Strategy
visibility of the brand
employee capacity
organization structure
market segment identification

Product Development Strategies
product line
broad market appeal
product quality testing
product modification

Internal Marketing
build loyalty program
Making events
Internal marketing practice

Relationship Management strategies
collect feedback
creation of networking
Build a brand loyalty
Social media strategies

DEPENDENT VARIABLE

Hotel Performance
Brand equity
Market share
Customer satisfaction
profitability

Figure :2.1   Source: research 2018

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter provided the methodology that was used in the study. The chapter covered the research design, sampling design, target populations, data collection instrument and data analysis technique.

3.2 Research Design

A research design entails the process or procedure adopted by a researcher in conducting the study so as to provide answers to various research questions Creswell, (2003). This proposed study adopted the descriptive research design. The descriptive research design aims at establish the current phenomenon of a particular situation while ensuring minimal interference. The design also enables close association between the variables and where possible derive valid conclusions, hence the most appropriate for the study. The study used both primary and secondary data. The primary data was through the use of questionnaires which were chosen due to them being time saving and convenient for obtaining a wide range of information. The questionnaires consisted of both close ended and open ended questions which were useful in obtaining detailed information from the respondents. In order to cover the research objectives, the questionnaires were subdivided each question referring to a specific research objective. Likert scale was used to rate the attitudes of the respondents on the nature of marketing management strategies in their organizations. In order to improve the response rate and quality of data gathered, the researcher dropped the questionnaires to the respondents and picked them later after completion.

3.3. Research Approach

Quantitative approach was used for the respondents, a questioner was raised and response choice was pre-determined. According to; Svensson,(2003). The quantitative research approach will be used to investigate the perception and problems of the study and to discover the hidden values, feelings, attitudes and motivations. Furthermore, based on its practical quality and convenience, in this study, mixed research approach was used; i.e., a mix of quantitative and qualitative was used in order to gain insights to respond to the research question.

Qualitative research technique was used to explore describe the extents of selected marketing strategies implementation and their impact on revenue performance of four star hotels in Addis Ababa.it was use deductive approach, related to the topic by analyzing and collecting the data ; Bryman and Bell,(2007). The research was based on a structured questioner that can allow collection of quantitative data in a standardized format suitable for analysis. Thus, the research was conducted taking appropriate sample size of company's employees of all level management through the use of both qualitative and quantitative, i.e., semi-structured interviews and survey questionnaire.

3.4 .Population and Sampling Technique

The population of this study comprised the entire four star hotels in Addis Ababa registered and classified by Ethiopian ministry of culture and tourism (2015). As such, the study focused on the four star hotels based in Addis Ababa. This made a total of 14 hotels as per List of star-rated hotels in Addis Ababa. These populations were chosen because most of them are either in the growth or mature stage of the hotel product life-cycle and therefore had structured marketing activities. The respondents were the top managers of the hotels as they were directly involved in the formulation and implementation of market strategies, hence most conversant with the study.

Due to the population being small and manageable, the whole target population was used as the sample for the study. This is in line with Mugenda and Mugenda's,(2003) argument that if the population is small; the whole population is to be undertaken so as to allow obtaining of valid and reasonable information. Thus a census approach was undertaken so as to cover all the 14 four star hotels based in Addis Ababa.

Among those hotels five of them have more than 100 bed rooms and the remaining nine hotels have less than 100 bed rooms which are considered to be large   hotels by world tourism organization standard classification. Thus, the research has conducted by taking all Management level and marketing department staffs members of those hotels which are 98 in total.

In selecting the research subject, Non-Probability purposive sampling methods has been employed to make the study manageable with time and cost constraint. All management members and marketing department employees of those selected hotels has been purposefully identified and sampled from the whole group of the company's employees.

This is because, its proposed to allocate the chance to those who are expected to respond as per the time schedule and their characteristics are to some extent known.

Above all, it is very convenient for the researchers to address individuals for whom the issue may concern most (marketing manager and general managers of the hotel are most likely choices for the relevance of the study).

3.5.Data Source and Gathering Tools

The study used both primary and secondary data. The primary data was through the use of questionnaires which were chosen due to them being time saving and convenient for obtaining a wide range of information. The questionnaires consisted of both close ended and open ended questions which were useful in obtaining detailed information from the respondents. In order to cover the research objectives, the questionnaires were subdivided each question referring to a specific research objective. Likert scale was used to rate the attitudes of the respondents on the nature of marketing management strategies in their organizations. In order to improve the response rate and quality of data gathered, the researcher dropped the questionnaires to the respondents and picked them later after completion. The primary data was collected by distributing structured and semi structured questioners to all selected employees of the hotels. A published and official report was also used as data sources.

