

Market strategies and market shares of Tecno companies: Evidence from Ghana

Jiang Xin Ying¹, Yankyirah Kwaku Amofah²

School of Management, Xuefu Road, 301, Jiangsu University, Zhenjiang, P.R. China

Abstract

The increased competition of firms are due to numerous organization and environmental reasons, globalization, innovative technologies, and advancement of global and domestic competition has escalated the need to identify marketing strategies influencing market share. The study examined the influence of market strategy on market shares of Chinese companies in Ghana. The sample consist of 150 respondents using structured questionnaires. The data obtained was analyzed by regression model and SPSS. The results indicate that, marketing strategies (price, place, promotion and product) have positive and significant influence. Moreover, cost-plus pricing was perceived by respondents as the best marketing strategy managed by their companies. Therefore, companies should manufacture a product with a higher quality, priced well, execute on-time delivery, placing of a storeroom and having safety stock of products, and advertise and do sales promotion in this competitive market which embodies a fundamental part of successful business operation. Certain recommendation were discussed.

Keywords: marketing strategies, market shares, promotion, tecno, ghana

1. Introduction

Marketing strategy is the complex of efforts and actions aimed at the professional organization of one's business and promotion of his goods and services to receive the highest profit. Marketing strategy is very useful in producing quality goods and services. In fact, a well- balanced marketing strategy makes it possible for consumers on value for their money. Marketing strategy involves a great number of components which have the idea of promoting a product or service to a target audience.

In today's competitive environment, there is growing market resulting from the economic globalization; international trade, financial transfers and foreign direct investments (Belch 2003) ^[16]. Globally, most economies are becoming highly interconnected. The advancement in communication and transportation technology coupled with free-market ideology, have given products and services remarkable mobility. Nowadays, international companies are focusing on opening the world markets to their goods especially in emerging markets in order to take advantage of these markets opportunities and be part of its developing and growing infrastructure.

Chinese companies have gained attention in the Ghanaian market environment. These companies entered the Ghanaian market, considered better decisions to determine the extent to which the market would be beneficial. According to Chaharsoughi, & Yasory, (2012) ^[15] entering a new market and being successful is an imperative step companies wish to take in today's fast-growing business world. Most Chinese owned companies making dominance in the Ghanaian market is Tecno. Their dominance in the market comes through instituting good marketing strategies. However, good marketing strategies helps to improve market shares in every company. In Ghana, many companies entering the market fail to reach their consumers resulting from not altering their product. According to the Ghana finance data intelligence, 63 percent of foreign companies mount strategies to better suit Ghanaian culture

and preferences. It is worthy to note that, it is not basically an issue of producing a good or service alone that meet the consumers wants and needs that give customers satisfaction, but how well the product or service is inducted to customers. Therefore, companies entering new market should consider better decisions to determine the extent to which the market would be important.

With this in mind, we considering the fact that integrating better marketing strategies involves greater market share and hence increasing the western company's chance reaching the needs and demands of consumers. As of now, there is no prior studies done regarding the effects of market strategies on market share on Chinese Tecno Company in Ghana. Therefore, the study seeks to assess market strategies on market shares of Chinese companies in Ghana, with a particular focus on Tecno. It also seeks to examine the modes of market strategies best for Tecno Company on the Ghanaian market.

The rest of the manuscript is as follows: The next section address the Brief literature, section three talks about the methodology of the study. It follows by the results and findings, the last sections addresses the summary, conclusions and gives policy recommendations.

Brief Related Literature Review

Market strategies

Marketing strategy indicates a target market and associated marketing mix. (Mc Carthy (2011). According to Kotler & Armstrong (2012) ^[4] marketing strategy is defined as the marketing logic by which the business hopes to build customer value and attain productivity customer relationship. Mooradian (2012) marketing strategy specifies who, what, when, where, why, and how the organization. Companies get competitive advantage and action through a well- integrated program of selling combine components (Walker, 2011) ^[8]. The selling methods have great effect upon the effectiveness and value structure of links enterprise. The company is not able to relate to all its

customers in the market are large, spacious, or diverse. They divide into groups of consumers or market segments with different needs and desires. Then the company should identify which market segment can be served effectively.

