

# **ECOLE DES HAUTES ETUDES COMMERCIALES**



**This dissertation is submitted in partial fulfilment of the requirements for the Master's degree in commercial Sciences**

**Major: Marketing**

## **Theme**

**THE IMPACT OF MARKETING STRATEGY ON A COMPANY'S  
PERFORMANCE INDICATORS:  
THE CASE OF FERROVIAL ALGERIA.**

**Made by:  
Malek BOUBEGUIRA**

**Advisor :  
Professor Ali HAMMOUTENE**

**7<sup>th</sup> Promotion  
September 2020**



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## ***Dedication***

*I dedicate this work to my dear mother,*

*Who have always been there for me and supported me no matter what.*

*To my dear father,*

*Who has always been my example in life, who is the rock I lean on when life gets too hard.*

*To my Amazing sister zeyneb, my most valuable person,*

*Who is always there for me, who understands me the most, who shares my tears and laughs,  
and who guides me through life.*

*To my happiness and joy in this world, to my most precious, my beautiful Ayla who lit up my  
heart the day she came to this world.*

*To my dear brother Nedjm-eddine, who I appreciate the most and whom I wish all the  
success.*

*To my dear uncle Ammar, who is a second father to me, who shows nothing but complete love  
and support all the time.*

*To my dear Brother, Moncef for his guiding and help in many occasions.*

*I also dedicate it to my precious grandparents, whom I love deeply. To all the rest of my dear  
uncles and aunts and my dear cousins.*

*Finally, I especially dedicate this work to my wonderful friends with whom I passed the best  
moments of my life.*

*I appreciate each and every one of you.*

*Thank you*

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I am particularly grateful to Mr Bouyoucef Lamri, the Chief Executive Officer at Ferrovia Algeria, for receiving us within his team and showing great interest in our research.

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Finally, I would like to express my appreciation to family and friends, without their patience and support; I would not come to complete this work.

## **Abstract**

In a market that is becoming more competitive by the day, and clients that are more informed and demanding, the companies' need for a functional and performing marketing department is today stronger than ever. As they are in great need for analysing their target markets in order to detect all information related to consumerism trends, competition, innovation or any other factor that could influence their activity directly or indirectly. The tools and techniques provided by marketing facilitate the task, as they help the company create a monitoring system that collects, analyses and updates all the market related data. Furthermore, marketing provides a host of concepts and strategies that enable the company of positioning its offer on the suitable market at the right time.

Curiously, marketing is seldom practiced in Algeria, due to several reasons. First, Marketing is noticed to be much less ubiquitous in countries suffering from the Dutch disease, as argued Marin Marinov (2007) in her book "Marketing in the Emerging Markets of Islamic Countries". In addition, marketing has always been considered as nothing more than unnecessary expenses, and criticized for the fact that its results are not often apparent in a monetary form, thus the marketing's participation to the company's performance is not easily detected.

To understand the importance of marketing for a company's performance we decide to study the marketing strategy's impact on the company's key performance indicators. To carry out this research we first presented a theoretical aspect, in the form of a review of concepts related to the marketing strategy and to performance. After that, we presented a practical aspect in the form of a fieldwork studying the case of Ferroviaire Algeria where we held our internship.

### **Keywords:**

Marketing strategy, Performance, key performance indicators, segmentation, perception.

## Résumé

Dans un marché de plus en plus concurrentiel et des clients de plus en plus informés et exigeants, le besoin des entreprises de disposer d'un service marketing fonctionnel et performant est aujourd'hui plus fort que jamais. En effet, elles ont un grand besoin d'analyser leurs marchés cibles afin de détecter toutes les informations relatives aux tendances de consommation, à la concurrence, à l'innovation ou à tout autre facteur pouvant influencer - directement ou indirectement- leur activité. Les outils et techniques fournis par le marketing facilitent la tâche, car ils aident l'entreprise à créer un système de veille qui collecte, analyse et met à jour toutes les données du marché. En outre, le marketing fournit une multitude de concepts et de stratégies qui permettent à l'entreprise de positionner son offre sur le marché adéquat au bon moment.

Curieusement, le marketing est rarement pratiqué en Algérie, et ce pour plusieurs raisons. Tout d'abord, on constate que le marketing est beaucoup moins présent dans les pays souffrant du syndrome hollandais, comme le soutient Marin Marinov (2007) dans son livre "Marketing in the Emerging Markets of Islamic Countries". En outre, le marketing a toujours été considéré rien plus que des charges supplémentaires, critiqué pour le fait que ses résultats ne sont pas souvent apparents sous une forme monétaire, ainsi, la participation du marketing à la performance de l'entreprise n'est pas facilement détectée.

Pour comprendre l'importance du marketing pour la performance d'une entreprise, nous avons décidé d'étudier l'impact de la stratégie marketing sur les indicateurs clés de performance de l'entreprise. Pour mener à bien cette recherche, nous avons d'abord présenté un aspect théorique, sous la forme des concepts liés à la stratégie de marketing et à la performance. Ensuite, nous avons présenté un aspect pratique sous la forme d'un travail de terrain en étudiant le cas de Ferrovial Algérie où nous avons effectué notre stage.

### **Mots-clés :**

Stratégie marketing, Performance, indicateurs clés de performance, segmentation, perception.

## ملخص

في سوق أكثر تنافسية يوما بعد يوم، وعملاء أكثر إطلاعا وتطلبا، حاجة الشركات لقسم التسويق ذو وظيفة وأداء عاليين هي اليوم أقوى من أي وقت مضى. نظرا لكون المؤسسات اليوم، في حاجة ماسة إلى تحليل أسواقها المستهدفة من أجل جمع كل المعلومات المتعلقة بالنزعة الاستهلاكية، المنافسة، الابتكار أو أي عامل آخر يمكن أن يؤثر على نشاطها بشكل مباشر أو غير مباشر. تسهل الأدوات والتقنيات التي يوفرها التسويق هذه المهمة، لأنها تساعد الشركة على إنشاء نظام مراقبة يقوم بجمع وتحليل وتحديث جميع البيانات المتعلقة بالسوق. علاوة على ذلك، يوفر التسويق مجموعة من المفاهيم والاستراتيجيات التي تمكن الشركة من وضع عرضها في السوق المناسبة في الوقت المناسب.

في الجزائر، نادرا ما يمارس التسويق لأسباب عديدة. أولا، يلاحظ أن التسويق أقل انتشارا في البلدان التي تعاني من المرض الهولندي، كما جادلت مارين مارينوف (2007) في كتابها "التسويق في الأسواق الناشئة للبلدان الإسلامية". بالإضافة إلى ذلك، لطالما اعتبر التسويق مجرد مصاريف غير ضرورية، وانتقد لحقيقة أن نتائجه ليست واضحة في كثير من الأحيان في شكل نقدي، وبالتالي لا يتم ملاحظة أهمية التسويق لأداء الشركة بسهولة.

لفهم أهمية التسويق لأداء المؤسسة قررنا دراسة تأثير الاستراتيجية التسويقية على مؤشرات الأداء الرئيسية للشركة. لإجراء هذا البحث، قدمنا أولا جانبا نظريا، في شكل مراجعة للمفاهيم المتعلقة بالاستراتيجية التسويقية والأداء. بعد ذلك، قدمنا جانبا عمليا في شكل عمل ميداني يدرس حالة فيروفيال الجزائر أين قضينا فترة تدريبنا.

### **الكلمات الرئيسية:**

الإستراتيجية التسويقية، أداء المؤسسة، ومؤشرات الأداء الرئيسية، تجزئة السوق، تصورات الزبائن

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## **Introduction**

# Introduction

## Introduction:

Marketing is a management discipline that allows firms to create an element of differentiation or a competitive advantage in an environment conditioned by a fierce competition. It also enables them of implementing an information system and a market monitoring system that works to collect data related to the consumers' behaviour (needs, demands, opinions, activities... etc.), and update the collected data in order to develop offers that answer to the exact need of the market at the right moment. Marketing techniques also manage the consumer-company relationship, such as informing clients about new product or promotions, handling complaints and answering to enquiries.

Since the first appearance of its concepts in in Japan in 1650 -as demonstrated Kotler and Drucker- . Until it reached the U. S.A in the 19<sup>th</sup> century and turning into a function to a host of commercial and industrial firms in the beginnings of the 20<sup>th</sup> century, Marketing proved itself indispensable for the survival of businesses operating in a competitive market. Yet we still notice that it is still a very underdeveloped discipline in our country; the concept itself is still to this day quiet ambiguous and unclear. Which motivated us to choose to develop this theme.

As a function, Marketing is yet to be mastered by businesses. As a culture, it is still hard to implement amongst Algerian managers and as a strategy, it is complicated to execute and at many cases overlooked and considered as unnecessary expanses. Through our research, we aim to review the main concepts of marketing and the marketing strategy. We will also try to understand the real impact the marketing function has on the performance Indicators of a company in the Algerian market. In the purpose of developing further these ideas, we choose to answer to the following main question:

***“How does marketing strategy affect a company's performance indicators?”***

This main question is subdivided into several secondary questions as follows:

- What is Ferrovia's segmentation and targeting strategy? And how does it affect the company's key performance indicators?
- What is the potential relation between the perception of the positioning strategy desired by the company and the one perceived by the costumers?

## Introduction

- What is the studied company's advertising strategy? And what is its impact on the company's key performance indicators?

Based on primary document analysing, field research and several interviews with marketing professionals, we were able to identify and formulate the following research hypothesis:

**Hypothesis 01:** A sound segmentation and targeting strategy affect positively Ferrovia's KPIs

**Hypothesis 02:** Perceptions of the desired positioning strategy (by Ferrovia) and the perceived one by customers are unequal.

**Hypothesis 03:** Advertising has no effect on Ferrovia's KPIs.

Our research is divided into four chapters and takes the following structure:

- Introduction
- Chapter 01: A conceptual review of marketing strategy
- Chapter 02 : Key performance indicators reviewed
- Chapter 03: The impact of the marketing strategy on key performance indicators.
- Chapter 04: Survey
- Conclusion

In theoretical chapters, that are the first and the second chapter we try to develop the general concepts of marketing the different elements of a marketing strategy. We also try to give an overview of general concepts of performance for companies and key performance indicators.

On the practical chapters, we try to determine and analyse the elements of the marketing strategy adopted by Ferrovia Algeria and the possible relation between the latter and the key performance indicators of the company.

To achieve a clear understanding of our theme, we opted for different methods of research, the first is the descriptive method that will serve us to cover all the theoretical aspects of our research topic, we will carry out this latter through a thorough bibliographic research and a review literature from various academic works and other documentary sources. Then we will use an analytical method, through a qualitative study based on semi-structured interviews conducted with Ferrovia's commercial department and marketing department employees, and finally we will use a quantitative method to verify one of the hypothesis by launching a survey amongst the clients of the company

# **Chapter 01: A Conceptual Review of Marketing Strategy**

## **Chapter 01**

### **A CONCEPTUAL REVIEW OF MARKETING STRATEGY**

# Chapter 01: A Conceptual Review of Marketing Strategy

## **Introduction:**

Marketing is essential to the survival of companies in a competitive environment. It enables them of collecting the needed data to create an offer that answers to consumers' needs. It also provides a host of technics and tools that guide the organization through the process of conception and commercialisation of the product.

Through our limited experience on the work field, we noticed that the marketing concepts are still to this day quite vague in the minds of Algerian managers. Hence, through this first chapter, we will develop the theoretic concepts of marketing and marketing strategy.

On the first section, we will define what is marketing through the work of several authors, we will also review the history of marketing and we will present the different concepts of marketing.

On the second section, we pass to the development of the operational aspect of marketing which is the elaboration of a marketing strategy. Through this section, we will present the different concepts related to strategy in general and we will study thoroughly the elaboration process of a marketing strategy.

# Chapter 01: A Conceptual Review of Marketing Strategy

## Section 01: Main marketing concepts

### **1. Definition of marketing:**

Through time, Marketing took different definition, Philip Kotler (2013) focused on the societal aspect of marketing as he defines as follows “*an administrative and social process through which individuals and groups obtain what they need and desire by the generation, offering and exchange of valuable products with their equals*”<sup>1</sup>. Some authors focused majorly on the objective of marketing and its main purpose of satisfying the consumers’ needs and achieving the company’s objectives such as Claude Demeur who argues that: “*marketing is a host of techniques, based on the determination of consumer’s needs and wants in order to achieve the organization’s objectives*”<sup>2</sup>. While other authors like Serge-Henri Saint-Michel gave more importance to the process of elaborating marketing strategy in his definition. In which he says: “*marketing is a process which, in a market economy; Calls for studies and research leading to the anticipation and establishment of a plan of action; based on the adaptation of the product, price, distribution and communication; within an organized framework. Monitored by specific indicators in order to adapt the productive & commercial functions accordingly and satisfy the needs, desires, motivations, values (...) of a target market that could be an organization or an individual by proposing goods, services or an ideas to it*”<sup>3</sup>. Whereas Théodore Levitt put to light the role of marketing in optimizing the company’s resources as well as in managing client relationships “*it is the conception of a commercial policy that assumes that the fundamental function of a business is to create and maintain a customer base and that also allow the business to optimize it’s resources*”<sup>4</sup>.

All the authors contributed to the creation of the marketing definition of today’s world. In an environment of intense innovative and technological rivalry, it is important for every company to be client centred in order to create a competitive advantage.

In conclusion, more than just a process, marketing is a culture that binds the company to a client-oriented strategy. The marketing process starts by studying the environment of the company and ends by analysing the feedback from the same environment. The collected

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<sup>1</sup>KOTLER (Philip) and Armstrong (Gary), *Principes de Marketing*, Pearson, France, 2013, P.3

<sup>2</sup>DEMEURE (Claude) and BERTELLOT (Sylvain), *Aide memoire marketing*, 7th edition, Dunod, Paris, 2015, P.6

<sup>3</sup><http://lexicom.free.fr/lexicommo.htm>, 04/05/2020, 01:22.

<sup>4</sup>LEVITT (Théodore), *The Marketing Imagination*, New York: The Free Press, New York, 2003, P.62

# Chapter 01: A Conceptual Review of Marketing Strategy

information allows the firms to predict clients' needs and answer them before they are even expressed; it is what we call today creating needs.

## **2. History of marketing:**

After the Second World War, the world was doing through a period of shortage where demand was greater than supply. Consumers at this time expressed their will to purchase and satisfy all their needs; as a result, the product orientation was born. As the companies focused on producing in great quantities, the mass distribution channels appeared answering to new consumers' behaviour of mass consumption, creating the mass marketing.<sup>1</sup>

After the two oil crises of 1973 and 1979 and due to the growing market saturation in the years 1980 and beginning of 1990, companies detected the necessity of a differentiation factor and the increasing need to retain clients. It became indispensable then to have a specific image in the consumers' mind, which means creating a stable market positioning for companies and brands.<sup>2</sup>

At this point, supplier start differentiating their offers to each client segment they target. Marketing by now is more segmented and companies start using different strategies and tactics to create their competitive advantage. This new behaviour by suppliers seemed quite similar to tactical and strategical aspect of war, in this case a war on market shares, the reason to the emergence of the warfare marketing.<sup>3</sup>

By the ends of 1990, the consumer is more experienced and starts realizing the power he detains on the marker, resulting the replacement of transactional marketing by relational marketing. Rather than increasing the number of clients, companies preferred managing a limited client portfolio and working on maximizing their purchases and satisfying their needs.