More prominently, official strategic and performance reports from the case study company, national and internal reports and performance guidelines was used as supplementary data sources. The variables were attitudinal and measured using likert scale of five response categories (very high extent, high extent, medium extent, smell extent and very smell extent). "The Likert scale Method has made questions interesting to respondents and there by enhance their cooperation, ultimately to ensure maximum response rate"; Robson Colin, (2002).

3.6.Data Analysis Method

Data analysis refers to the process of obtaining meaningful information from the collected data Campbell, T. (1996). Before processing the responses, the completed questionnaires were checked for completeness and comprehensibility to ensure consistency. The data was then edited, classified and coded. The research tools used yielded both qualitative and quantitative hence the study used both the qualitative analysis and the quantitative analysis techniques.

The qualitative data was analyzed using content analysis because the focus was on interpretation of the results rather than quantification.

Quantitative data was analyzed through the use of descriptive statistics which include frequencies, percentages, standard deviation and arithmetic mean. Descriptive statistics provides simple summary about the sample and about the observations that have been made Charles, C. M. (1995). The analyzed data was then presented in form of tables.

To determine the relationship that existed between marketing strategies and the performance of hotels, regression model was used; to make all the data that has been collected and stored, meaningful and consumable, appropriate analysis has been made using SPSS software version (20).

3.7 Validity and Reliabilities

Two major criteria's were applied to evaluate the quality of this study. These were validity and reliability. According to; Patton, (2000), the two factors of validity and reliability should be considered by a qualitative research in order to judge the quality of the study, designing study and analyzing the result. Validity can be assessed using theoretical or empirical approach's, like Cronbach's theoretical assessment of validity focused on how weather idea of theoretical construct is translated in to or represented in an operational measure. In this regard the validity of this study was addressed through the review of related literatures and adapting instruments used in other similar researches.

3.8 Ethical Considerations

in order to keep the confidentiality the data given by respondents and any individual participating in the research were not requested to write their back ground information and personal details assuring that their responses was treated in a confidential manner and any information provided by the participant will not be used for some other unethical purposes.

The purpose of this study was disclosed in the introductory part of the questioners. Furthermore, the researcher tried to avoid misleading or deceptive statements in the questioner. Lastly, the questionnaires were distributed only to voluntary participants.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter focuses on the data analysis, interpretation and presentation of the findings. The main purpose of the study was to examine the relationship between marketing strategies and performance of four star hotels in Addis Ababa city. The data was gathered entirely from the questionnaire as the research instrument. The researcher has made use of descriptive and correlation and regression analysis to present the result in tables and figures.

4.2 Background information

This section presents the background information sought from the respondents which included educational background, years the respondents were in service, number of years the hotel had been operating and size determined by the number of rooms.

4.2.1 Educational Background

This section sought to establish the academic qualifications of the respondents. The findings obtained are as shown by Table 4.1. As presented by Table 4.1, 76.4% had bachelor's degrees, 22.4% had masters degrees while 1% had Diplomas respectively. This shows that majority of the respondents had attained above Bachelor's Degrees, hence qualified and well informed about the study concept and hence information given was reliable.

Table 4.1 Education background

Highest level of education level	Frequency	Percentage
Masters	22	22.4%
Bachelors' Degree	75	76.4%
Diploma	1	1%
Total	**98**	**100%**

Source; Research Data (2018)

4.2.2 Years in Service

This section sought to determine the years the respondents had served in their respective hotels as a measure of their experience. The findings obtained are as presented by Table 4.2. As shown, 48% had worked for duration of 3-8 Years, 2% had worked for duration of 9-13 years, and 50% had worked for duration of below 2 years. This thus implies that the respondents had worked in the organizations for a considerable long time and were thus will be fully conversant with the hotels operations.

Table 4.2 Years in Service

Years served in this organization	Frequency	Percentage
Below 2 years	49	50%
3-8 Years	47	48%
9-13 years	2	2%
Total	98	100%

Source; Research Data (2018)

4.2.3. Age of the Hotels

This section sought to establish the duration the hotels had been in operation as a measure of their age and hence experience to enable providing of reliable information. The results obtained are as presented by Table 4.3. The findings revealed that 65.3% of the hotels had been operational for duration of 6-10 years and 34.7% had been operational for a period of less than 5 years. This shows that the hotels had been operational for a considerable length of time hence fully aware of current marketing strategies and how these strategies affected performance of these hotels. **Table 4.3 Ages of the Hotels**

Years in Operation	Frequency	Percentage
Under 5 years	5	34.7%
6-10 years	9	65.3%
Total	**14**	**100%**

Source; Research Data (2018)

4.2.4 Size of the hotels

This section sought to identify the number of rooms in the hotels as a measure of their size. The findings are as presented by Table 4.4. As shown, 78.57% of the hotels had 50-149 rooms, 14% had below 49 rooms, and 2% had 150-249 rooms. This shows that majority of the hotels, (78.57%) had above 50 rooms, thus an indication of their large size. Hence they are capable to undertake a diversity of strategies aimed at gaining competitive advantage.