Kotler & Keller (2012)^[4], Levy & Grewal (2008) stated that an effective marketing requires marketers to: identify and determine the profile of various groups of the buyers who have needs and preferences or choose more segments market should go in the determination of market (targeting or market targeting), and for each segment of the target market determine and communicate many benefits market offering company. Christina, P. (2001)^[9] stated that the process of market segmentation, the determination of the market that will be defining segmented the market to be, identify market segments, the formation of market segments, segmentation, selecting election strategy and the segmentation.

Dan Kotler & Keller (2012)^[4] stated that the determination of target market is an activity that is carried out after we can perform segmentation of all different market potential, then the company must decide what kind of and how many segments that will be targeted. Target market consists of a number of buyers who share my needs and characteristics that will be served by the company. The process of selection of the segment we are going to offer our products and services are known by the term targeting. The company can choose a covering market as follows: full market coverage, multiple segment specialization, single segment concentration, and ethical choice of market targets. Cravens (2012)^[10], the positioning strategy is the combination of marketing mix strategies used to portray the positioning desired by management to the targeted buyers. The decision of the election of the target market is a central point of the strategy of marketing itself and became the basis in determining the purpose and development strategy positioning. Because of it, positioning strategy is the main factor in increasing the power company market position in a particular market than their competitors. So positioning is a business to infuse an impression (image) specifically in mind of consumers to products even against the company target. Kotler & Armstrong (2012)^[4] positioning is the act of designing the company's offer so that it occupies a distinct and value placed in the target customer mind.

Market Shares

Market share is the percentage of total sales of a business or market that a particular company earns over a specified period of time. Market share is calculated by taking sales of the company over a period of time and dividing it over the same period by total sales of the industry. It can also be defined in a market captured by a brand, product or business as a proportion of total sales volume. Market share is said to be a main market competitiveness measure that is how well a company is doing to its rivals. "This metric, complemented by changes in sales revenue, helps managers assess both primary and selective demand in their market, enabling them to assess not only total market growth or decline, but also trends in competitor selection of customers. Market share is said to be a main market competitiveness measure that is how well a company is doing to its rivals. Conversely, losses in market share can signal serious long-term problems that require strategic adjustments. Firms with market shares below a certain level may not be viable. Similarly, within a firm's product line, market share trends

for individual products are considered early indicators of future opportunities or problems (Farris, Neil, Phillip, David 2010). Research has also shown that market share is a desired asset among competing firms. Experts, however, discourage making market share an objective and criterion upon which to base economic policies (Armstrong and Kesten 2007). The aforementioned usage of market share as a basis for gauging the performance of competing firms has fostered a system in which firms make decisions with regard to their operation with careful consideration of the impact of each decision on the market share of their competitors. It is generally necessary to commission market research (generally desk/secondary research) to determine. Sometimes, though, one can use primary research to estimate the total market size and a company's market share.

Market Strategies and Market Share.

Distinct marketing strategies have distinct impacts on organizational market shares (Mavrogiannis *et al*, 2008). Kotler and Armstrong (2006)^[4], define a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. They additionally defined a consumer product as the product bought by the final consumer for personal consumption. Consumers buy products frequently, with careful planning, and by comparing brands based on price, quality and style. Cornish (2007), sees a product as about quality, design, features, brand name and sizes. Mohammad (2012), also say that product is the physical appearance of the product, packaging, and labelling Information, which can also influence whether consumers notice a product in-store, examine it, and purchase it. Previous academics have obviously recommended that product effects have a significant impact on business performance. As far as marketing is concerned, it has been stated that there are four distinct ways in which marketing strategies can improve the value creation of businesses and thus boost share. First, by reducing customer risk and building strategic alliances, marketing can speed up cash flows. Second, through innovation and differentiation, marketing can boost cash flows. Third, marketing is capable of branding equity. Fourth, marketing, for instance, can decrease hazards by assisting to boost customer retention. It is presumed that some of these problems are such that they may be affected collectively by marketing and shares. Marketing and shares (sales) are after all collectively accountable for creating an organization's income and profit (Smith, 2006).