The arrival of internet by the year 2000. The individualist relationship between clients and suppliers grew even more indispensable. Companies took different measures to create an attachment with clients that became versatile at that moment, reinforcing then the one to one marketing.<sup>4</sup>

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<sup>1</sup> LENDREVIE (Jacques) et BROCHAND (Bernard) ; *publicitor*, 5<sup>th</sup> edition, DALLOZ, 2004, P.2.

<sup>2</sup> LICHETLE (Marie-Christine) , FERRANDI (Jean-Marc), *Marketing*, DUNOD, Paris, 2014 P. 04

<sup>3</sup> KOTLER (Philippe) and coll, *marketing management* , 13<sup>th</sup> edition, PEARSON education, Paris, 2009, P.5

<sup>4</sup> LICHETLE (Marie-Christine), FERRANDI (Jean-Marc) , Op.cit, P. 04

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### 3. Marketing operational modes:

The three operational modes of marketing do not reflect different types of marketing; they are rather three complementary components of any marketing policy. These three operational modes are executed by professionals of different profiles:

**Table N° 01: Marketing operational modes**

Marketing operational mode	Components	Executor
Marketing study	<ul style="list-style-type: none"> <li>• Market research</li> <li>• Tracking the competitive situation</li> <li>• Efficiency control of marketing actions</li> </ul>	<ul style="list-style-type: none"> <li>• Specialized research companies</li> </ul>
Strategic marketing	<ul style="list-style-type: none"> <li>• Choice of target markets, positioning and brand policy</li> <li>• Conception of products and related services and Setting prices</li> <li>• Choice of distribution channels</li> <li>• Elaboration of a communication strategy</li> <li>• Elaboration of a client relationship management strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing department along with the executive management</li> </ul>
Operational marketing	<ul style="list-style-type: none"> <li>• Execution of the promotion and publicity campaign</li> <li>• Selling and direct marketing</li> <li>• Distribution of products and merchandising</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial department</li> <li>• Product managers</li> <li>• Sales force</li> </ul>

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	<ul style="list-style-type: none"><li>• Clients' relations management</li></ul>	
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**Source:** LENDERVIE (Jacques) and LEVY (Julien), Mercator 2013, DUNOD, Paris, 2013 P.19

## **4. Role of marketing:**

The marketing function plays an indispensable role for the company's performance<sup>1</sup>

### **4.1.Stimulating sales:**

It is hard to separate the marketing function from the sales function, since the creation of marketing aimed originally to provide market analysis and communication supports for the sales force in order to create the offer that will be an exact answer to the market's demand

### **4.2.Stimulating demand:**

As of the late nineteenth century and into the beginning of the twentieth century companies faced a rougher competition, a competitive advantage became indispensable for their survival and stimulating sales was no longer sufficient. Marketing role became the stimulation of the market demand and the need for the company's offer.

### **4.3.Satisfying and retaining customers:**

The availability of a large panel of offerors gave the consumers a greater negotiation power and affected their consumption behaviour. The consumer became versatile and open to trying different products of different brands in order to satisfy his needs. At this point, companies are obligated to create special relationships with their clients by offering them a unique purchasing experience in order to earn their loyalty. Marketing provides the company with the needed information to answer to clients' expectations and even exceeding them.

### **4.4.Creating and managing markets:**

The marketing process divides the market into different market segment to facilitate their management; each segment contains a number of consumers that share similar social or behavioural characteristics. Dividing the market into smaller segments enables the company of

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<sup>1</sup> WEITZ (Barton) and WENSLEY (Robin), *Handbook of marketing*, SAGE Publications, New York, 2002, PP. 67-69

# Chapter 01: A Conceptual Review of Marketing Strategy

have profound scope of its target market through which, it will create strategies that are most adequate to the segment in question

## **4.5. Establishing strategy:**

Marketing as an insider function of the company aims ultimately to create the strategy and the plan of actions that answer to clients' demands and ensure the company's profit margin. The function analyses the company's situation and its insider and outsider environment; it collects data related to consumers and competition and it studies the different strategic business units. Using different tools, the marketing department processes all the collected data and create the company's strategy for the short and long term. <sup>1</sup>

## **5. Marketing mix:**

The host actions needed to implement a company's marketing strategy. A balance between the factors of marketing 4Ps: product, price, place (distribution) and promotion (communication)<sup>2</sup>

### **5.1. Product policy:**

At the centre of the promise by the supplier to the client, there is the product; it is the first contact between the client and the company therefore it must be innovative, attractive and most importantly, satisfy the consumers need.

Nevertheless, companies, habitually, sell more than one product; they deal with a vast range of different products. They are obliged to manage the performance of each product on the market while keeping a balance between the sales of the range of products they offer in order to guarantee their profitability, at the same time they must guarantee their client a using value to avoid losing them to competitors. Hence, the necessity of a thoroughly studied product policy.

#### **5.1.1. Definition of product:**

##### **5.1.1.1. Traditional definition:**

Products are usually perceived as physical goods manufactured and sold by the company. The marketing of product then refers to the conception and commercialization of goods produces by companies. <sup>3</sup>

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<sup>1</sup> VAN LAETHEM (Nathalie) ; *Toute La fonction Marketing*, Dunod, Paris, 2005,PP. 8-9

<sup>2</sup> Dictionnaire - Glossaire Marketing, P.14

<sup>3</sup> LENDERVIE (Jacques) and LEVY (Julien), *Mercator 2013*, Dunod, Paris, 2013, P. 190

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## 5.1.1.2. The current definition:

A product is every tangible offer composed by a host of tangible and intangible characteristics; their combination creates function that allows a sole or a number of uses that aim to create a sense of satisfaction to the purchaser or the user of the product.<sup>1</sup>

## 5.1.2. Classification of products:

Products can be classified according to their durability as follows:<sup>2</sup>

- a. **Perishable product:** these products have a short consumption period; they usually do not require a high purchasing budget, they are distributed through a simple process, such as food product or cosmetic products
- b. **Durable products:** these products have a long consumption period; they require a high purchasing budget and a specialized distribution process, such as household appliances or vehicles.

A finer classification of products is the following:<sup>3</sup>

- a. **Common or regular purchases products, also called commodities:**

Majorly its products of everyday use such as products purchased from department stores.

- b. **Considered reflection-requiring products:**

their purchase requires a studied choice where the buyer tries to make the best decision by comparing different products, brands and prices and most importantly the use value of the products, their purchase relies heavily on personal taste, for example: cosmetic products, household items and clothing items.

- c. **Specialty products:**

Purchased at specialized stores, these products are usually requiring in budget or they might propose an important use value, to mention a few examples: pharmaceutical products, electronics, household appliances, jewellery and even perfumes.

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<sup>1</sup> LICHETLE (Marie-Christine) , FERRANDI (Jean-Marc), Op.cit, P. 118

<sup>2</sup> DEMEURE (Claude), *marketing*, 6th edition, Dunod, Paris, 2008, P.106

<sup>3</sup> Ibid.

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## d. Unsearched or unwanted products:

This category counts the products that give no positive purchase motivation to consumers like insurance for example.

Several more classifications of products exist such as the classification by the Foote, Cone and Belding communication agency, who created different categories of products according to variables that are: the purchaser's degree of implication (low to high) and the type of information processing (cognitive and affective).

There is no universal classifications that all firms must use to build their strategies; each type of classification allows the company to have a better understanding of the product and the convenient way to commercialize it.

### 5.1.3. The dimensions of a product:

Companies do not offer a simple product; it is rather a combination of a host of elements that creates the global offer. These elements can be considered the different dimensions of a product<sup>1</sup>:

- a. **The marketing concept of the product:** It is the central idea that explains the concept of the product, communicated as a value for the client.
- b. **The product formula:** It reflects the technical description of the product's components, process or characteristics. Such as the design of the product and the using method of the product
- c. **The performances:** They are the results related to the use or the consumption of the product as perceived by the clients.
- d. **The sensorial identity of the product:** The sensorial identity of the product reflects the specific taste, look, smell sound and touch of the product it is the manner the product is identified or detected by the five senses.
- e. **The packaging:** It is the envelope that converts the product for protection or to facilitate its transportation and stocking. While still putting the product to value and guarantying its identification amongst other products.
- f. **The associated services to a product:** The services associated with the product are all the services complementary to main offer (core product), which bring additional

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<sup>1</sup> LENDERVIE (Jacque) and LEVY (Julien), Op.cit , P. 199

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benefits to the customers and create potential sources of differentiation element to the product. They contribute to reduce the risk for the consumer:

- The guarantees protect against defects
  - The after-sales service takes charge of reparations of any malfunctions
  - The transportation and installation service allows a faster, easier and safer use of the purchased product
  - The training service allows and adapted use of the products
- g. Quality:** It is the capacity of a product to answer the consumer's expectations. The more satisfied by use value of a product the longer and the more often the consumers will purchase that product.
- h. Name and brand:** It presents the name given by the company to a product or a set of products in order to facilitate its recognition and differentiation from other products.

### 5.1.4. Product life cycle:

The product life cycle divides usually into four phases<sup>1</sup>:

**The introduction:** refers to the launch of a new product or the introduction of a new product to the market, the sales on this phase are usually slows since innovation is difficult to spread

**The growth:** at this phase the product is more known and attracts more clients rapidly, sales on this phase grow the fastest through the all the life cycle.

**The maturity:** at this level, the product is no longer an innovation, it is well-known and wide spread on the market, sales at this phase hit their highest point yet the sales develop slower than on the growth phase.

**The decline:** the sales on this phase decline majorly, due to either the saturation of the market, which means that product is no longer needed by the clients, or because the product is overtaken by new products.

On each of these phases, the company must take the strategic decision needed to commercialize the product. In order to make full profitability of the product, a company needs to extend the maturity phase as much as possible since the sales are the highest then. This can be done through the communication efforts of the company. When the product, inevitably, reaches the decline

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<sup>1</sup> LENDERVIE (Jacques) and LEVY (Julien), Op.cit, P. 236

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phase, the company put the suitable strategy the guarantee its profitability such as the relaunch strategy or the abandon strategy.

## 5.1.5. The product strategy:

The product strategy is the coordinated allocation of resources (financial, technological, human....) to achieve the desired positioning of the product. In order to create a competitive advantage that sets the company's product at a superior position to its competitors.<sup>1</sup>

## 5.1.6. The product's line (range) concept:

The structure of a product range, its diagnosis and the management of the product portfolio are crucial elements in the product policy. It is important to master them well to guarantee the company's sustainability.

### a. Definition of product line (range):

A product range is a subset of the assortment of products (all the ranges and products marketed by the company in different markets) containing a number of products with a strong consistency between them, based on criteria such as technology, type of distribution, price zone or use.<sup>2</sup>

### b. The dimensions of a product line:

To study a product line's structure it is necessary to know the concept of dimensions<sup>3</sup>:

- **The product lines' width** refers to the total number of product lines a company offers
- **Product lines' length** refers to the total number of product within the product lines which means all products within all the product lines of the company
- **The product lines' depth** refers to the number of versions offered for each product in the product line.

## 5.2.Price policy:

The objective of any company is to guarantee its profitability, by generating a turnover that covers its charges and creates a profit marge; hence, the establishment of a suitable pricing policy can be the key to a successful business. Yet the pricing policy must take into consideration the importance of competitively to survive on today's world market.

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<sup>1</sup> LICHETLE (Marie-Christine) , FERRANDI (Jean-Marc), Op.cit, P. 125

<sup>2</sup> Ibid, P. 127

<sup>3</sup> LENDERVIE (Jacques) and LEVY (Julien), Op.cit, P. 229

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## 5.2.1. Definition of price:

We can define prices through two different angles:

From the first angle, the price of a product or service refers to the amount of monetary units that a consumer must pay to acquire it. This definition might seem objective yet it is negatively perceived by consumers. From a consumer's point of view, Price is a cost that cuts into the budget. Above all, it represents an economic sacrifice necessary for any transaction. At the same time, the price is recognized as an informative dimension, in particular to provide information on the quality of the product and to allow an evaluation and selection among a multitude of offers.<sup>1</sup>

## 5.2.2. Fixing prices:

Marketing has little room for manoeuvre in setting prices; its main task is to provide strategic guidance in this area. The price of a product, like that of a service, depends on many criteria that do not depend on marketing:

- **Financial constraints:** cost price; structure of the production costs; profit margin to obtain, return on investment.
- **Competitive constraints:** prices established by competition and distributors.
- **Market and product constraints:** psychological price, the perceived value of the product, the phase of the product on the life cycle, the positioning of the product, the elasticity of the demand, the cultural aspects of the target market.

## 5.2.3. Pricing strategies:

There are many pricing policies that a company can adopt according to its different constraints, objectives and positioning strategy. To mention the most used strategies<sup>2</sup>:

### a. Penetration pricing:

It is a strategy of pricing lower than the average market price, or significantly below the prices of the main competitor on the market. It aims to obtain a high market share.

### b. Cost plus pricing:

The prices are established by summing the totality of costs (the direct material cost, direct labour cost, and overhead costs) and adding a benefit margin

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<sup>1</sup> Ibid P. 206

<sup>2</sup> VAN LAETHEM (Nathalie), Op.cit, P.47

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## c. Skimming or creaming pricing:

This strategy targets mainly the purchasers with a low price sensitivity, the main concept it to sell products that have a specific high value to a certain segment of the market at higher prices. Through this strategy, the company is replacing high sales by a higher profit margin.

## d. Aligning pricing:

This strategy is the simplest of all. The company aligns its prices along with those of the competitors; this strategy holds the least of risks for companies yet also the least advantages.

### 5.3. Distribution policy:

#### 5.3.1. Definition of distribution:

Distribution covers all the operations by which a product is made available to the buyer or final user. Distributing a product means bringing it to the right place, at the right time, in sufficient quantity, with the services necessary for its sale, consumption and maintenance. Implementing a distribution policy means choosing the suitable distribution channel, circuit and strategy. <sup>1</sup>

#### 5.3.2. Distribution channels:

It is the set of organization managing the connection line between the producer of the product and the end user<sup>2</sup>

- **Ultra-short or direct distribution channel:** In this type of channels, there are no intermediates between producing companies and consumers or end users of the product.



- **Short distribution channel:** this distribution channel holds one on intermediate between the company and the end user.