Table 4.4 Size of the Hotels

Rooms Available	Frequency	Percentage
Below 49 rooms	2	14%
50-149 rooms	11	78.57%
150-249 rooms	1	7%
Total	**14**	**100%**

Source; Research Data (2018)

4.3 Market Development Strategies

This section sought at establishing the market development strategies adopted by the hotels, the findings are as presented by Table 4.5. Where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent, SD standard deviation.

Table 4.5: Market Development Strategies

	1	2	3	4	5	mean	SD
Market Development Strategies	%	%	%	%	%		
Development of brand identification 31	39	18	12	0		2.00	.987
Increasing Hotel brand visibility	16	49	26	9	1	2.296	.887
Development of broad range of							
Products/Services	26.5	38	25	9	1	2.204	.973

Extensive training of marketing personnel	26	39	25	25	10	2.204	.941
Practicing market segmentation based on income level of the customers.	26	30	34	9	1	2.296	1.017
Practicing market segmentation based on social class of the customers.	25	38	21	16	0	2.296	1.011
Having employees develop the mind sets and Capabilities behind the niche Customer-centric agenda.	26	27	33	13	1	2.35	1.05
Establishing a Hotel structure in place that Enables niche customer centricity in Business decisions	18	32	39	8	3	2.46	.99

Source: Research data (2018)

On establishing a hotel structure in place that enables niche customer centricity in business decision a mean of 2.46 was established implying that establishing a hotel structure had been adapted to a moderate extent. Having employees develop the mind sets and capabilities behind the niche customer centric agenda a mean of 2.35 implying adoption of this strategy had been to a small extent. To a small extent, the studied hotels were practicing market segmentation based on social class and income level of the customers with a mean of 2.29. Increasing hotel brand visibility had been adapted to small extent with the mean of 2.96. Development of broad range of Products/Services and extensive training of marketing personals had been adapted to small extent with the mean of 2.24. Development of brand identification had been adapted to small extent again with the mean of 2.

the most adopted market development strategy was establishing a hotel structure in place that enables niche customer centricity in business decision with a mean of 2.46 to moderate extent, and relatively the least adopted market development strategy was Development of brand identification with the mean of 2.This implies that the studied hotels has been adopted brand identification development strategies to small extent.

4.3.1 Internal Marketing Strategies

This section sought at determining the Internal Marketing strategies adopted by the hotels, the findings obtained are as presented by Table 4.6. Where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent, SD Standard deviation.

Table 4.6 Internal Marketing   Strategies

Internal Marketing strategies	1	2	3	4	5	Mean	SD
	%	%	%	%	%		
Train your staff to ask for referrals	25	31	29	13	3	2.4	1.08
Internet marketing practices	12	32	32	21	3	2.7	1.03
Place signs in the office that show							
Recommendations are appreciated	11	41	34	13	1	2.52	0.89
Start a practice building loyalty program	24	35	34	6	1	2.26	0.92
Display testimonial letters	10	40	37	12	1	2.56	0.88
Create marketing events to showcase							
Your practice and staff	14	38	34	13	1	2.49	0.95
Price adjustments on services given	21	37	29	12	1	2.35	0.99
Product/Service Improvement	14	44	25	16	1	2.46	0.98
Display posters of the hotel services							
You perform	15	35	37	11	2	2.51	0.99
Mail/Telemarketing strategy use	13	20	48	16	2	2.76	0.97
Make your practice brochure an effective							
Internal marketing tool	34	31	20	13	2	2.23	1.13
Start a practice newsletter	20	41	27	11	1	2.31	0.96
Aim for the "WOW" response							
From customers	19	38	25	14	4	2.45	1.10

Resource: Research 2018

The findings indicated that to a moderate extent, the hotels had adopted mail/telemarketing strategies and internal marketing practices with a mean of 2.76 and 2.70 respectively, Create marketing events to showcase the practice and staff was adopted to moderate extent with a mean of 2.56, again to moderate extent display testimonial letter and posters of the hotel services it perform with a mean of 2.5, there was Aim for the "WOW" response from customers with a mean of 2.45, Product/Service Improvement and Training the hotel staff to ask for referrals was used to small extent with a mean of 2.46 and 2.4 respectively , Price adjustments on services given used to small extent with a mean of 2.35.To a small extent, the hotel Started a practice newsletter with a mean of 2.31, to small extent there was Start a practice building loyalty program with a mean of 2.26 and there was Making the hotel practice brochure an effective internal marketing tool (mean of 2.23).