According to Slater (2010)^[13] marketing relates positively to some performance indicators comprising sales performance, business unit performance, profitability and both product development and product management performance. Cross-functional cooperation in arranging marketing activities so that various departments contribute to those activities usually increases the performance of the company or a strategic business unit. Still, there are always both sides, for example inter-functional integration can make the decision making slower (Krohmer, 2002). Furthermore, empirical evidence exists considering particularly the collaboration between marketing strategies and shares such as sales and its impacts on the overall organizational performance. Both qualitative and quantitative strategies has depicted shares or revenues is positively affected by effective marketing and shares relationship. (Guenzi & Troilo 2007). It is found in a qualitative study that a high level of collaboration between

these two units is associated positively to company’s market shares or revenue.

Methodology

Data and Sample Selection

The study used a correlational descriptive survey design, and primary data. The sample of the study was chosen from marketing managers from all Chinese Tecno Companies in Ghana. The study also employed a quantitative research approach to give a description of marketing strategies and its effects on market shares in Ghana. However, the study population consisted of all marketing managers of Chinese Tecno companies. The research used a probabilistic sampling technique with a sample of (150) participants.

Data collection procedures

Questionnaires were utilized to gather primary data from marketing on their perception how 4P marketing strategies affects market shares of Tecno companies. The questionnaires were screened for readability and validity before being distributed to the participants. The specialists therefore evaluated them in order to enhance the degree of consistency of the material and to measure the purpose of the research. The questionnaires were made up of three sections. The first section consists of the profile of the respondent. The second section addresses modes of market strategies best for Tecno Company on the Ghanaian market, and the last section addressed how the 4P’s marketing strategies affects market shares of Tecno companies in Ghana. The sections of the questionnaires were anchored using the Likert type of scale from five (5) Strongly Agree to one (1) strongly disagree. This helped to prevent biased responses.

Data Analysis

We analyzed the survey data using statistical package for social science (SPSS) application software. The data for the study were gathered using a survey questionnaire that was distributed to 150 marketing managers of all Tecno companies in Ghana. For the purposes of our study, we focused on price, place, promotion and product marketing strategies.

Model specification

In order to ascertain the relationship between marketing strategies and market, the relationship between the variables were examined using the multiple regression model. Below is the model;

$$MarketShares = \beta_0 + \beta_1PrC_1 + \beta_2PLC_2 + \beta_3PRMT_3 + \beta_4PRDT_4 + \epsilon_t$$

Where Pr C is price of the product, PLC is place, PRMT is the promotion strategy, and PRDT is the product strategy and ϵ_t is scholastic error term. The dependent variable is market shares measured by sales, we measure organizations market shares (Sales) as respondent’s rate its effects based on companies marketing strategies. Several scholars (Yang and Teng, 2015), have used this method as a measure of market shares (Sales).

Independent Variables

To examine the effects of marketing strategies on organizational market shares of Tecno Companies in Ghana, we used the four marketing strategies by Tecno companies

which is in line with the literature. Konstantas, *et al.* (2017). They are price, place, promotion and product. This impacts emerges from marketing strategies and shares literature. They were measured as respondent perceptions were asked about the effects of organization marketing strategies on market shares as measured by sales with aid of Likert scale ranges from (1) strongly disagree to strongly agree (5).

Results and Findings

The descriptive analysis provides and discusses data from structured questionnaires. One and fifty (150) participants were engaged in the study. From the statistics table, Sixty (80) percent of the respondents are males, and forty (20) percent of them are females. Forty (53) percent of the respondents are between the ages of 18-30 years, twenty-three (31) of the respondents were below the ages of 18 years and 37 percent of them were above thirty-one years, and fifteen (15) of the respondent were above 31 years. However, majority of the respondents were having working experience less than 5 years, 16% of the respondents were between 5-10 years, 13% were between the ages of 11-15 years, and 35% of the respondents were employees with working experience above 15 years. The findings are summarized below,

Table 1: Demographic of Respondent Profile

Description		Percentages	Frequency
Gender	Male	80	120
	Female	20	30
Age Group	< 18 years	31.33	47
	18-30years	53.33	80
	31 and above years	15.34	23
Working Experience	Less than 5 years	35.33	53
	5-10 years	16.66	25
	11-15 years	13.33	20
	15 years and above	34.68	52