<sup>1</sup> RICHARD LANNEYRIE (Sophie), *Marketing book*, digischool commerce, Paris, 2015 , P. 164

<sup>2</sup> JALLAT (Frédéric) and LINDON (Denis), *Le marketing: Études. Moyens d'action. Stratégie*, 7th edition, DUNOD ,Paris, 2016, P.138

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- **Long distribution channel:** it is characterized by two or more intermediates between the company and the end user.



### 5.3.3. Distribution circuit:

It is the host of channel involved in the distribution on the product. Thus, it refers to the combination of distribution channels used by the company for the distribution of its different products.

### 5.3.4. Distribution network:

It is the set of people or organization taking part in the distribution process of the company's products, wither for their own profit, or for the profit of the producing company for a commission.

### 5.4.Communication policy:

After the product is created, fabricated, given a price and offered to the market, it is now time to communicate on the product to inform the clients of its existence an incite their need to purchase it. The communication comes at the core of the marketing process, as it is the tool at the marketer's hands in order to create the wished image and reputation of the product.

#### 5.4.1. Definition of company's communication:

The communication refers to the set of information exchanged between the company and its client through the interpolation of the different verbal or non-verbal messages sent or received by the different interlocutors.<sup>1</sup>

#### 5.4.2. Strategies of communication:

- The push communication strategy:** This strategy aims to push the product towards the consumer using the different communication tools such as promotional offers and direct marketing.
- The pull communication strategy:** The objective with this strategy is the attraction of the consumers towards the product using different communication tools such as the brand image communication, the endorsement and sponsoring.

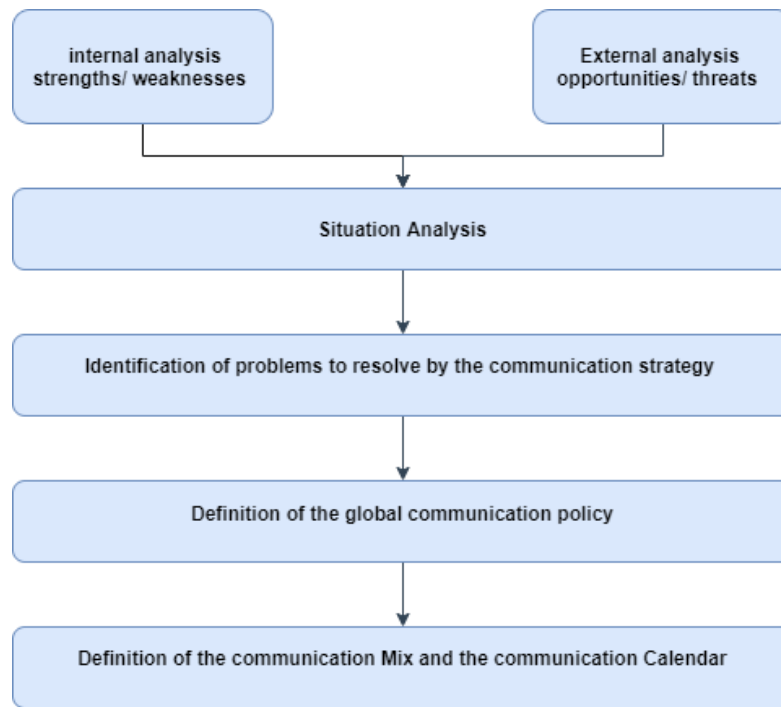
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<sup>1</sup> PASTOR (Pierre) et BREAD (Richard) ; *les treize clés du manager*, liaison Editions, Paris, 2003, P.135

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**5.4.3. The elaboration of a communication strategy:** The elaboration of a marketing strategy goes by the following steps:

**Figure N°01:** the communication strategy elaboration process



**Source:** LICHETLE(Marie- Christine) , FERRANDI (Jean-Marc), Op.cit, P. 241, RICHARD LANNEYRIE (Sophie), OP.cite P. 201

- a. Internal analysis Strengths/ weaknesses:** defining the strengths and weaknesses of the company's current communication policy.
- b. External analysis Threats/ opportunities:** identifying the communication opportunities and threats on the market
- c. Situation Analysis:**

Analysing the company's current situation concerning the four elements of the marketing Mix: the product, the price, the distribution and the communication

- d. Identification of problems to resolve by the communication strategy:**

Identifying the different problems facing the company that can be solved through its communication strategy and an organising them by order of priority.

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## e. Definition of the global communication policy:

Determining the role of the communication policy within the marketing Mix, its objectives, the target audience of the communication policy, choice of the communication concept or the message to deliver through the communication policy.

## f. Definition of the communication Mix and the communication Calendar:

Defining the communication tools, targets, the suitable media, supports, and the dates of all communication actions to take through the designated period for the strategy.

### • Communication tools:

The company's communication mix is a balance between five main communication tools that are selected according to the company's objectives<sup>1</sup>:

**Direct marketing:** catalogues, prospectings, mailing, campaigns of telemarketing ... etc.

**Sales promotion:** door-to-door selling, loyalty cards, promotions and discounts

**Public relations:** lobbying, expositions, events, specialized conferences and seminars, sponsoring ...etc.

**Advertising:** Panels, TV spots, radio spots, press communication, and product placement on movies and shows.

**Web marketing:** websites, blogs, social media, publicity on different websites, online banners, emailing.

### • Communication target:

The communication target is the host of people that the company aims to reach by its communicated messages; they are the potential consumers that appear to be the most interested by the company's products. Choosing the target of the communication strategy is essential as it is based on its characteristics that the company builds its action plan.<sup>2</sup>

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<sup>1</sup> GOUDEY(Alain) et BONNIN(Gaël) ; *Marketing pour ingénieurs*, Dunod, Paris, 2010, P.158

<sup>2</sup> RICHARD LANNEYRIE (Sophie), *Op.cit*, P.205

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- **Communication medias :**

A media is the homogenous set of supports belonging to same mean of communication such as press, television, radio, public display and internet.

## **Section 02: marketing strategy concepts reviewed**

### **1. Definition of strategy:**

the word comes from the Greek word “strategos” which means the general or the head of the army this word itself is composed of two terms: “stratos” meaning the “ the battel army” and “ageîn” meaning “ to lead”. Thus, the word strategy evokes leading an organised army against an enemy (competitor) to victory. The term was later related to Sun Tzu (Also known as Sun Zi) the author of the art of war.<sup>1</sup>

### **2. Strategy in a business:**

If one was to apply the exact definition of strategy to the strategy of a company or the strategy in business, the definition of a company’s strategy then is the war against competitors piloted by the CEO (top management). Who leads and organised army, which in this case the company, to victory that in this case is the financial performance. To add to this metaphor, this war must protect the lives of soldiers who for a business are the employees to enrich and develop a nation (the shareholders). However, the analogy stops here, the business strategy concepts diverged from the military concepts of strategy since the years 1950-1960, and it developed its own approaches and methods. Carrying amongst its many concepts the main difference from the military strategy: it covers the choice of allocating the fundamental resources to achieve the company’s objectives and guarantee its sustainability.

In summary, a strategy is the definition of the clear and realistic orientations of a set of actions in order to achieve pre-established goals on the short or long term against a number of identified competitors.<sup>2</sup>

### **3. Definition of marketing strategy:**

The marketing strategy is a coordinated action plan established over the medium or long term by a company to achieve its sales and marketing objectives.

The marketing strategy is a component of the company’s general business strategy. Depending on the case, the marketing strategy can be elaborated at the global level of the company or it

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<sup>1</sup> LEHMANN-ORTEGA (Laurence) and coll, *Strategator*, 7th edition, DUNOD, Paris, 2016, P.3

<sup>2</sup> Ibid, PP. 4-6

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can apply only to a product or a family of products (a product line). This makes it possible for a company with a wide range of activities to combine several marketing strategies according to its different strategic business units.<sup>1</sup>

**3.1. Levels of a marketing strategy:** The marketing strategy interferes on different levels of the company's activity:

## **3.1.1. Marketing strategy on corporate level:**

On the corporate level, marketing has a rather variable role. For companies that follow a cost-based differentiation strategy the marketing strategy does not play a fundamental strategic role. However, the strategic dimension of the marketing strategy is major for companies following a value-based differentiation strategy.

## **3.1.2. Marketing strategy on strategic business unit level:**

At the SBU level, the marketing strategy plays an important role as it participates in the elaboration of the offers portfolio and the creation of competitive advantages. The marketing strategy is also in charge of the brand policy, which is today a key element of a company's general policy.

## **3.1.3. Marketing strategy on the product lines level:**

At this level, the marketing strategy consists of defining the structure of the products line, assigning a positioning and defining objectives to each of the existing products, or the products to launch. Furthermore, it attends to the allocation of the company's marketing resources (human, advertising and promotional budgets, sales force, etc.) among the various products.

## **3.1.4. Marketing strategy on the product level:**

At the last level, a marketing strategy must be elaborated for each one of the company's products individually; it is at this level that the marketing strategy is the most detailed.

## **4. Establishing marketing strategy:**

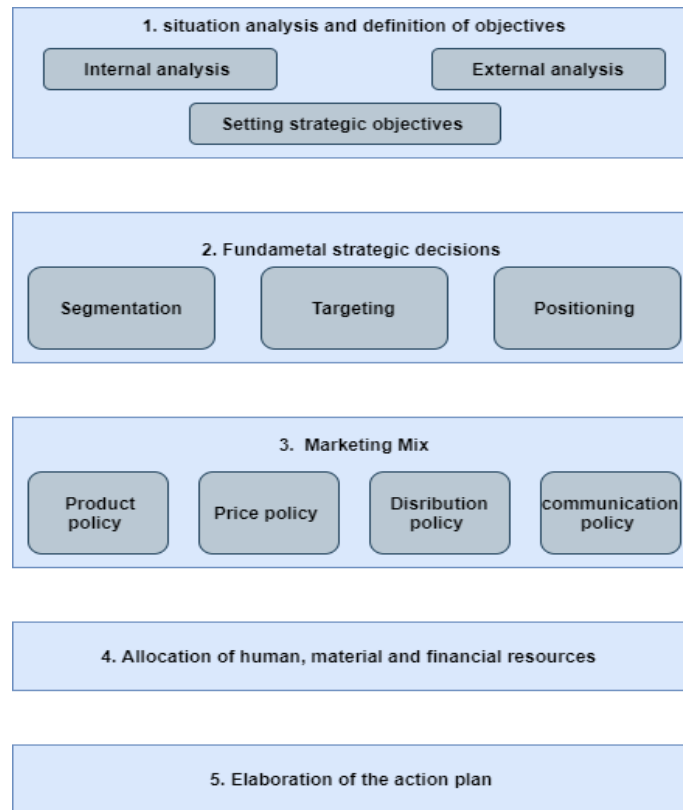
The elaboration of a marketing strategy follows a number of steps that allow the creation of the suitable strategy to achieve the company's global objectives; the elaboration process consists of five steps:

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<sup>1</sup> <https://www.definitions-marketing.com/definition/strategie-marketing/> by BATHELOT (Bertrand), 20/08/2020 at 21:10

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Figure N° 02: The process of elaboration of a marketing strategy



Source: JALLAT (Frédéric) and LINDON (Denis), *Op.cit*, P.358

## 4.1.Situation analysis and elaboration of objectives:

In this step, the company analyses its internal and external environment in order to get detailed information needed for setting the objectives of the company. The Marketing discipline offers a host of tool that companies can use to analyse their environment such as the SWOT matrix, the PESTEL analysis, Porter's five forces analyses and many others. This step is indispensable since it allows the company to identify the characteristics of its current situation. Moreover, it gives detailed information concerning the market characteristics and the competitive characteristics of the field of activity.

This analysis studies three dimensions of the company's internal and external environment, which are the market, the general external environment and the internal situation of the company:

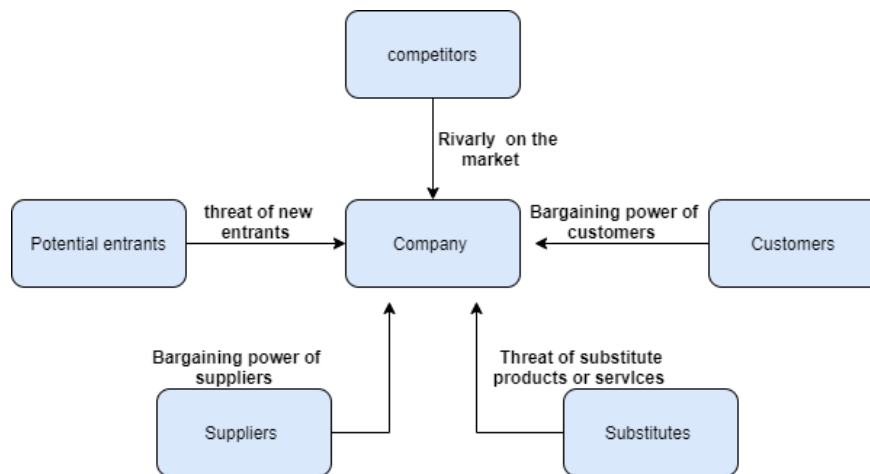
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## 4.1.1 The market analysis:

It consists of analysing a market or a defined segment, competition, distribution, opinion leaders and current and potential consumers, the volume and the development previsions of the market. In our study, we will focus mainly on the analysis of the competitive environment using the Porter's five (05) forces plus one (+ 01) model.

In an environment conditioned by a rough competition, a company must create a differentiation element that sets it apart from others and encourages clients to choose its products rather than a rival product, which is the objective out of creating a competitive advantage. Michael Porter -a professor in company's strategy- developed an analysis tool that allows companies' to explore their environment and collect the necessary data for creating their own competitive advantage.<sup>1</sup>

**Figure N° 03:** Porter's five forces model



**Source:** VAN LAETHEM (Natalie), LEBON (Yevlise) and DURAND-MEGRET ( Béatrice) *LA BOÎTE À OUTILS du Responsable Marketing*, Dudon, Paris 2007, P. 34

**Rivalry on the market:** the intensity, the diversity of competition and the power balance between companies can be reversed quickly. Companies must take all the measures within the sector to increase their share of the market or to simply maintain their position.

**Threats of new entrants:** New entrants can present a serious threat to the company as companies entering the market have a better chance of studying the market before their entrance

<sup>1</sup> VAN LAETHEM (Natalie), LEBON (Yevlise) and DURAND-MEGRET ( Béatrice) *LA BOÎTE À OUTILS du Responsable Marketing*, Dunod, Paris 2007, P. 34-35

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and use the knowledge already collected by companies with more experience on the market to the favour of their fast development.

**Bargaining power of suppliers:** the ability of suppliers to impose their conditions to a market, in terms of cost, quality or deadlines has a direct impact manoeuvre marge and profitability of the company

**Bargaining power of costumers:** the main influence of customers on a market is manifested through their ability to negotiate, their influence on the price and terms of sale (payment terms, associated services) determines the profitability of the market.

**Threat of substitute products:** the substitute products may not be a part of the company's main market yet they offer the same use value and they might even present offers that are more interesting and attractive.

**The role of the government:** the policies and legislations implemented by the government determine the way each of the forces affect the market and the level of their effect.