This thus implies that the most adopted internal marketing strategy was mail/telemarketing strategies with a mean of 2.76 to moderate extent, while the least adopted was making the hotel practice brochure an effective program with the mean of 2.23 to small extent.

4.3.2 Product Development Strategies

This section sought at establishing the product development strategies that have been put in place by the hotels. The results obtained are as shown by Table 4.7. Where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent, SD Standard deviation

Table 4.7: Product Development Strategies

Product Development Strategies	1	2	3	4	5	Mean	SD
	%	%	%	%	%		
Hotel offers a broad product line	18	39	24	12	7	2.7	1.1
The hotel develops products that have							
Broad market appeal	29	30	23	15	4	2.5	1.2
The hotel is efficient in meeting							
Customer wants	19	35	26	13	7	2.37	1.2
The hotel develops and test products							

To confirm their adaptability and suitability to

The intended customers.	25	43	21	12	0	2.39	1.2
Existence of promotion strategies	28	37	25	9	4	2.31	1.2
The hotel advertises its							
Products through various media	24	39	24	12	2	2.4	1.2
The company promotional strategy elicit							
Attention, interest, desire and action	25	43	20	12	0	2.4	0.9
Introducing new products design/style	28	37	22	9	4	2.2	1.1
Proper positioning of the hotels	24	39	24	12	2	2.3	1.1

The findings indicated that to a moderate extent, the hotels offered a broad product line with a mean of 2.7, the hotel has developed products that have broad market appeal (mean of 2.5) and the hotels was advertising its products through Various media (mean of 2.4) to small extent. To a small extent, the hotel develops and test products to confirm their adaptability and suitability to the intended customers. (Mean of 2.39), the hotel was efficient in meeting customer wants to small extent (mean of 2.37), Existence of promotion strategies to small extent (mean of 2.31), there was proper positioning of the hotels to small extent (mean of 2.3), introducing new products design/style to small extent (mean of 2.2). This thus implies that the most adopted product development strategy was the hotels offered a broad product line with a mean of 2.7, while the least was the hotels introduced new product design/style mean of 2.2 to small extent.

4.3.3 Relationship management Strategies

This section sought to establish the diversification strategies put in place by the hotels. The findings are as shown by Table 4.8. Where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent, SD Standard deviation.

Table 4.8 Relationship

Management Strategies	1	2	3	4	5	Mean	SD
	%	%	%	%	%		
Tracking the Customer satisfaction and Future Needs through Continuous Feedback Mechanism	10	10	31	37	12	3.31	1.1
Creation of Networking	11	9	12	61	6	3.42	1.1
Cherish Each Customer	10	22	6	55	6	3.25	1.2
Listen to Your Customers	11	3	18	55	12	3.54	1.1
Build a Brand Identity	11	14	50	12	12	3.00	1.2
Give Your Customers Free Information	11	3	12	43	31	3.8	1.
Special Events	5	3	37	43	12	3.54	0.93
Communicate Often	12	2	25	18	43	3.78	1.4
Building Customer Relationship Through loyalty points	11	3	37	12	37	3.60	1.3
ERP & CRM solutions	11	20	32	25	12	3.0	1.2
Include social media for Relationship marketing	5	34	25	24	12	3.1	1.1
Sending Greetings on New Year	5	24	41	12	18	3.2	1.1
Focus on Content Marketing	5	27	32	25	12	3.1	1.1
Tailor Your Social Media Strategy to Your Goals	4	40	32	12	12	2.9	1.1

Source: Research 2018

The findings indicated that giving customers free information had a mean of 3.8 to large extent. Communicate often had a mean of 3.78 to large extent. Building Customer Relationship through loyalty points had a mean of 3.6 to large extent. To a large extent the hotels organize special events and listen to their customers with a mean of 3.54.creation of networking had a mean of 3.42 which is moderate extent. To moderate extent the hotel used to track the Customer satisfaction and Future Needs through Continuous Feedback had a mean of 3.3. To a moderate extent the hotel cherish customers and send greetings o festivals and new years to a mean of 3.2. To a moderate extent the hotels focused on content marketing and including social media for relationship marketing with the mean of 3.1.Build a Brand Identity and investing in technology and ERP system had a mean of 3.0 to moderate extent. To moderate extent the hotel Tailored Social Media Strategy to company with a mean of 2.9.This thus implies that delivering free information adapted to the largest extent with a mean of 3.8, while the relationship management adapted to the least extent was Tailoring Social Media Strategy to company Goals with a mean of 2.9.