Table 2: Modes of marketing

Marketing Strategies	Frequency (F)	Percentage %	Mean	SD
Cost-plus pricing	68	27.2	4.9	1.69
competitive pricing	64	25.6	4.6	1.00
value based pricing	56	22.4	4.3	0.49
penetration pricing	42	16.8	4.1	0.25
Price skimming	20	8	3.9	0.09

With the questionnaires deployed, the targeted respondent were examined to specify how they manage its marketing strategies comprising cost-pricing, Value based pricing, penetration pricing, and price skimming on the likert scale from 1 (Strongly agree) to 4 (strongly disagree). From the (table 2), based on the statistical analysis, cost-plus pricing was perceived by respondents as the best marketing strategy managed by their companies. It had a mean rating of (mean $x=4.5$) with a percentage of (27.2%). It is followed by competitive pricing with a mean rating of (4.0) representing (64%). Moreover, respondent tipped value based pricing (Mean, 3.6), penetration pricing (Mean, 3.2), and the least known marketing strategies by the respondents is price skimming. It is vivid from the findings that, cost plus pricing is the known marketing strategies used by Tecno. These marketing strategies were at times implemented by

marketing managers in various companies. Nonetheless, price skimming is the least known marketing strategies cited by respondents. Price skimming as the least marketing strategies is associated with some explanations with which one critical is that price skimming strategy sets a relatively high initial price for a product or service which higher prices may buy evoke quick sales. However, respondents supported with their claim that, as very few people buy the product, the brand loyalty of the product may reduce.

Empirical Results

We present the empirical findings regarding the effects of marketing strategies on market shares using Tecno companies in Ghana. The findings evidently depicts that, there is positive relationship between market shares and the market strategies variables used in our study. The signs are generally consistent with our hypothesis with the magnitude been moderate. Moreover,

Table 3: Correlation Coefficient

	MS	CL	Plc	Prmnt	Prdt
MS	1				
CL	0.4507	1			
Plc.	0.0864	0.4070	1		
PRMNT	0.27252	0.2065	0.1538	1	
PRDT	0.3193	0.3691	0.0994	0.3048	1

Table 4: Regression of Independent Variables on market shares

MS	Std. Err.	t Statistics	t-Value	P Value
CL	0.322	0.441	8.678	0.0000*
Plc.	0.233	0.200	3.863	0.0000*
PRMNT	0.331	0.461	9.013	0.0000*
PRDT	0.32	0.329	6.381	0.0000

*, ** indicates 1%, and 5% significance respectively

From Table (III), the results shows that, there is a positive relationship between marketing strategies and market shares. The positive effects comes with general and positive signs with the magnitude been moderate. Moreover, pricing marketing strategy is positively and highly linked which approve that, it is one of the marketing extent of which organizations market share is increased or affected. Empirically, the results shows that, all the discussed marketing strategies affects organizations market shares implying that, it influences organization market shares.

From the regression model shown on the above table (IV), factor variables statically and significantly affect organization market shares. In effect, they are positively related to Tecno market shares, but it is important to note that, the positive effect of pricing, place, promotion strategy and product strategy on organization market share is consistent with the literature (Farshid & Amir 2012) [4]. The findings of analyzing show that the hypothesis is supported and there are positive variable between variables. The results in the regression shows that, in general independent variables positively affects organization market share as measured by sales. Therefore, the independent factors increase market shares (sales) of an organization. In this regard, the effect of product strategy, pricing, and promotion (0.332, P<0.000; 0.322; P<0.001; 0.331, P<0.001) on the employees performance (EP) was stronger than the rest of the marketing strategies.

Conclusions and Policy Recommendations

The study examined marketing strategies on market shares of Chinese companies in Ghana. We also examined the modes of market strategies best for Tecno companies on the Ghanaian market. Marketing has been one of the indicator of market competitiveness. The findings of the study showed that, marketing strategies such as price, place, promotion and product influences market share of companies. On the basis of the study results, we concluded that, product, price, place and promotion is behind the increment of organizations market shares among Chinese Tecno companies in Ghana.