## **The general environment analysis:**

It covers all the variables that influence directly or indirectly the market, such as technological developments, politics, social characteristics, laws and regulations. Etc.

In our research, we decided to use the PESTEL analysing model:

The PESTEL analysis model is a strategic analysing tool created to help companies determine the general conditions of the macro-environment in which their future business or projects will operate. This model serves as a data collecting tool that simplifies the implementation of a business plan or strategy and minimizing the risks of dealing with an unstudied market. PESTEL focuses on six (06) elements of the external environment of the company: P: political, E: economic, S: socio-cultural, T: technological, E: ecological and L: Legal <sup>1</sup>

**Political environment:** this element of the environment of the company includes all data related the financial policies of the country, the taxing policies and international trade policies and all other decision and rules put by the government in question.

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<sup>1</sup> VAN LAETHEM (Natalie), LEBON (Yevlise) and DURAND-MEGRET ( Béatrice), Op.cit, P. 38

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**Economic environment:** the economic aspect of the model treats the information related to the relation between the activity of the company and its impact on the general economic elements of the country, the participation of the company's activity to the GDP, the annual employment rate offered by the company, the exportation rate and other economical elements. This aspect studies the economic situation of its target market of the company such as the growth rate of the market, the buying capacity of the clients, the inflation rate ....

**Socio-cultural environment:** generally this aspect reflects the social and cultural characteristics of the target market of the company such as, the education level, the consumption habits, the ethics, the cultures and beliefs, life style and trends.

**Technological Environment:** this element covers every research and development discovery in the company's field of activity, the innovation opportunities and the transfer of technology

**Ecological environment:** the measures taken by the company to participate in the protection of the environment and eco-system. At the very least, it is the commitment to not cause any harm to the environment by any level of the production chain, the transportation or the commercialization of the companies' products.

**Legal environment:** it counts all the legislations established by the government that concern any aspect of the company's activity, this includes national and international quality norms, intellectual property protection laws, labour law and contract laws and any other legal aspect of the company's activity .

## 4.1.2. The internal analysis:

It consists of analysing all the elements internal to the company, such as the marketing mix, brand image, customer relations, yet also the company's financial capacity, the expertise and the know-how, etc. <sup>1</sup>

This analysis can be elaborated through a profound study of the internal documents of the company and its Marketing information system (MIS):

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<sup>1</sup> VAN LAETHEM (Natalie), LEBON (Yevlise) and DURAND-MEGRET (Béatrice), Op.cit. P. 20

# Chapter 01: A Conceptual Review of Marketing Strategy

**Table N°02:** Marketing information system

Sources	Type of marketing Data	
	Collected continuously	Obtained on demand
<b>Secondary internal sources</b>	<ul style="list-style-type: none"> <li>• Sales reporting and analysis;</li> <li>• Quality and customer satisfaction feedback;</li> <li>• Financial Statistics.</li> </ul>	<ul style="list-style-type: none"> <li>• Earned customer/ Lost customer analysis</li> <li>• Customer and prospect segmentation.</li> </ul>
<b>Secondary external sources</b>	<ul style="list-style-type: none"> <li>• Studies published in professional journals and reviews;</li> <li>• Panels;</li> <li>• Professional statistics or institutional reports.</li> </ul>	<ul style="list-style-type: none"> <li>• Subscription to different information sources</li> <li>• Purchase of professional specialise market studies.</li> <li>• Establishment of a monitoring system</li> </ul>
<b>Primary sources</b>	<ul style="list-style-type: none"> <li>• Customer panels;</li> <li>• Systematic analysis amongst clients and prospects.</li> </ul>	<ul style="list-style-type: none"> <li>• Quantitative and qualitative market research</li> <li>• Experts' opinions</li> </ul>

**Source:** VAN LAETHEM (Natalie), LEBON (Yevlise) and DURAND-MEGRET (Béatrice), Op.cit. P. 20

### 4.1.3. Setting objectives:

The information collected from the different analysis done by the company are used in order to set its different quantitative and qualitative objectives for the short and long term.

The objectives of a company divide into two types; qualitative objectives and quantitative objectives

- **Quantitative objectives:** it is the set of measurable aspired results by the company, such as the annual turnover, the market share, the number of clients, etc.

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- **Qualitative objectives:** the aspired results by a company that are hard to measure or to express with a specific amount or number such as clients' satisfaction, perceived quality value, customer loyalty, etc.

The established objective of accompany must possess the SMART characteristics<sup>1</sup>:

- **Specific:** objectives must be clear and simple in order to focus all the effort on achieving them and not create a hassle in the way of obtaining them.
- **Measurable:** the measurability of an objective makes it easier to understand and promotes the objectivity of the company's activity.
- **Achievable:** a goal needs to be ambitious and develop the company's prosperity, yet it must be achievable in terms of resources and deadlines; otherwise, it will only restrain the company's full potential.
- **Relevant (Realistic):** the company's goal must align with its general strategy and must be relevant and important for its activity.
- **Time bound:** every goal must be related to a deadline, in order to create a pressure element in order to guarantee that their achievement will not be held back by the everyday tasks of the employees.

## 4.2. The fundamental strategic decisions:

The company takes the businesses major strategic decisions, which includes the choice of the target market, the segmentation of the market and the positioning of the products or the brand policy.

### 4.2.1 Segmentation:

The simplistic vision of a market consists of defining a typical consumer's profile or creating a general idea of a consumer and build the marketing strategy according to that idea. This type of strategies does not work in the competitive conditions of today's market, thus, it is important for a company to elaborate a thoroughly studied segmentation strategy.

#### a. Definition of segmentation:

The Segmenting of market does not consist in addressing the marketing strategy to an average customer, but in identifying different and homogeneous groups of customers in the same

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<sup>1</sup> VAN LAETHEM (Natalie), LEBON (Yevlise) and DURAND-MEGRET (Béatrice), Op.cit. P. 42

# Chapter 01: A Conceptual Review of Marketing Strategy

market, according to determined criteria. The company then elaborates different strategies adapted to each one of these groups.<sup>1</sup>

## **b. Types of segmentation:**

According to the company's field of activity the segmentation strategy divides into two types

### **Macro-segmentation:**

This segmentation strategy consists of dividing the market into large groups of potential clients based on general criteria chosen by the company. This sort of segmentation is practiced by companies operation in B-to-B field of business. As for consumption goods and services the segmentation necessity a detailed number of criteria.

### **Micro-segmentation:**

For companies operating in a competitive environment, differentiating the offer is essential. Thus, a finer segmentation of the market is necessary. The micro-segmentation consists of dividing the market into smaller groups based on different criteria chosen by the company, such as the annual revenue, the budget, the purchasing behaviour, the searched value, the life style, etc.<sup>2</sup>

### **Segmentation by the demanded advantage or value:**

The segmentation by desired benefits is based on the differences in customers' value perception and thus their expectations of the products. The objective here is to explain and therefore predict differences in preferences and behaviours.

### **Socio-demographic segmentation:**

Also called descriptive segmentation, it is a method of indirect segmentation. The hypothesis here is that the differences in socio-demographic profiles cause differences in desired benefits and preferences, hence, the differences in the purchase and consumption behaviour

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<sup>1</sup> LENDERVIE (Jacques) and LEVY (Julien), Op.cit, P. 738

<sup>2</sup> LAMBIN (Jean-Jacques) and DE MOERLOOSE (Chantal), *Marketing stratégique et opérationnel "du marketing à l'orientation-marché"*, 7<sup>th</sup> edition. DUNOD, Paris, 2008. PP. 201-207

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## **Behavioural segmentation:**

As its name indicates this segmentation is based on the clients' behaviour. Many criteria are to take into consideration for this segmentation such as the purchase rate or the use rate of the product, the reactivity to innovation; the clients purchase frequency status and the loyalty status.

## **Socio-cultural segmentation (or life-style based segmentation):**

Socio-cultural segmentation follows the idea that individuals who are very different in socio-economic terms can have very similar consumption or purchase behaviours. The objective is to provide a more human portrait of clients that is not limited to their socio-demographic profile alone. The segmentation by lifestyles or psychographic segmentation aims to analyse further and address the field of motivations and personality in relation to consumption.

**Segmentation by purchase conditions:** Segmentation by purchase conditions is volatile, since the same individual may belong to two different segments at different purchase occasions. Some even consider it not to be an effective segmentation method, as it does not define stable segments. However, it can provide valuable information for marketing purposes. Segmentation by purchase conditions is elaborated through the collect of the exact conditions of the purchase action such as the time, place or context of purchase.

## **4.2.2. Targeting:**

Segmenting the market aims to divide it into homogenous groups of clients, yet a company cannot answer to the demand of all the different segments. At this level comes the strategic choice of the client groups to target.

### **a. Definition of targeting:**

It consists of evaluating the different market segment and choosing the segments to operate on based to their profitability and business opportunities according to the company's goals.

### **b. Types of targeting:**

According to its pre-established objectives, the company chooses the suitable targeting out of the following types<sup>1</sup>:

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<sup>1</sup> LENDREVY (Jacques), LEVY (Julien), Op.cit. P 334

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**Undifferentiated targeting:** is to treat the market as a whole and to focus on what is common in needs rather than what differentiates them. This strategy leads to the development of standardised products that adapt to a wide variety of needs.

**Differentiated targeting:** this targeting strategy also takes on the totality of market, yet with adapted products for the different needs of the different segments rather than a standardized product.

**Partial differentiated targeting:** this targeting allows the company to aim a certain number of segments on the market and not deal with the market as a whole

**Concentrated targeting:** Through this strategy, a company takes the choice of targeting a specific segment of the market and concentrate its efforts on that segment only.

**Customization:** at the extremity, there is the customization, where for each client the company offers a unique product

## 4.2.3. Positioning:

### a. Definition:

Positioning is the act of designing a brand and its image to give it a place that is valued and different from that occupied by the competition in the consumer's mind<sup>1</sup>

### b. Types of positioning:

Choosing a position is essential for accompany, every product on a market has an image whether it is positive or negative. It is important for a company to give an image for its product do the market does not create an unsuitable one for it, which can be destructive for a company's business. The positioning of a company divides into two types

**Imitative positioning:** Through this strategy, the company follows the competitors positioning and offers its product as a substitute to that of the competitors. The advantage here is that the company takes the least of risks as it follows the competitor actions.

**Differentiated positioning:** This strategy aims to the exact opposite of the previous one. The main porpoise is to create a differentiation element that sets the company apart from

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<sup>1</sup> Al RIES, TROUT (Jack), Positioning : *The battle for your Mind*, McGraw-Hill, New York,2000

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competitors. The objective of the company is to have more power on the market by offering a different advantage for clients through the offers attribute, price or image.

## **Differentiation by attributes:**

The most common strategy of differentiation, the advantage for the client through his strategy is expressed by the attributes of the product such as the design, the performance, the used technologies, the sustainability, etc.

**Differentiation by price:** This differentiation strategy can be expressed through different methods; the lowest price one the market; the highest price on the market; the best price-quality ration on the market, etc.

**Differentiation by image:** Some companies choose to create their differentiation position through intangible characteristics. The case for the perfume market for example, all the companies on the market aim to create a certain character for their products in order to establish the wanted image in the costumer's mind.

## **4.3. The marketing mix**

The main purpose of a marketing strategy is the development of a marketing mix, which is the different policies the company chooses to follow in order to achieve its objectives and satisfy the consumers' needs.

The marketing mix is composed of the 4P: the product, the price, the place and the promotion. These elements were developed thoroughly on previous section of this chapter. Yet in the current marketing context that is completely client oriented the four "p" are replaced by the four "c": customer value, cost, convenience and communication. That reflect on the company's strategic policies from a consumer's point of view

## **4.4. The allocation of material and human resources:**

This step is optional and it is up to the company to decide whether to pass by it or not is according to its management culture of the company, yet it is a very helpful step In order to evaluate beforehand the necessary resources for the implementation of the marketing strategy.

# **Chapter 01: A Conceptual Review of Marketing Strategy**

## **4.5. The elaboration of the action plan:**

This step is where the marketing strategy is transformed into its practical form; here the company elaborates the detailed plan with along with the actions to take for the short term and the long term.

# **Chapter 01: A Conceptual Review of Marketing Strategy**

## **Conclusion:**

Through this chapter, we were able to detect the importance of the marketing function for the organization. As its role starts prior to the conception of the offer and it provides the company with all the necessary data for the creation of a product that answers to an explicit or an implicit need of the market, this role follows along the production and the selling process.

The marketing strategy studies the internal and external environment to detect risks or business opportunities. It enables the company of creating the suitable communication strategy in order to reach its target market and the suitable distribution strategy to guarantee the availability of its products on consumer's demand.

In conclusion, we can state that the marketing strategy is the key to guarantee the company's profitability on a competitive market as it allows it to study its environment and create a competitive advantage for clients to differentiate it from competitors.

## **Chapter 02: Key Performance Indicators Reviewed**

### **Chapter 02**

### **KEY PERFORMANCE INDICATORS REVIEWED**

## **Chapter 02: Key Performance Indicators Reviewed**

### **Introduction:**

Measuring performance is necessary to keep track of the company's evolution and the level of achievement of its goals.

Albeit performance being a term that every organization uses on a daily basis, the concept of performance is complicated to explain as it consists of a number of elements that contribute to its general meaning.

In marketing, measuring performance is a field of increasing interest as the function struggles to this day to prove its contribution to the company's profitability.

In this chapter, we will present the theoretic concept of performance and performance measurement. In the first section, we will review the concepts of performance, marketing performance and measuring marketing performance.

The second section, will present the definition of key performance indicators their role and their use in marketing. We will also present in this section the most common key performance indicators used by the marketing function.

## Chapter 02: Key Performance Indicators Reviewed

### Section 01: performance concepts reviewed:

In spite of being the core objective of any company's activity, performance is a rather hard concept to develop. Performance is usually perceived as the profit a company makes through its activity, yet several authors have demonstrated that the concept is not a simple. Through this section, we will try to give a clearer view of this concept in general and we will develop exhaustively, the concepts related to the company's performance focusing mainly on the marketing performance.

#### **1. Definition of performance:**

Performance most often refers to the notion of evaluation. It is a matter of establishing criteria based on defined standards, it can be expressed quantitatively in the form of indicators.

Performance can be approached qualitatively in the form of a value evaluation or judgment, using measurement tools adapted to the context of the evaluation.

Historically, performance comes from the ancient French "performer" which means "to accomplish or to execute". The English verb "to perform" appeared in the 15<sup>th</sup> century with a broader meaning. It reflects at the same time the accomplishment of a process or task, the results obtained as well as the success.<sup>1</sup>

In a classic "managerial" approach, performance consists of a triple concept:<sup>2</sup>

- It is a result that represents the "level of achievement of objectives";
- It is an action, which implies an actual production, therefore a process;
- It can be a success, as an attribute of performance, which induces a judgment, and therefore a subjective appreciation.