4.4 Performance of the Hotel

This section sought at establishing the performance of the hotels. The results obtained are as presented in Table 4.9. Where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent, SD Standard deviation

Table 4.9: Performance of the Hotel

Performance of the Hotel	1	2	3	4	5	Mean	SD
	F %	F%	F%	F%	F%		
Brand equity	17 17	38 38	22 22	17 17	4 4	2.56	1.0
Increase in market share	18 18	50 51	16 16	11 11	3 3	2.29	0.98
Increase in sales volume	29 30	35 36	24 25	5 5	5 5	2.27	1.1
Increased Satisfaction	22 22	38 38	24 24	9 9	5 5	2.36	1.1
Customer loyalty	33 33	27 27	24 24	7 7	7 7	2.27	1.2
Increase in net profits	24 25	38 39	24 25	10 10	2 2	2.27	1.0
Brand visibility	35 36	26 26	20 20	13 13	4 4	2.0	1.0

On increase in sales volume, 17% stated that marketing strategies had increased sales in a very small extent, 38% stated small extent, 22% stated a moderated extent, 17% stated a large extent, and 4% stated a very large extent having a mean of 2.2 and standard deviation of 1.1. On increase in market share as a result of marketing strategies, 18% stated that effect was in a very small extent, 51% stated small extent, 16% stated a moderated extent, 11% stated a large extent, and 3% stated a very large extent having a mean of 2.29 and standard deviation of 0.98.

On brand visibility, 36% stated very small extent, 26% stated a small extent, 20% stated a moderated extent, 13% stated a large extent, and 4% stated a very large extent having a mean of 2.23 and standard deviation of 1.

On increase in net profits, 25% stated very small extent, 39% stated small extent, 25% stated a moderated extent, 10%stated a large extent, and 2% stated a very large extent having a mean of 2.27 and standard deviation of 1. On customer loyalty, 33% stated very small extent, 27% stated small extent, 24% stated a moderated extent, 7% stated a large extent, and 7% stated a very large extent having a mean of 2.27 and standard deviation of 1.2. On Brand equity, 17% stated very small extent, 39% stated small extent, 22% stated a moderated extent, 17% stated a large extent, and 4% stated a very large extent having a mean of 2.52 and standard deviation of 1.1.

On increased customer satisfaction, 22% stated very small extent, 38% stated small extent, 24% stated a moderated extent, 7% stated a large extent, and 7% stated a very large extent having a mean of 2.27 and standard deviation of 1.2. Hence brand equity impacted on the performance of the hotels to the moderate extent with a mean of 2.52, while brand visibility impacted to small extent on the performance of the hotels with a mean of 2.

4.5 Relationship between the Study Variables

Correlation analysis was used to establish the relationship that exists between the variables. product development strategies had a Pearson correlation (r) of 0.605, and a p-value of 0.001, internal marketing strategies had a Pearson correlation of 0.759, and a p-value of 0.165, market development strategies had a Pearson correlation of 0.634, and a p-value of 0.001 and Relationship Management strategies had a Pearson correlation of 0.99, and a p-value of 0.

The positive coefficients indicated a positive relationship between product development strategies, market development strategies, internal marketing strategies, Relationship Management strategies and hotel performance. This thus implied that product development strategies, market development strategies, internal marketing strategies, Relationship Management strategies had a positive impact on the performance of four star hotels.

Thus adoption of product development strategies, market development strategies, internal marketing strategies, Relationship Management strategies will enhance hotel performance.

Furthermore, product development strategies, market development strategies and Relationship Management strategies had significant effect at the 95% confidence level since their p-value was less than 0.05.Thus implying that product development strategies, market development strategies and Relationship Management strategies can impact on the performance of the hotels on their own.Coefficients obtained by the study are shown in Table 4.12. As shown in the model, product development strategies had a coefficient of 1.601, Internal Marketing strategies had a coefficient of 0.405, market development strategies 1.157, and Relationship Management strategies 0.434. The positive coefficients obtained indicated that all the variables had a positive effect on the performance of the hotels. Thus increasing the marketing strategies would result in improved financial performance of the hotels. Moreover, except internal marketing strategies all models of that was established was significant, because as their p-value was less than 0.05.