In product strategy, the results showed that, the quality, specification and packaging of products affects market shares of Chinese Tecno companies in Ghana. Thus, companies should maintain their quality of product, having better packaging which would be attractive and terrific specifications in colour, size and weight as well.

Moreover, the findings shows that, pricing strategy such as period of payment and given out discounts increased organizations market shares. With this, organizations ought to decrease their cost to give better price to customers as results of significant item for buyers which increase customer retention. Under place strategy, the results elucidate that organizations should put emphasis on-time delivery, placing of a storeroom and having safety stock. These are known to increase the market share of companies. Henceforth, consumers want to obtain their requested-on time and prefer to purchase the products that are available. Finally, the study identified promotion strategy comprising advertising, and sales promotion which in a long way influence companies market shares.

The companies should be having the nearest storerooms for minimizing transport charges of its customer. The findings warrant several policy recommendations for Chinese Tecno companies in Ghana. Manager’s needs to understand the fact that, although discussed marketing strategy (product, price, promotion and place of distribution) have positive and significant impact on market shares, there are other marketing elements that can impact market shares of an organization. Therefore, marketing managers, managers of companies should manufacture a product with a higher quality, priced well, execute on-time delivery, placing of a storeroom and having safety stock of products, and advertise and do sales promotion in this competitive market which embodies a fundamental prat of successful business operation.

Limitations and Future Research

Our study has caveats. The study focused on Chinese Tecno Companies in Ghana. Therefore, the findings cannot be generalized to suit all companies in Ghana. Further studies could explore on other companies in Ghana using both interview guide and structured questionnaires.

References

1. Konstantas D, Loannidis S, Grigoroudis E, Kouikoglou V. The Effects of Quality on Market Share and Profitability in Single Stage Make-to-Stock Production Systems. In M. D. Evangelos Grigoroudis (Ed.), Operational Research in Business and Economics (pp. XIII, 284). Chania, Greece: Springer International Publishing, Cham, 2017.

2. Kothari C. Quantitative Techniques. Bnagalore: VI gas, 2007.
3. Kotler P. Marketing Management: Analysis, Planning, Implementing and Control (1 ed.). India: Pearson Education, 2013.
4. Farshid MM, Amir F. The Marketing mix influences on Market share of polymer sheets manufactures firms in Iran. *International Journal of Fundamental Psychology & Social Sciences*. 2012; 2(1):19-24.
5. Kotler P, Armstrong G. Principles of Marketing. India: Pearson Education, 2010.
6. Kotler P, Keller KL. Marketing Management & Interpretive Simulations Access Code Card Group B Package (14 ed.). Pearson Education, 2011.
7. McCain B. The marketing mix in the food industry. Retrieved 01 12, 2017, from the times 100, 2010, www.thetimes100.co.uk
8. Walker O. Outlines & Highlights for Marketing Strategy: A Decision Focused Approach. Cram, 2011.
9. Christina P. Evaluation of Current Marketing Strategies being used by Hospitality and Tourism Programs in the United States, 2001.
10. Baldauf A, Cravens DW, Wagner U. Examining determinants of export performance in small open economies. *Journal of World Business*. 2000; 35(1):61-79.
11. Kotler P, Keller KL. A framework for marketing management, 2003.
12. Mavrogiannis M, Bourlakis MA, Dawson PJ, Ness MR. Assessing export performance in the Greek food and beverage industry: An integrated structural equation model approach. *British food journal*. 2008; 110(7):638-654.
13. Slater SF, Hult GTM, Olson EM. Factors influencing the relative importance of marketing strategy creativity and marketing strategy implementation effectiveness. *Industrial Marketing Management*. 2010; 39(4):551-559.
14. Jonathan H. Press Release of Bralirwa ltd part of Heinekein. Kigali: The Management of Bralirwa, 2016.
15. Chaharsoughi S, Yasory T. Effect of Sales Promotion as a tool on Customer Attention to Purchase, A case study of Automaker Company. *African Journal of Business Management* 2007-2014; 6:5.
16. Belch MA. Measuring the Effectiveness of Promotional Programs, Advertising and Promotion – An, 2003.
17. Integrated Marketing Communication Perspective (6 ed.). New Delhi: Tata McGraw Hill.