Performance is also often confused with the terms effectiveness and efficiency, although the terms seem synonymous, they, in fact, do not have the same meaning. Gilbert's model evoked that effectiveness and efficiency are in fact components of performance

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<sup>1</sup> JACQUET (Stéphane), *Management de la performance : des concepts aux outils*, P. 02

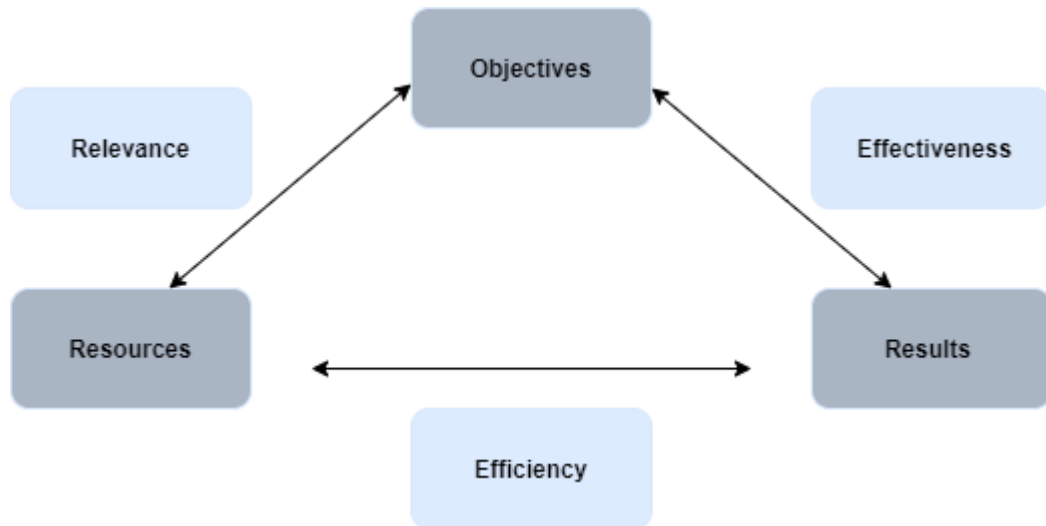
<sup>2</sup> Ibid, P.P 02-05

## Chapter 02: Key Performance Indicators Reviewed

### 1.2.Components of performance :

The performance concept, according to the Gilbert model (1980), is composed of three elements:

**Figure N° 01:** Components of performance



**Source:** DUCROU (Jean-Bernard), *management des entreprises*, Hachette Technique, Paris, 2008, P.204

#### 1.2.1. Effectiveness:

Effectiveness can be defined as "*the ability to achieve objectives.*"<sup>1</sup> It consist of realising the objectives, even if it requires additional resources.

It can also be defines as: "*the link between the results achieved by a system and its perceived objectives*"<sup>2</sup>

Through these definitions, it is possible to say that effectiveness is the degree of achievement of goals independtly from the involved resources.

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<sup>1</sup> CAMUS (Philippe), *Le contrôle de gestion : pour améliorer la performance de l'entreprise*. 3<sup>rd</sup> Edition., Paris,2000, P. 379

<sup>2</sup> DE BOISLANDELLE, (Henri-Mahé) ; *Dictionnaire de gestion ; vocabulaire, concepts et outils*, ECONOMICA, Paris, 1998, PP. 318-319

## Chapter 02: Key Performance Indicators Reviewed

### 1.2.2. Efficiency:

"Efficiency expresses the relation between the objectives pursued and the means used to achieve them."<sup>1</sup>

Efficiency introduces the concept of optimization, it evokes on the achievement of established goals, yet minimizing the resources. If effectiveness is doing the right things than efficiency is doing the right things the right way.

### 1.2.3. Relevance:

*"Relevance reflects the suitability of the used means to achieve the established goals"*<sup>2</sup>

Thus, relevance is doing the right thing, the right way and using the suitable sources and tools.

## 2. Company's Performance :

Corporate performance or a company's performance took many definitions along time. Each of these definitions studies a different aspect of performance, for instance, Jacques Brasseul (1998) focused on the financial and the profit aspects of performance *"Performance is reflected in the company's ability to produce and control its costs."* Whereas Ittner and Larcker (1998) built their definition around the multidimensional aspect of performance and the importance of non-financial indicators: *"Performance is a multidimensional construct that cannot be assessed on the basis of financial indicators alone"*. Other authors focused on the importance of effectiveness and efficiency of any company's performance such as Franck Brulhart and Moncef Btissam (2010) *"Performance is reflected through the achievement of objectives and in the search for efficiency in carrying out activities."*

From these definitions, we can define the company's performance as the ability of companies to achieve their objectives, and generate a profit in the interest of shareholders, while managing their resources in order to optimize their efficiency.

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<sup>1</sup> MEIER (Olivier) ; *Dictionnaire de management*, Dunod, Paris, 2009, p.70

<sup>2</sup> *Dictionnaire de management de projet*, AFNOR, 2010.P.192

## Chapter 02: Key Performance Indicators Reviewed

### 2.1. The dimensions of company's performance:

#### 2.1.1. Internal dimension:

It is the performance generated from the use of the company's internal resources; this dimension consists of three (03) elements: <sup>1</sup>

- **Financial performance:** it lies in the effective mobilization and rational use of available financial resources.
- **Technical performance:** is the company's ability to use its technical resources effectively.
- **Human performance:** the individual performance of human resources can be considered as a strategic value-creating element that helps the company and achieve a competitive advantage through the management of skills and capacities.

#### 2.1.2. External dimension:

*"Performance due to changes in the external environment of the company".<sup>2</sup>*

It is the performance generated by the company taking advantage of changes in its external environment; this performance dimension is not related to the efforts or resources of the company.

### 2.2. Performance factors:

The performance factors are considered essential for the company's profitability and each one of them must follow certain condition to allow the achievement of the company's objectives:<sup>3</sup>

- Customers: must be satisfied, and involved in product improvement.
- Mission and objectives: must be clear and communicated along all the management levels.
- Products and services: must be of quality, at the lowest cost, and available at the client's demand.
- Processes: must be effective, efficient and flexible allowing the adaptation to any unexpected changes.

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<sup>1</sup>MARTORY (Bernard), *contrôle de gestion, performance sociale*, Ed Vuibert, Paris, 1999, P.235

<sup>2</sup> MARTORY (Bernard), Op.cit, P.236

<sup>3</sup> BARRAUX (Jaques), *entreprise et performance globale, outil, évaluation, pilotage*, Economica Edition, Paris, 1997, P.29.

## Chapter 02: Key Performance Indicators Reviewed

- Information: must be reliable, understandable, useful, and shared by all stakeholders.
- Information, communication and production technology: must be powerful, integrated and user-friendly.
- Human resources: must be qualified, motivated, empowered and responsible. The employees also need to be adapted to company's culture and they must share the same work values.
- The management style, the management framework (policy, organization chart), the atmosphere and Work environment: should foster innovation, collaboration, teamwork and customer orientation.
- Performance indicators: must address quality, time and cost, and be balanced and aligned with the company's objectives.

### 2.3.Types of performance in a company:

#### 2.3.1. Financial performance:

Financial performance is considered as the achievement of profitability, or a satisfying growth for the company followed by the creation of value for shareholders. It aims to ensure the stability of the company's financing in order to limit to a minimum the resort to bank credits. The company's financial performance depends on the management of the financial resources available. This management conditions the profitability of the investments put into the renewal of the company's most profitable operations.

#### 2.3.2. Commercial performance:

Commercial performance of the company is presented by the achievement of commercial objectives in relatively to the resources used to achieve them. It is defined as *"the capacity of the company to satisfy its customers by offering them goods and services of good quality that answer to their needs and expectations"*<sup>1</sup>. Plauchu and Taïrou (2008) define it as: *"the art of being present for the right interlocutor at the right time, with a relevant offer, which allows the establishment of lasting and profitable business relationships for the company in a context of permanent search of service excellence"*.<sup>2</sup>

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<sup>1</sup> OUATTARA (Pecassioh Venance), *Diagnostic financier et performance d'une entreprise en Côte d'Ivoire*. MBA in company's Finances , Management Superior school of Paris, (2007)

<sup>2</sup> PLAUCHU (Vincent) and TAIROU (Akim). (2008), *Méthodologie du diagnostic d'entreprise*. L'Harmattan, Paris, P.133

## Chapter 02: Key Performance Indicators Reviewed

### 2.3.3. Production performance:

As the name suggests, it is the performance aiming to improve the company's production. In order to do so, it is necessary to involve to an optimum level the human, material and financial resources for the creation of goods and services. Performance in the area of enterprise production refers to "the capacity of the enterprise to combine efficiently the factors of production and the means of production"<sup>1</sup>. This implies that the firm is able to generate profits while using as few resources as possible. However, it also implies the capacity of the enterprise of increasing its production volume using the resources at its disposal.

### 2.3.4. Human performance:

The human capital and the company's awareness of its importance can be the critical element to the company's performance. Indeed, the development of company performance does not only depend on the existence of many employees, but also on their collective ability to develop the company's human force capital.

In a socio-economic dimension, increasing the performance of the organization requires the development of its human potential.<sup>2</sup>

### 2.3.5. Social performance:

The social performance of the company is defined as "the capacity of the organization to satisfy the needs of the internal and external actors of the organization, meaning its stakeholders: staff, shareholders, customers, suppliers, institutions"<sup>3</sup>. The social performance of the company implies the consideration of ethics in the business world. It is related to the notion of corporate social responsibility. It cannot be limited to the simple relationship between employer and employee, but takes into account, among other things, the environment in which the company operates. This encompasses the different stakeholders of the company as well as all the obligations and responsibilities of the latter the economic and social environment, and the legal and economic obligations of the company towards society

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<sup>1</sup> CORHAY (Albert) and MBANGALA (Mapapa). *Fondements de gestion financière : Manuel et applications*, Editions du CEFAL, 2008, p.265

<sup>2</sup> BRINGER (Jean) and coll, *Le conseil en organisation : évolution et perspectives*. L'Harmattan, Paris, 2011, p.125

<sup>3</sup> KHOUATRA (DJamel), *Gouvernance de l'entreprise et création de valeur partenariale* . Acte de la 16ème Conférence de l'AGRH, Paris Dauphine, du 15 au 16 septembre 2005

## Chapter 02: Key Performance Indicators Reviewed

### 2.3.6. Strategic performance:

In today's society where competitive pressure is exacerbated, the company must develop strategies that enable it of achieving its objectives and developing competitive advantages to differentiate itself from its competitors. The company is subsequently led to develop actions that could enabling it of achieving its strategic objectives. Strategic performance therefore, is the transformation of the company's strategic objectives into long-term performance.<sup>1</sup>

### 3. Marketing performance:

Marketing performance is viewed through the contribution of the marketing function to the company's performance, in the marketing performance field, researchers use the terms marketing effectiveness, marketing efficiency and marketing productivity interchangeably to elaborate on marketing performance albeit the fact that literature demonstrated the meaning of each term individually :

- **Marketing effectiveness:**

Effectiveness in performance, as mentioned previously, is considered as the degree of achievement of company's objective, the meaning remains the same for marketing effectiveness it reflects the extent to which marketing actions have helped the company to achieve its business goals<sup>2</sup>

- **Marketing efficiency:**

Efficiency presents the results of a business process, relatively to the resources allocate to its execution.

More specifically, efficiency concerns the relation between the results of marketing (marketing output) to the effort and resources put into marketing (marketing input), with the aim of maximising the former relative to the latter<sup>3</sup>

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<sup>1</sup> OUBYA (Ghozlene), *Contribution à l'étude des déterminants de la performance de l'entreprise: Impact de la création de valeur pour le client sur le performance des entreprises hôtelière en Tunisie*, doctorate thesis in management sciences, university of CÔTE D'AZUR, Nice, 2016, P. 41

<sup>2</sup> AMBLER (Tim) and col, *Assessing Market Performance: The Current State of Metrics*, centre for Marketing Working Paper 01-903, London Business School, London, (2001).

<sup>3</sup> GAO (Yuhui), *Measuring marketing performance: a review and a framework*, in The Marketing Review Vol. 10, 2010, PP. 25-40.

## Chapter 02: Key Performance Indicators Reviewed

- **Marketing productivity:**

Marketing productivity as “*the ratio of sales or net profits (effect produced) to marketing costs (energy expended) for a specific segment of the businesses*”<sup>1</sup>

### **3.1.Types of performance within the marketing performance:**

The marketing function consists of a host of varied activities; it has a strategic aspect presented by the operational marketing through the marketing strategy and its strategic objective. It has a competitive aspect expressed through the race between companies towards the acquisition of the biggest market share by creating different offers that enables them of offering a differentiated product to consumers. Finally, it has a socio-economic and a financial feature detected through the efforts put by the company to create a product that offers consumers a use value, also by the client relation management function of marketing in order to guarantee their loyalty towards the company in order to generate a profit margin that satisfies the company’s needs.

Through this explanation, it is possible to detect the types of performance related to the marketing performance:

- Strategic performance
- Competitive performance
- Socio-economic performance
- Financial performance

### **3.2.Measuring marketing performance:**

The Marketing function have always faced, doubt and critics concerning its contribution of marketing to the company’s performance, and financial accountability, therefore, Marketer are understandably, preoccupied with measuring marketing performance.

Early into the appearance of marketing measurement as a practice, companies would resort to one or a few volume base indicators to measure the marketing performance.

Several years later around the 1970’s, the multidimensional feature of marketing performance complicated the measurement process, as companies would usually focus only one aspect (effectiveness, efficiency or productivity) of marketing performance when establishing the

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<sup>1</sup> SEVIN (Charles Henry), *Marketing Productivity Analysis*, McGraw Hill, New York, 1965. P. 09

## Chapter 02: Key Performance Indicators Reviewed

objective, and marketing operators resorted to the use a large number of indicators to measure marketing performance .

After that, the interest in developing a suitable process to measure the marketing performance increased, resulting in the creation of relevant measurement systems using Key Performance Indicators. <sup>12</sup>

### **Section 02: A review of key performance indicators**

Key performance indicators both financial and non-financial are an important component of the information needed to explain a company's progress towards its stated goals. Yet, these indicators are not well understood by companies. Through this section, we will review the theoretic definition of performance indicators, the characteristics of choice of a key performance indicator and other theoretic concepts related to them.

#### **1. Definition of Indicators:**

As mentioned, on the previous section measuring performance is essential for the development and performance control. Measuring performance is not that hard of a task yet determining the most important indicators is rather difficult.

The UNI 11097 Standard classifies as quality indicator *“the qualitative and/or quantitative information on an examined phenomenon (or a process, or a result), which makes it possible to analyse its evolution and to check whether targets are met, driving actions and decisions”*<sup>3</sup>

This definition identifies three (03) important elements; it gives the definition of an indicator, it emphasises the role of an indicator for the analysing the company's evolution and finally it elaborate that the indicator must guide towards decision-making or an action.