Table 4.10 Model Coefficients

	Unstandardized Coefficients		**Standardized Coefficients**		
	B	**Std. Error**	**Beta**	**T**	**Sig.**
(Constant)	0.405	0.578		0.702	0.49
Product development strategies	1.601	0.393	0.369	4.076	0.00
Internal Marketing strategies	0.405	0.289	0.345	1.400	0.86
Market development strategies	1.157	0.30	0.203	3.592	0.000
Relationship Management strategies	0.434	0.073	-1.224	5.937	0.000

a. Dependent Variable: Performance of hotels Source; Research Data (2018)

4.6 Discussion of Findings

The study was meant to explore the various marketing strategies put in place by the hotels in enhancing their performance. The findings obtained revealed that on relationship Management strategy, most adopted strategy was giving customers free information, while the least adopted was Tailoring Social Media Strategy to company Goals practices. On market development strategy, the most adopted marketing strategy was establishing a hotel structure in place that enables niche customer centricity in business decision while the least adopted was development of brand identification. On product development strategies, the most adopted was hotels offered abroad product line, while the least was the studied hotels introduced new product design/style. On internal marketing strategies, the most adopted strategy was existence of telemarketing strategy, while least was making brochures an effective program adapted with small extent.

The study also aimed at establishing the relationship that existed between the study variables. Market development strategies had a Pearson correlation of 0.634, and a p-value of 0.001, Internal marketing strategies has a Pearson correlation of 0.759, and a p-value of 0.165, product development strategies had a Pearson correlation of 0.634, and a p-value of 00.001, and Relationship Management strategies as a Pearson correlation of 0.990, and a p-value of 0.001. This thus implied that all the marketing strategies have a positive impact on the performance of four star hotels. These findings harmonize with those of Lawrenzia(2016) who studied marketing strategies and performance of large hotels in Nairobi Kenya. These findings also concur with those of Wamalwa (2014) who studied the influence of Marketing Strategies on Attraction of International Customers in the Hotel Industry in Nairobi.

On the relationship between marketing strategies and performance of the hotels, the average R square value obtained was 0.58 which implied that about 58% of the variation seen in the performance of four star hotels in Addis Ababa is explained by the variables in the study mainly; product development strategies, internal marketing strategies, market development strategies and relationship management strategies.

This further meant that 42% of the variation seen in performance of four star hotels in Addis Ababa is explained by other variables which are not in the model.

This indicates that the varying performance of firms could be due to the type of marketing strategies adopted in the respective organizations. R obtained was 0.75 implying that adoption of marketing strategies would improve hotel performance.

The model coefficients indicated that product development strategies had 1.601, internal marketing strategies have 0.405, market development strategies have 1.157, and relationship management strategies had 0.434. The positive coefficients obtained indicated that all the variables had a positive effect on the performance of the hotels. Thus increased measures on these strategies would result in improved financial performance of the hotels. This is in line with Njeri, et al (2015) who also established the same positive model coefficients on their study variable

CHAPTER FIVE:

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter contains summary of the study, conclusion and recommendation for policy makers and areas for further research. Data analysis and summary and conclusions were made in line to the study objective which was to determine relationship between marketing strategies and performance of four star hotels in Addis Ababa city.

5.2 Summary of the Findings

The study sought to determine the various marketing strategies put in place by the hotels in enhancing their financial performance. The population of this study comprised all four star hotels in Addis Ababa. The study focused on the 14 four star hotels based on Ethiopian ministry of culture and tourism and WTO hotels classification criteria. The findings obtained revealed that on relationship Management strategy, most adopted strategy was giving customers free information with the mean of 3.8, while the least adopted was Tailoring Social Media Strategy to company Goals practices with the mean of 2.9. On market development strategy, the most adopted marketing strategy was establishing a hotel structure in place that enables niche customer centricity in business decision with the mean of 2.46 while the least adopted was development of brand identification with the mean of 2.

On product development strategies, the most adopted was hotels offered abroad product line with the mean of 2.7, while the least was the studied hotels introduced new product design/style with the mean of 2.2. On internal marketing strategies, the most adopted strategy was existence of telemarketing strategy with the mean of 2.76, while least was making brochures an effective program adapted to the small extent with the mean of 2.23.This thus implying that though most strategies had moderate extents of adoptions, many still required improvements in their adoption. On the relationship that existed between the study variables.

product development strategies had a Pearson correlation (r) of 0.634, and a p-value of 0.001, internal marketing strategies had a Pearson correlation of 0.759, and a p-value of 0.165, market development strategies had a Pearson correlation of 0.634, and a p-value of 0.001 and Relationship Management strategies had a Pearson correlation of 0.99, and a p-value of 0.

 The positive coefficients indicated a positive relationship between product development strategies, market development strategies, internal marketing strategies, Relationship Management strategies and hotel performance. This thus implied that all strategies had a positive impact on the performance of four star hotels in Addis Ababa.

On the overall effect of the dependent variable on the independent variable, the average R square value obtained was 0.58 which implied that about 58% of the variation seen in the performance of four star hotels in Addis Ababa is explained by the variables in the study mainly; product development strategies, internal marketing strategies, market development strategies and relationship management strategies. This further meant that 42% of the variation seen in performance of four star hotels in Addis Ababa is explained by other variables which are not in the model. This indicates that the varying performance of firms could be due to the type of marketing strategies adopted in the respective organizations. R obtained was 0.75 implying that adoption of marketing strategies would improve hotel performance.

The model coefficients indicated that product development strategies had 1.601, internal marketing strategies have 0.405, market development strategies have 1.157, and relationship management strategies had 0.434. The positive coefficients obtained indicated that all the variables had a positive effect on the performance of the hotels. Thus increased measures on these strategies would result in improved financial performance of the hotels.

5.3 Conclusions

Based on the study findings, the study makes a number of conclusions. The study aimed to establish the marketing strategies put in place by the four star hotel in Addis Ababa. The study concludes that adoption of product development strategies, relationship management strategies; market development strategies and internal marketing strategies can improve hotel performance.

The study also concludes that the studied hotels adopted Relationship marketing strategies more than others which imply that relationship management marketing strategies was the key for overall performance of the hotels.

The most adopted Relationship management strategy was giving customers free information (it's about building relationship and networking), product development strategy was existence offering a broad range of product line while the internal marketing adapted to the moderate extent was telemarketing of strong customer communication method. This is an indication that most of the strategies have moderate extents of adoption. This may be due to lack of awareness on impacts of the strategies for both the effectiveness and efficiency of the operations.

The study also established that the marketing strategies have a significant positive relation with the performance of four star hotels. The study thus concludes that variation seen in the performance of four star hotels in Addis Ababa is explained by marketing strategies which include product development strategies, relationship management strategies, market development strategies and internal marketing strategies. Hence proper strategies alignment and formulations will result in improved performance of the four star hotels. This is because strategic marketing is the driver of organizational positioning in a dynamic environment, and that it helps to enhance the development of new product/service for existing markets.

5.4 Recommendations

From the findings, several recommendations are made. To begin with, the performance of the organization may be determined greatly by the type of marketing strategies employed. The study thus recommends that

> ➢ To enhance both financial and non-financial performance the business hotels should adopt marketing strategist to large extents.

- The organization should give proper attention for marketing strategy design and formulation process.

- Implementation process of these marketing strategies should be given top priority during the strategy formulation process. Particularly, adequate time and resources should be allocated in ensuring that the strategies are implemented succefully.

- Further, the marketing strategies adoption should be supported by an understanding of the hotel industry structure, the needs of target customer segments, positional advantages being sought, and trends in the environment. This will consequently improve on the firm's market revenue, share and profitability.

- Additionally, the organizations should focus more on the practices that are likely to accrue more benefits. This should therefore go a long way in not only boosting but also improving the organization performance at large.

- Hotel should practice extensive training and development of marketing personals and other operation management members on the impacts of marketing strategies

5.5 Suggestions for Further Research

Several areas remain unclear and require further research. The study only focused on the existing marketing strategies, without giving much consideration how they were implemented. The study thus suggests further research should be done on the implementation process of the marketing strategies, also investigating the various challenges that may occur in the strategy formulation. The study was only limited to four star hotels in Addis Ababa city. So as to enable generalization of the findings, the study suggests that further study to be conducted on all types of hotels in Addis Ababa and other parts of the country. Additionally, a study could be conducted on other organizations other than the hotels such as the banking and finance sector so as to establish whether the similar phenomenon prevails in these organizations.

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APPENDIX.

QUESTIONNAIRES

Dear Respondents,

I would like to request your genuine and honest response for the questionnaire stated in this document for research purpose. I extend my sincere gratitude for your precious time in advance.

Objective of Questionnaire: A

The objective of this questionnaire is to collect primary information that highlights the relationship between marketing strategies and performance of four star hotels in Addis Ababa. All information received will be treated confidentially and be used for academic purposes only.

Instruction

> ➢ Please do not write your name or address
> ➢ Your participation in this questionnaire is fully voluntary
> ➢ Please mark [✔] where you believe is appropriate
> ➢ You can request assistance at any time regarding the questionnaire for any inconvenience.