The UNI 11097 develops on other basic requirements for indicators:<sup>4</sup>

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<sup>1</sup> GAO (Yuhui), Op;cit, P.9

<sup>2</sup> GRONHOLT (Lars) and MARTENSEN (Anne), *the marketing performance measures* ,in The Marketing Review, 2006, P. 244

<sup>3</sup> FRANCESHINI (Fiorenzo), GALETTO (Maurizio) and MAISANO( Domenico), *Management by Measurement Designing Key Indicators and Performance Measurement Systems*, Springer, Berlin, 2007 P. 8

<sup>4</sup> Ibid. P. 9

## Chapter 02: Key Performance Indicators Reviewed

- Representativeness;
- Simple and easy to interpret;
- Capable to indicate time-trends;
- Sensitive to changes within or outside the organization;
- Easy data collecting, processing and updating

### 1.2.A general classification of indicators:

The UNI 11097 standards provide a general classification of indicators based on the observation moment of the indicator along the process, three classification divides the indicator into three levels <sup>1</sup>

#### 1.2.1. Initial indicators (or structure indicators):

Initial indicators – or structure indicators – come at the planning process as it enables companies of determining whether the available asset allow the company to meet the established objectives, considering all the resources involved (human, material, financial, technological, etc.)

#### 1.2.2. Intermediate indicators (or process indicators):

These indicators provide the needed information to evaluate the process state. This type of control makes it possible to detect any unpredictable events affecting the process and taking the necessary measures to rectify them.

#### 1.2.3. Final indicators or (result indicators):

These are considered as the most important indicators as they reflect the evaluation of the results of a process; therefore, they reflect the degree of achievement of the process's objectives.

## 2. Definition of key performance indicators:

Giving a definition to KPIs can be a hard task, due to the variety of definition given to the term by different authors.

KPIs are a set of financial or non-financial indicators organizations use in order to estimate and fortify the level of achievement of their long-term goals or how successful they are.<sup>2</sup>

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<sup>1</sup> FRANCESHINI (Fiorenzo), GALETTO (Maurizio) and MAISANO( Domenico),*Op.cit. PP. 14-15*

<sup>2</sup>GRONHOLT (Lars) and MARTENSEN (Anne), *Op.cit, p.245*

## Chapter 02: Key Performance Indicators Reviewed

A KPI can also be considered as a measurement that evaluates how a company executes its strategic vision or the level of integration of an interactive strategy in the global strategy of the company.

Another definition of KPIs is the internal language to a company, used to measure the effectiveness of a project or the chances of its success.

The definition may vary yet the main concept stays the same for every one of them, KPIs are a set of indicators that measure a number of elements selected by the company to evaluate its performances.<sup>1</sup>

### **3. Characteristics of Key performance indicators:**

For each of the company's activities there are hundreds of KPIs that can be used to measure the wanted performance elements. To choose the suitable set of KPIs, a company must identify the indicators with the following characteristics:

#### **3.1. Conform to the company's strategy:**

This is the most important characteristic for a KPI. The "key" part of the denomination reflects the importance of the indicator to the analysis of its related strategy. There must be a clear link between the strategic objectives of the company and the chosen indicator. If this characteristic is missing then the indicator is an operational or a secondary metric. However, it cannot be considered a key performance indicator.

#### **3.2. Simple and easy to understand:**

As mentioned in the definition above the KPI is considered as an internal language to the company. Thus, it must be clear and simple of all employees at different functions and different management levels to understand. This might be an obvious characteristic, yet, it is imaginable the level of damage to the company's productivity done by a poor understanding of the company's KPIs.

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<sup>1</sup>WARREN (Jacques), *KEY PERFORMANCE INDICATORS (KPI) – DEFINITION AND ACTION*, internet online intelligence solutions, P. 5

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### 3.3. Allow for action:

Each KPI selected by the company must hold great importance at the operational level. An indicator that does not guide the company to the actions to take and does not influence the company's activity is not considered a KPI.

### 3.4. Contextual:

KPIs must be adaptable to the different condition and contexts of the company's general activity. It is not effective for a company to choose indicators that cannot adapt to the change of strategic objectives.

### 3.5. Limited and specific:

It is recommended for organizations to limit the use of the term key performance indicators to the most important metrics for a company's activity, limiting the number of KPIs promotes the clarity of the performance measurement.

### 3.6. Timely:

KPIs should be monitored continuously; they should be considered as a daily exercise of the company as they can be of a great value to the company if they are applied along the whole process.<sup>1</sup>

## 4. Benefit in the use of key performance indicators:

The key performance indicators enable the company of evaluating regularly its performance by giving it the capacity to measure financial and non-financial results, providing it along with a display the company's performance development trends and history. In addition, it provides the company with a uniform and transparent view of its performance development in the form of table or graphical captures, through witch strategic goals are linked to their respective main and support processes. Finally, by using the KPIs the company can define its priority needs easily and assign the human ressourcees to their suitable tasks.<sup>2</sup>

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<sup>1</sup> PARMENTER (David), *Key Performance Indicators, Developing, Implementing, and Using Winning KPIs*, John Wiley & Sons, Inc., New Jersey, 2010, P.11

<sup>2</sup> SYCHROVA (Lucie) and SIMBROVA ( Lveta), *Business and Management*, 7th International Scientific Conference, 2012, LITHUANIA, P. 490

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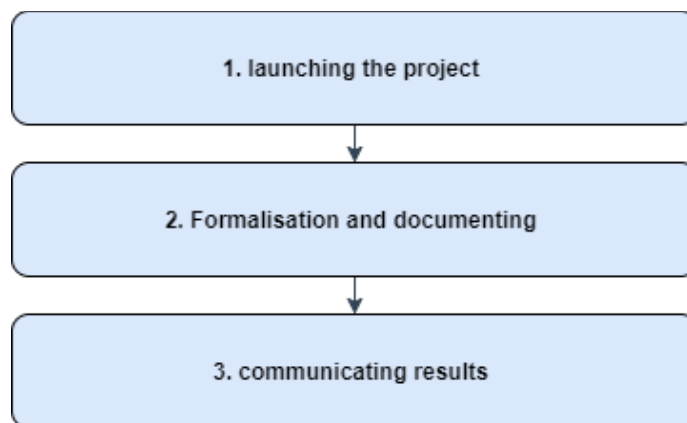
### 5. Establishing KPIs:

The selection and use of KPIs obeys the following rules:

- **Evolving everyone:** Allowing the heads or managers of the company's different departments to participate in the elaboration of the KPIs provides a detailed vision on the company's objectives by function. It is easier then to choose the most suitable and effective indicators for the company's general activity.
- **General consensus:** The choice of the company's KPIs must be the result of a general agreement between its different structures and it must result in a common understanding of the KPIS and their importance.
- **A personalized process:** The definition process of KPIs should be personal to each company. Companies operating in the same market or doing the same activity do not usually work in the same context as they have different backgrounds. KPIs are not a global solution that can be the same for all companies.

The establishment process of KPIs consists of three (03) steps:

**Figure N° 02:** The KPIs establishment process



**Source:** WARREN (Jacques), KEY PERFORMANCE INDICATORS (KPI) – DEFINITION AND ACTION, internet online intelligence solutions, P. 8

#### 5.1. Launching the project:

At the beginning of the process, the company defines the importance of the measured elements for its global strategy. It also elaborates the main question to be answered by the KPIs project. The engagement of all the concerned parties is essential, as each function will present its main

## Chapter 02: Key Performance Indicators Reviewed

objectives and their related metrics, which will later be analysed by the company in order to cover all of the company's activity.

### 5.2. Formalisation and documenting:

The KPIs project must be considered a formal exercise to the organization. The project calls for a thoroughly elaborated groundwork consisting of: the documentation of each KPI selected by the company with the related information and their sources such as the calculation method and the needed data, indicators influencing the KPI in question and the KPI's contribution to the development of the company's performance.

At this step, the company chooses the technology used in the calculation of the different indicators and the KPIs.

### 5.3. Communicating results:

As mentioned previously, KPIs concern all of the company's functions. The measurement process results must be shared amongst all concerned parties hence, the importance of the use of a common language that will be understood by all of the employees, this can be achieved using different presentation formats (texts or visuals) such as modern dashboards. The KPIs results reports must follow the Principle of clarity.

## 6. Key performance indicators in marketing:

As mentioned on the previous section of this chapter, the interest in measuring marketing performance is continuously increasing. This interest created need for a new knowledge for relevant marketing performance measures. Marketing literature offers a wide and varied palette of possible marketing performance measures, both from a theoretical and a practical perspective

The performance of a company's marketing strategy is not limited to its financial results, in a market of a very aggressive national and international competition performance concerns different elements of the company's activity:

## Chapter 02: Key Performance Indicators Reviewed

Table N° 01: marketing performance indicators.

Financial performance indicators	Market performance indicators	CRM performance indicators	Competition performance indicators
Turnover Marketing Profitability; Gross margin; Customer profitability; Customer gross margin; ROMI; Customer lifetime value.	Sales (volume and value); Sales to new customers; Sales trends; Market share (volume and value); Penetration rate;	Number of customers; Number of loyal customers; Customers retention rate; Number of new customers; Number of new prospects (leads) Conversion rate (leads to sales); Customer satisfaction rate;	Brand awareness rate; Relevance to consumer; Perceived differentiation level; Perceived quality/esteem level; Image/reputation; Perceived value.

Source: GRONHOLT (Lars) and MARTENSEN (Anne), Op.cit, P.248

### 6.1. Financial performance:

#### 6.1.1. Turnover:

The first indicator that captures the company's performance is the turnover as it represents the total amount of the company's sales out of all charges.

#### 6.1.2. Marketing Profitability:

Marketing profits are measured as net marketing contribution, which is composed of three major components: sales, marketing gross margin percentage and marketing expenses.

## Chapter 02: Key Performance Indicators Reviewed

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**Marketing profitability = sales \* marketing gross margin% – marketing expenses**

---

### 6.1.3. Gross margin:

This metric measures the percentage of the difference between the products cost to its sale price.

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**Gross margin = (Revenue – Product's costs) / Revenue.**

---

### 6.1.4. Customer profitability:

This metric analyses the company's profit from one specific customer or a group of costumers this indicator is usually used by companies with a limited number of customers.

---

**Customer profitability = sales per customer \* gross margin% - customer costs**

---

### 6.1.5. Customer gross margin:

It reflects the gross margin a company generates per costumer:

---

**Customer gross margin = (Revenue per customer – customer costs) / Revenue per customer.**

---

### 6.1.6. Return on marketing investment:

The purpose of this metric is to measure the degree of contribution of marketing expense to the company's profits:

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**ROMI = (Revenue- marketing costs)/ marketing costs**

---

## Chapter 02: Key Performance Indicators Reviewed

### 6.1.7. Customer lifetime value:

In marketing, a customer's lifetime value reflect the profit predictions related to a customer or a group of customers along the predicted period of relationship with them, the measurement might vary in accuracy yet in offers an interesting scope on the customer's contribution to the company's profits.

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$$\text{CLV (CLTV)} = \text{average purchase value} * \text{average purchase frequency} * \text{customer value}$$

---

### 6.2. Market performance:

**6.2.1. Sales (volume and value):** this reflects the number of sales in quantity of sold units and amount.

**6.2.2. Sales to new customers:** it expresses the sales operations towards new customers

**6.2.3. Sales trends:**

This metric reflects the development trend of sales along a specific period of time:

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$$\text{(Current period sales- prior period sales)/ Prior period sales}$$

---

### 6.2.4. Market share (volume and value):

It expresses the portion of a market occupied by the company's products or the portion controlled by the company:

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$$\text{Market share} = \frac{\text{total sales of the company}}{\text{total sales of the market}} * 100$$

---

## Chapter 02: Key Performance Indicators Reviewed

### 6.2.5. Penetration rate:

The penetration rate is the percentage of the target market that is reached by the company's product.

---

$$\text{Penetration rate} = (\text{Number of customers} / \text{Target market size}) * 100$$

---

**6.2.6. The target market size:** is the total number of people that the company's targets.

### 6.3. Client relationship management performance:

**6.3.1. Number of customers:** the number of people who have purchased the company's product.

**6.3.2. Number of loyal customers:** the number of customers who purchase frequently the company's products.

#### 6.3.3. Customer's retention rate:

It is the number of clients the company was able to retain over a specific period relative to the number of client at the beginning of that period:

---

$$\text{Retention rate} = [(\text{Number of customer at the end of a specific period} - \text{The number of customers obtained during that period}) / \text{Number of customers at the beginning of the period}] * 100$$

---

**6.3.4. Number of new customers:** the number of customers recently obtained by the company.

**6.3.5. Number of new prospects (leads):** it is the number of potential clients of the company.

#### 6.3.6. Conversion rate (leads to sales):

The percentage of potential clients turned into customers of the company.

---

$$\text{Conversion rate} = (\text{conversion} / \text{total number of leads}) * 100$$

---

## Chapter 02: Key Performance Indicators Reviewed

### 6.3.7. Customer satisfaction rate:

It is the ability of a product to satisfy or answer to the totality of the customers' needs. As customers satisfaction is a qualitative variable, this indicator is calculated through market inquiries towards customers:

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**Customer satisfaction rate: (total of positive responses/ total of responses)\*100**

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### 6.4. Competition performance:

The following metric are usually hard to calculate, not only due the fact that they are qualitative variables, the information related to their calculation are hard to collect. Yet, it can be done through several ways: surveys, google applications such as; google trends and google search console, analysing social media reach and surveys.

- **Google search console:**

For website owners, google search console is a free service offered by google enabling users of measuring their websites search traffic and performance. This can be a great data source for companies owning a web site to track their customers perception and behaviour towards their products.

- **Goole trends:**

It is a service offered by google Labs that allows users to see how often a term has been typed into the Google search engine, with the ability to view this data by region and language. This is a valuable source of data for companies. As it can be used to track how often their products or their brands are searched and compare them to those of competitors, to determine keywords related to their products or markets...etc.

- **Social media reach:**

Almost half of the world's population is using social media today. People are exchanging information between them through these platforms and they can be great source of information. Using hashtags and keywords enables the companies of defining how often they are mentioned,

## Chapter 02: Key Performance Indicators Reviewed

people's expectations and opinions of them and they can even use the platform to reach for consumers and collect specific information.

- **Surveys:**

The simplest method a company can use, launching surveys towards a selected segment is the most effective way to collect specific information related to a selected indicator.

### **6.4.1. Brand awareness:**

It is the extent to which customers are able to recognize the product's brand amongst other brands. Brand awareness is even more complicated to calculate, as the concept itself is quite vague.

### **6.4.2. Perceived differentiation:**

It is the manner in which a customer evaluate a product, a brand or a company to be superior to its competitors. This differentiation may be real as it might be a result of the customer's personal judgment.

### **6.4.3. Perceived quality/esteem:**

It is the customer's perception of the product's quality related to its degree of answering to the customer's expectations.

### **6.4.4. Image/reputation:**

It is the way the company, its activities and its products are seen or perceived by people in general.