SECTION A: BACKGROUND INFORMATION

1. What is your highest level of education?

a) PHD ( )   d) Diploma ( )

b) Masters ( )   e) Secondary Level ( )

c) Bachelors' Degree ( )

f) Any Other (Specify)……………………………………………………….

2. Kindly indicate how long you have served in this organization

a) Below 2 years ( )   d) 14-18 years ( )

b) 3-8 Years ( )   e) Over 19 years ( )

c) 9-13 years ( )

3. How long has your hotel been in operation?

a) Under 5 years ( )

b) 6-10 years ( )

c) 11-15 years ( )

d) Over 16 years ( )

4. What is the size of your hotel in terms of rooms available?

A) Below 49 rooms ( )

b) 50-149 rooms ( )

c) 150-249 rooms ( )

d) 250-349 rooms ( )

e)   Above   350   rooms   (   )

SECTION B: MARKETING STRATEGIES ADOPTED BY THE HOTELS

5. Market Development Strategies

This section aims at establishing the market development strategies adopted by the hotels. Kindly use a scale of 1 to 5 where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent to rate the following statements.

Statement	1	2	3	4	5
To what extent have market development strategies been adopted within your firm?					
Development of brand identification					
Increasing Hotel brand visibility					
Development of broad range of products/Services					
Extensive training of marketing personnel					
Practicing market segmentation based on benefit sought by the customers					
Practicing market segmentation based on social class of the customers					
Practicing market segmentation based on income level of the customers					
Having employees develop the mind sets and capabilities behind the niche customer-centric agenda					
Establishing a Hotel structure in place that enables niche customer centricity in business decisions					

Describe if there is any other   market development strategies adopted by your hotel?

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6. Internal Marketing Strategies

This section aims at establishing internal marketing strategies adopted by the four star hotels. Kindly use a scale of 1 to 5 where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent to rate the following statements.

Statement	1	2	3	4	5
To what extent have internal market strategies been adopted within your firm?					
Train your staff to ask for referrals					
Internet marketing practices					
Place signs in the office that show recommendations are appreciated					
Start a practice building loyalty program					
Display testimonial letters					
Create marketing events to showcase your practice and staff					
Mail/Telemarketing strategy use					
Price adjustments on services given					
Product/Service Improvement					
Make your practice brochure an effective internal marketing tool					
Display posters of the hotel services you perform					
Start a practice newsletter					
Aim for the "WOW" response from customers					

Are there any other internal market strategies adopted by your hotel?

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7. Product Development Strategies

This section aims at establishing the product development strategies adopted by the hotels. Kindly use a scale of 1 to 5 where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent to rate the following statements.

Statement	1	2	3	4	5
To what extent have product development strategies been adopted within your firm?					
Hotel offers a broad product line					
The hotel develops products that have broad market appeal					
The hotel is efficient in meeting customer needs					
The hotel develops and test products to confirm their adaptability and suitability to the intended customers.					
Existence of promotion strategies					
The hotel advertises its products through various media					
The firm focus on consumer needs and integrating all activities of the organization to satisfy those needs					
Introducing new products design/style					
Product modification.					

Are there any other product development strategies adopted by your hotel?

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8. Relationship Management Strategies

This section aims at establishing Relationship management strategies adopted by the hotels. Kindly use a scale of 1 to 5 where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent to rate the following statements.

Statement	1	2	3	4	5
To what extent have relationship management strategies been adopted within your firm?					
Tracking the Customer satisfaction and Future Needs Through Continuous Feedback Mechanism					
Creation of Networking					
Cherish Each Customer					
Listen to Your Customers					
Build a Brand Identity					
Give Your Customers Free Information					
Special Events					
Communicate Often					
Building Customer Relationship through loyalty points					
Invest in technology: ERP & CRM solutions					
Include social media for relationship marketing					
Sending Greetings on festivals and New Year					
Focus on Content Marketing					
Tailor Your Social Media Strategy to Your Goals					

Are there any other relationship management strategies adopted by your hotel?

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SECTION C: PERFORMANCE OF THE FIVE STAR HOTELS

9. Performance of the Hotel

Please indicate the performance of your hotel relative to your competitors based on the following? Kindly use a scale of 1 to 5 where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent to rate the following statements.

Performance Indicator	1	2	3	4	5
Brand equity					
Increase in market share					
Increase in sales volume					
Increased customer satisfaction					
Customer loyalty					
Increase in net profits					
Brand visibility					

10. In your own opinion, how do marketing strategies influence performance in the hotel?

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11. Describe how Market strategies can be improved to enhance the performance in the hotel?

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END

Thank you for your time