### **6.4.5. Perceived value:**

It is the evaluation of the customer of the usefulness of a company's product to him. The perceived value is solely related to customer's personal perception.

## **Chapter 02: Key Performance Indicators Reviewed**

### **Conclusion:**

Through this chapter, we were able to understand the theoretic concepts of performance and that it reflects effectiveness, efficiency and relevance.

We were able to elaborate on corporate performance and we presented the different types of performance focusing mainly on marketing performance, which is essential for the development of the rest of our research.

Furthermore, this chapter evoked the concepts of key performance indicators and their characteristics. It also presented the elaboration process of key performance indicators.

Finally, it studied the core element of our research work, which is marketing key performance indicators as we presented through this chapter a number of marketing KPIs and their calculation formulas along with their interpretation.

## **Chapter 03: The Impact of the Marketing Strategy on The Company's Key Performance Indicators**

### **Chapter 03**

### **The Impact of the Marketing Strategy on The Company's Key Performance Indicators**

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### **Introduction:**

Thus far in our work, we presented the marketing strategy and the company's performance indicators from a theoretic perspective. This chapter will be the first step to studying these elements in an empirical context. We aim through this chapter to apply the marketing strategy and the company's performance indicators theories to the case of Ferroviai Algeria.

We will be opening the chapter by a brief presentation of the host company and analysing its environment. We will later pass into the presentation of the key elements of the company's marketing strategy, which are the strategic marketing elements and the operational marketing element called the marketing Mix.

To conclude, we will analyse Ferroviai's performance indicators development and the relation between the later and the marketing strategy by calculating the linear correlation coefficients between these performance indicators and the marketing budget.

# Chapter 03: The Impact of the Marketing Strategy on The Company's Key Performance Indicators

## Section 01: Presentation of Ferroviai Algeria

Ferroviai is a national public company that operates in the metallic industry field. At a certain point, the company was a reference brand to the metallic products of quality. Yet that did not last, as the company followed the mono-product strategy and focused most of its efforts to the railway industry, which is its core activity, neglecting the rest of the markets, the company started facing financial difficulties and reached a point where it was facing a deficit of about 40.000.000 DZD. It was then time to restudy the strategy and find solutions for the situation. The new assigned decision makers found that the answer was in opting for a diversification strategy and sensed the need for a functional marketing department and a profoundly studied marketing strategy.

Through this section, we will present the company and analyse its environment in order to set the context for our fieldwork:

### 1. Company data sheet:

**Figure N°01:** Ferroviai's Data sheet

**Company Name:** Ferroviai Algeria

**Legal structure:** Public economic enterprise, Joint Stock company (EPE, SPA)

**Share capital:** 2 254 100 000 DZD, wholly owned by the Algerian government

**Headquarters:** PO box 63 road El6-adjar 23000 Annaba – Algeria.

**Management authority:** Executive board with a chief executive officer.

**Activity:** construction of railway equipment and divers industrial products.

**Source:** [www.ferrovial.dz](http://www.ferrovial.dz) , 22/06/2020, 15:34

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### **2. History:**

Before 1962, the national production capacity in the rail industry was equal to zero; the industry had a complete reliability on importation, which effected the national economy to a great amount. To remedy the situation, developing the railway industry was the first step on the national development plan.

In 1967, the government nationalized the SNAF workshops and confide them to the national company for metallic construction "SN-METAL", creating by that "the unit Allellik". Equipped with all the necessary materials, the purpose of the unit was to answer to the local demand of the railway industry and minimize the importation of wagons on the short term. Master the technologies of the railway industry and aim for exportation on the long term.

As a result to the organic restructuring of companies, "the unit Allellik" became the national company for the construction of railway materials, shortened "Ferrovial".

Ferrovial is a national Algerian company that specializes in the rail industry. The company was created in 1983 due to the restructuring of the mother company "SN- METAL". The firm was later transformed into a stock company in 1989. It is directly related to the industry and mines ministry.

Ferrovial's corporate purpose includes studies, research, development, commercialization and exportation of metallic materials, equipment and constructions (the metallic industry).

### **3. Technologies and techniques in use:**

Ferrovial is one of Algeria's most performing and active companies. The equipment, constructions and techniques used by this company must be adapted to the importance of its activity and the value of its performance for the country's economy. The firm is equipped with high performance machinery and advanced equipment.

Ferrovial's qualified work force is endowed with the specific knowhow necessary for the industry of metallic constructions.

Standing on a surface of 320 000 m<sup>2</sup> the company owns five workshops each specialized in a host of activities indispensable for the company's performance. These activities are based on different technologies and techniques that the company masters due to its long years of experience and its adapted equipment: Technologies and techniques of mechanic manufacturing;

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Technologies and techniques of metallic manufacturing and, Technologies and techniques of forging. The plant is also equipped with an analysis laboratory for tests' control and supervision (chemical analysis, durability test and resilience test.)

### 4. The development plan:

As the only national company, handling the railway industry and as the leader of the said industry on the Maghreb area, Ferrovia is well aware of the great importance of its activity to the local economy. In order to reassure the stability of its activity and that of the national economy the company created a development plan that stands on a few main points:

- The constant training and performance control of all the employees;
- The acquisition of the information holdings and international production norms;
- The constant update of the computer and IT tools used in production as well as management;
- The renewal of the production equipment;
- The certification to international quality norms and focusing on a total quality approach;
- The development of the company's communication strategy.

### 5. Exportation History:

**Table N°01:** Ferrovia's exportation record

Product	Quantity	Year	Client
Ballast wagon	140	1976-1977	Iraq
Ballast wagon	30	/	Gabon
Ballast wagon	30	1979	France
Cement mixer	7000	1989	Russia
Covered wagon	500	1988-1989	Germany
Cement mixer 750L	5000	1995	Russia
Oil transportation wagon	250	2004	Iraq

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Flat wagons	2	2014	France
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Source: [www.ferrovial.dz](http://www.ferrovial.dz), 02/07/2020, 23:35

### 6. Partnerships:

In 2010, Ferrovial, in partnership with the European leader of the railway industry ALESTOM and the company EMA Algiers, created the mixed company "CITAL.

With a share capital of 2 100 000 000 DZD that is 41% held by Ferrovial Algeria, 10% EMA Algiers and 49% ALESTOM, the company specializes in the manufacturing, assembling and repairing of tramways and metros' cars as well as rails.

Ferrovial is also open for any sort of partnerships with national and international companies in any of its fields of activity.

### 7. Ferrovial's external environment analysis:

Prior to any decision action or, the marketing manager must collect and study all the information that can, directly or indirectly, influence the evolution of the company's target market. These information are collected through the analyse of the company's environment, which is divided into a macro-environment and microenvironment

#### 7.1. **External Macro-environment analysis: the PESTEL model:**

This analysis highlights the main factors that influence- or can possibly influence - a given market through the different elements of its macro-environment, which are the political environment, the economic environment, the social environment (or socio-cultural environment), the technological environment, the ecological environment and the legal environment:

##### 7.1.1. **Political environment:**

Ferrovial is a national company of a very important industry in the Algerian country, it is a given that the company is affected by the general political system of the country. Amongst the policies that most effect the company's performance, the increasing indulgence of the national government in the national companies' activities, as the strategic decisions of any national company must answer to the pre-established objectives put by the specialized authorities.

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The complicated procedures and the barriers put at exportation and importation, due to the barriers put at the face of international trade, Ferroviaal usually faces great difficulties when purchasing base material that cannot be found in Algeria. The company also faces many obstacles when exporting its products. In the same context, Ferroviaal's activity is also affected by the disadvantageous situation of the Algerian economy in terms of International trade taxes.

On the positive side, the company occasionally benefits of subsidies given to industrial public companies known as the investment envelope in the objective of upgrading the national production and developing the production capacities of national public companies. For the same objectives, Ferroviaal as a national company benefit of facilities related to financing the public companies by national banks.

### **7.1.2. Economic environment:**

In Ferro viaal's case, the company has a heavy impact on the Algerian economy. Since its creation, the company helped lift some heavy burdens off the Algerian economic system. Minimizing the importation of wagons, the company helped the government recover from 3 billion Algerian Dinars of loss annually.

The current management leaders of the company are even more aware the importance of the company's performance to the national economy. This is quite evident in the new strategic orientation of the company. The diversification of the production line and diverging further from the mono product strategy is one of the strategies that aim to secure the future of the company. The production of the shipping containers (maritime containers) by the company helps the Algerian economy reduce the annual expanses by four (04) to five (05) billion Algerian Dinars.

The investment allocated by the company for the acquisition of new equipment, machine tools and technologies enabled Ferroviaal of upgrading the quality of its products and answering to the different international quality norms, boosting then the exportations of the Algerian product that answers to the international demand.

As for the economic situation of the target market, Ferroviaal's activity divides into two product segments. The first is the rail industry products; which is the field of expertise of Ferroviaal since its creation. The rail industry is a growing market with many success opportunities that is predicted to grow by three percent (03%) in the African and middle eastern region in the coming

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three years and by (02.6%) worldwide (Check Appendix N°01), yet it is conditioned by a very rough competition.

The second is the rest of the diversification products offered by the company which fall back to the metallic industry, which is also a very promising market. Taking for example the shipping container, the demand on this product went through a constant growth since 2015. Between 2018 and 2019, the market knew a growth of five percent (05%) (Check Appendix N°02).

### **7.1.3. Technological Environment:**

The metallic industry is one of the industries that are most impacted by the technological development. The production process of metallic construction consists of many different operations of high precision; this gives an important opportunity to integrate new technologies into the process.

Ferrovial allocates great investments to the acquisition of the new technologies with the purpose of answering to their clients' needs by improving the quality, the cost and the time of production. Currently the company possesses two types of high technology machinery ; Oxytome, which is a machine of Oxy-cutting that produces metallic pieces with (+10 mm to 80mm) of thickness and Alplatome, which a plasma cutting machine that produces metallic pieces with (1mm to 12mm) of thickness.

Ferrovial is also working on the acquisition of new machinery with digital command, which will help the company produce high precision pieces.

Ferrovial's activity require the use of specialized designing software. In 2010, the company integrated its first designing software that works on two-dimensional designing. In 2015, they upgraded to three-dimensional designing with the software SolidWorks. Currently the company is planning the acquisition of new software that operates their future digital command machinery.

The company also possesses test laboratories with very sophisticated equipment for the testing of new products and innovations and quality tests.

The increasing focus on the digitalisation and the cyber security also has a great impact on Ferrovial's main field of activity it created the new concept of the smart railways market. This

## **Chapter 03: The Impact of the Marketing Strategy on The Company's Key Performance Indicators**

market offers a host of very recent technologies that change the merchandise transporting process drastically:

- Security and Safety Solutions: Video Surveillance and Analytics, Intrusion Detection, Access control, Fire alarm and voice evacuation
- Rail Communication and Networking System: Ground-To-Train Communication, Train-To-Train Communication
- Rail Asset Management and Maintenance Solutions
- Condition-based monitoring
- Predictive maintenance
- Rail Operation and Control Solutions

### **7.1.4. Socio-cultural environment:**

Most of Ferroviail's clients are corporate entities, and the nature of its activity does not require the definition of most social and cultural aspects of its target market. Yet the company builds relationship based on trust and mutual gaining with its clients. The technicity and the high complexity of its products reflects naturally the level of quality requirement by its clients. Ferroviail also offer its clients a constant assistance and maintenance for the purchased products.

Ferroviail's clients' expectations from the company's products rely on quality, reliability, resilience and security.

### **7.1.5. Ecological environment:**

Ferroviail's field of activity is known to be one of the most polluting industries, its different processes contribute to the air, water and soil pollution.

Ferroviail's activity produces specific types of waste that fall under the category of special waste materials that cannot be handled by the company's own means. Which is the reason why it collaborates with companies specialized in collecting industrial waste such as: "les roi de recuperation".

### **7.1.6. Legal environment:**

Ferroviail's first legal regulator is the contract held between the company and the clients, these contracts consists of clauses that treat every aspect of the purchase, it also provides a number

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of regulation related to unusual situations such as delays, non-conformities of products, possible damages arriving to products.

Being a company that operates in a high-risk industry Ferrovia's activity is also very much controlled by the labour law, such as the law N° 88/07 of 26.01.88 relative to the hygiene, security and occupational medicine, decree N° 93-184 of 27.07.93 regulating noise emission conditions.

Laws that protect the environment also regulate the company's activity. To mention a few:

- Law N° 01-19 of 12/12/2001 related to the management and control of waste elimination.
- Law N° 0.3-10 of 19/07/2003 related to the protection of the environment and sustainable development.
- Decree N°05-315 of 10/09/2005 fixing the declaration modalities of special dangerous waste
- Decree N° 05-495 of 26/12/2005 related to the audit of establishments with important electric consumption.

### **7.2. External microenvironment analysis:**

To analyse the microenvironment of the company, we will be using the five (05) forces (+ 01) model by Michael Porter which was thoroughly presented on the first chapter, this model as said enable the company of creating its competitive advantage by studying the different threats of its target market:

#### **7.2.1. Rivalry on the market:**

the rail industry, as mentioned above, is a very promising market, with many improvement and innovation opportunities so it is attractive for many companies that have the financial capacities and the technologies needed. In an international context, Ferrovia holds no competition to the giants of the rail industry to mention a few: Nippon Sharyo, Siemens, CSR, China CNR, Alstom, and Bombardier. Despite the quality of its products, the company does not answer the American norms of quality required by most demanding countries (Asian, European, American) the reason why most of its exportations are the result of political international agreements.

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As for the diversification products, the competition is even rougher, since more national rivals are to take into consideration as well. In spite of the advantages of experience, size, techniques, equipment and technologies owned by Ferrovia, the competition on the metallic industry is intense. Focusing mainly on the rail industry, Ferrovia is distracted from allocating major efforts to the diversification products, the reason why the company cannot keep up with competition.

### **7.2.2. Threat of new entrants:**

The rail industry is changing rapidly, and it is more requiring in terms of integration of the new digitalisation technologies. New companies who detect this need can rapidly enter the market and take large parts of it as well. Ferrovia must monitor the market and stay updated on every innovation that can help its performance.

### **7.2.3. Threat of substitute products:**

The substitute products represent products that offer the same use value as the company's products.

Ferrovia deals with a large panel of products; some are of high technicity that they do not face that great of a substitute products threat. For example, the incinerator furnaces or ovens that Ferrovia produces are marketed towards specific fields that deal with products of high toxicity or products that represent a certain danger to people's health or to the environment if they are not managed properly. In this case, the high technicity needed in the termination process makes the incinerator oven the only product that can answer to such need.

On the other hand, Ferrovia also produces a number of products that face this threat such as storage sheds that can be replaced by warehouses, water tanks can be substituted by water reservoirs. In conclusion, the important number of products that Ferrovia produces might amplify the threat of substitute product yet, the technicity characterising most of its products minimize the importance of this threat.

### **7.2.4. Bargaining power of suppliers:**

The bargaining power of suppliers increases according to the rarity of their offer. That is not the case for Ferrovia, the company deals with a wide panel of national and international suppliers. It also benefits from service offers from an important number of suppliers therefore,

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it has the power of choosing the suitable product at the convenient price according to the needed specifications. To mention a few number of Ferrovia's most important suppliers

**Table N°02:** List of Ferrovia's main suppliers

Supplier	
MG-VALDUNES- France	<b>International suppliers</b>
EMRE MAKINA-Turkey	
CIM-France	
GAMARRA- Spain	
DAKO Tchèque	
ORSIM	<b>National suppliers</b>
STIM	
SIDER EL-HADJAR	
PROWELD	
PROTUIL	

**Source:** Ferrovia purchase archives, supply and purchasing department, 23/07/2020, Ferrovia- Annaba.

### 7.2.5. Bargaining power of clients:

Most of Ferrovia's products are characterised by high technicity and complication and most the markets in which the company operates are markets of high risk. Therefore, it is only logical for clients to be demanding in terms of quality. Ferrovia is indeed depending on its clients and the company always tries to hold a relationship of trust and high efficiency for both parties.

Many companies, in the national and international market, supply the products of diversification that Ferrovia offers. Therefore, if the company does not answer to the client's needs in terms of quality and price they can easily find alternatives.

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**7.2.6. Government:** all companies are under the power of the national authorities. Ferroviail's activity has always been affected by the decisions of the Algerian legislator, due to its form of public company; Ferroviail does not have the complete autonomy over its strategic decisions.

### **Section 02: Ferroviail's marketing strategy:**

#### **1. The interview analysis**

##### **Introduction:**

During our internship period, we noticed that the company does not follow an official structured marketing strategy, all the actions were taken spontaneously, or in order to achieve a short-term objective. We were later informed that the marketing department was only recently created and the staff are in the process of elaborating the strategy.

In order to collect the needed information to grasp the main elements of the marketing strategy, a qualitative study was necessary. In this context, we held structured interviews (Check Appendix N°06) with the totality of the staff of the marketing department, which divides into a marketing service and a commercial service. In the following section, we will explain further the structure of the interviews' questions, the profile of the interviewees and analyse the results from which we will elaborate the company's marketing strategy:

##### **1.1. Structure of the interview held with marketing department's employees:**

The interview was divided into two main sections, the first section, titled general information, aims to collect information concerning the interviewees in order to define their profiles. The second one, titled information related to the company's activity subdivides into three secondary sections, each section deals with an aspect of the marketing function : CRM, Perception and Marketing strategy.

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### **1.2.Types of questions:**

#### **1.2.1. Closed questions:**

“Questions where we impose on the interlocutor a precise form of answering and limited choice of answers.”<sup>1</sup> In these questions we offered the interviewees a limited number of answers that they can choose from we used during the interview two types of closed questions:

**Multiple choice questions:** the interviewee can choose more than one answer

**Single choice questions:** The interviewee can only choose one answer

#### **1.2.2. Open questions:**

“It is the questions that give the interlocutor complete freedom in choosing the words to answer”<sup>2</sup>.

In these questions, we only guided the employees to the context of the question and gave them the freedom of choosing their words; we would only interfere in case we detect a misunderstanding or an out of context answer.

### **1.3.Objective of the interviews:**

The main objective of these interviews is to collect the information that will enable us of building the company's marketing strategy from the employees' knowledge and experience. It also aims to compare the knowledge of different employees concerning the company's marketing strategy according to their experiences within the company and their seniority. These interviews will help evaluate the employees' level of understanding of the main marketing concepts, which will clarify the company's engagement towards building a performing marketing department, thus the importance given by the company to the marketing function.

### **1.4.Analysing the interviews results:**

The interviews were held with a total of eleven (11) employee, most answers were similar especially those of employees of a close profile. In order to avoid the repetitive answers and privilege the relevance of our work, we found that summarizing all the answers as one will be the most fitting. Therefore we will be presenting the interviews results through the question and

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<sup>1</sup> GIONNELONI (Jean-Luc) et VERNETTE (Eric), étude de marché, Edition vuibert, Paris, 1995, P.258

<sup>2</sup> VANDERCAMMEN (Marc) : Marketing : l'essentiel pour comprendre, décider, agir, Edition De Boeck, Belgium, 2002, p.195.

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answer form, in some cases we will take into consideration the most relevant answers only based on the employees position, experience and knowledge. The answers will be then be used to structure Ferrovial's marketing strategy.

### 1.4.1. The interviewees profile:

**Table N°03:** Interviewees' profiles

<b>Position</b>	<b>Experience period</b>	<b>Field of experience and expertise</b>
<b>Marketing director</b>	<b>More than 15 years</b>	<ul style="list-style-type: none"> <li>• <b>Entrepreneurial management and international business</b></li> <li>• <b>development</b></li> <li>• <b>marketing management</b></li> <li>• <b>management control</b></li> <li>• <b>international partnerships and promotion to exportation</b></li> <li>• <b>strategic Marketing</b></li> <li>• <b>international marketing</b></li> </ul>
<b>Marketing manager</b>	<b>More than 15 years</b>	<ul style="list-style-type: none"> <li>• <b>Sales control</b></li> <li>• <b>Investment service management</b></li> <li>• <b>Corporate management</b></li> </ul>
<b>Sales manager</b>	<b>More than 15 years</b>	<ul style="list-style-type: none"> <li>• <b>Quality control</b></li> <li>• <b>After sales service management</b></li> <li>• <b>Production control</b></li> <li>• <b>Commercial service management</b></li> </ul>

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Marketing team leader	[5years-10years[	<ul style="list-style-type: none"> <li>• Sales Strategic marketing management</li> <li>• Purchasing and Supply management</li> <li>• Human resources management</li> <li>• Accounting</li> </ul>
Sales team leader	[10years-15years]	<ul style="list-style-type: none"> <li>• Patrimony management</li> <li>• General sources management</li> <li>• International commerce</li> </ul>
The marketing team The sales team	Less than 5 years	<ul style="list-style-type: none"> <li>• Management</li> <li>• Sales management</li> <li>• Business computing</li> <li>• Purchasing and supply management</li> </ul>

Source: interview answers

### 1.4.2. The answers:

Information related to the company's activity:

#### 1. CRM:

**Q1: Does the company maintain a direct and supportive relationship with its customers?**

Yes the company maintains a direct relationship with its clients to increase their loyalty to the company. This is done through a few simple actions of the commercial or marketing team or those in direct contact with clients, for example: the sales force contacts clients during different types of celebrations to send the company's good wishes. Sometimes the clients are invited into sorts of receptions to introduce new offers yet in a slightly less official context. In general The Company tries to build a close relationship with its customers.

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**Q2: What procedures does Ferrovia take to build customer loyalty?**

In addition to maintaining the direct relations, the usual procedure is promotions and discount on quantities or the total amounts of the purchases. The company also offers promotion to its most loyal clients. Ferrovia might also offer free services such as delivery or repairing or assembling for its special clients.

**Q3: What types of customer complaints does the company usually receive?**

Most complaints are related to the delay in delivering the products, at very rare occasions the company receives complaints on quality

**Q4: Are customers generally satisfied with the company's handling of their complaints?**

Mostly yes, customers are quite satisfied with the way Ferrovia handles their complaints.

### **2. Perception:**

**Q1: Does the company meet customer expectations in terms of product quality?**

Yes, our clients are very satisfied with the quality of the products.

**Q2: Does the company take responsibility in case of non-conformity of the delivered products?**

Definitely, the company never denies its responsibility when it comes to the non-conformity of its products to what was set on the contract or to the clients' expectations or even to the manufacturing norms

### **Marketing strategy:**

**Q1: What are the marketing objectives set and over what period, and what their measurement indicators?**

We are working on improving our image in the market and taking back our position as a reference brand to metallic production. The only indicator we take into consideration is the company's turnover.

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### **Q2: What are Ferrovia's competitive advantages?**

The quality of its products and their resilience, the very competitive prices and the very long experience in the field.

### **Q3: What is the optimal segmentation method the company's uses in order to elaborate the operational marketing (marketing mix)?**

We approach our clients by groups requesting the same types of products.

### **Q4: Does the marketing strategy in place have a direct impact on the company's performance?**

Yes, we find that marketing comes at the core of our activity as it enables us of introducing our products to the clients

### **Q5: At what level of the commercialization process would you judge the engagement of the marketing strategy?**

At every level of the process as a company's communication should take place at the very beginning of its activity

### **Q6: What are the company's future perceptions and what are the possible obstacles to their realization?**

For the coming five years we aim to finalize the contracts, we are currently holding we also aim to promote in advantage our diversification strategy. We aspire to build a new name and image for ourselves. We really wish to bring this company to its full potential.

As for the obstacles, the market is becoming rougher and rougher each year and competition is finding new ways to concur the market when Ferrovia is still far behind on innovation, our activity will be in great danger if the national government opens doors to the importation of international products. Another major obstacle is the loss of the company's know-how, this is a problem that Ferrovia suffered from for many years as most employees that hold the company's technical knowledge are retiring.

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### Q7: What are the different forms of communication used by the company?

National and international fairs, catalogues, panels, prospection, website.

#### 1.4.3. Conclusion:

These interviews provided us with the needed information to structure Ferrovia's marketing strategy. We must note that at many occasions we found that the marketing direction employees lack in knowledge of some basic marketing concepts, where we needed to clarify the concepts in order to guarantee the relevance of the answers. With some of the employees we detected a confusion between the concept of marketing and that of advertising as most would answer that marketing is equal to the company's communication.

## 2. Ferrovia's marketing strategy

### 2.1. Company's objectives:

Ferrovia elaborates its objectives on the five years to come; the established objectives are related to no performance indicator other than the annual turnover. Yet, they take into consideration the deadlines of the signed contracts that the companies wishes to deliver on time.

#### 2.1.1. Quantitative Objectives:

##### Turnover objectives:

The company aims to reach an annual turnover of 1 000 KDZD by the end of the current year and hold a stable annual increase of 500 KDZD on the five (05) next years.

**Table N° 04:** Turnover objectives for the period of 2021-2025

YEAR	Objective (KDZD)
2021	1500
2022	2000
2023	2500
2024	3000
2025	3500

**Source:** interviews with the marketing department employees.

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### **Activity objectives:**

The company hopes to overcome the current international supply issues resulting from procedures taken by the national authorities to face the current pandemic. In order to start answering to the orders on the maritime containers.

Ferrovial aims to produce, starting 2021, 2 000 containers per year. This objective is conditioned by the ability to obtain the base materials from the international suppliers.

In addition to these objectives, Ferrovial also aims to finalize a number of contracts on the period of the five years to come:

- 2021: the contract with Naftal;
- 2022: the wagon maintenance contract with SNTF;
- 2023-2024: the wagon contact with SNTF;
- 2025: the contract of the common project with SNTF and the port of Annaba

### **2.1.2. Qualitative objectives:**

Ferrovial built a number of qualitative objectives that aim to polish the company's image on the market and regain the trust of its clients.

The first objective is to regain its positioning as reference brand in the metal product industry. In addition to that, the company aims to communicate often with older clients in order to renew the relations with them and inform them on the new products and services. Ferrovial also aims to improve its image on the market and delete the negative ideas related to its name.

## **2.2.The fundamental strategic decisions:**

### **2.2.1. Segmentation:**

A sound segmentation of the market is very important for the company's activity. Ferrovial follows a simple segmentation system. First, it divides the market into macro segments of potential clients. These segments are then sorted into groups according to different types of products. This show that Ferrovial follows the macro- segmentation strategy, which is logical for a company operating mostly in B-to-B context as explained by LAMBIN (Jean-Jacques) and DE MOERLOOSE (Chantal) 2008.

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### **2.2.2. Targeting:**

Ferrovial follows two targeting strategies

#### **Differentiated targeting:**

The company takes in consideration the totality of the market yet it does not offer a standardized product. It offers a large panel of products that answer to different types of needs. For example, the company targets construction companies of different sizes and that deal with different types of projects therefore, its offers them small cement mixers, the 750 liters' cement mixers and even central mixing plants.

#### **Customization:**

Ferrovial offers the customization service for its clients; any modifications can be executed on the products according to the clients' needs as the equipment used by the company allows any modifications needed on the production process.

### **2.2.3. Positioning:**

Ferrovial aims, through its positioning, to create a competitive advantage that sets it apart from competitors. The firm follows two types of differentiation strategies:

#### **Differentiation by attributes:**

Ferrovial holds pride in the quality and resilience of its products. Technical experiments showed that the Ferrovia wagon could live up to 70 years with the right maintenance.

#### **Differentiation by price:**

The company also offers most of its products at well-studied price that creates an optimal quality-price ratio. That differentiates it from the prices of the competition.

### **2.3. The marketing mix:**

#### **2.3.1. Product policy:**

The company offers a number of products and services that answer to the different needs of its market:

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### 1) Production and commercialization of metallic equipment and constructions:

The company offers lines of products that answer to the different needs of the metallic industry clients:

- **Rail materials and equipment:** switch and yard locomotives, all types of wagons, wagon bogies, Chassis for wagons and other rail vehicles, Catenaries and railway spacers.
- **Public constructions equipment:** Cement or concrete mixer
- **Stamped and forged metal products**
- **Different types of tanks and containers:** water tanks, cement tank cars, oil (petroleum) tank cars, gas tanks, Storage silos, Gauging tanks, Retention containers.
- **Flatbed trailers and handling trollies**
- **Metallic pylons**
- **Maritime containers**

Ferrovial Algeria possesses the necessary knowhow and the needed materials and equipment to produce a number of products according to the clients' needs such as

- **Drying and incinerator furnaces**
- **Modular construction**
- **Storage sheds**

### 2) Development and fabrication of personalized and diversified products according to clients' needs.

### 3) Assembling and maintenance of the purchased products by the company's clients.

### 4) Exportation of products

#### 2.3.2. Price policy:

The pricing policy is built by the marketing department along with the accounting department. Ferrovial follows the cost plus pricing policy.

**Cost plus pricing:** the company calculates all the cost related the its activity such as the base material purchasing costs and the production costs and adds a profit margin that lies between 10% and 25% according to the type of product.

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$$\text{Price} = \text{Base material's purchasing costs} + \text{production cost} + \text{Profit margin}.$$

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### **2.3.3. Distribution policy:**

Ferrovial's activity and the large panel of product it offers requires the engagement of different types of distribution channels. The company chooses the suitable distribution channel according to the type of the product, the quantity and the type of the client.

Therefore, Ferroviaal uses the three types of distribution channels, the ultra-short or direct distribution channel, the short distribution channel or the long distribution channel.

### **2.3.4. Communication policy:**

- **Catalogues:**

Ferrovial prints a number of catalogues annually in order to distribute them to potential clients and suppliers, in order to introduce the company to those who are unfamiliar with it and inform them on its different offers. The company sends these catalogues to older clients and suppliers also to inform them on any new products and services. In these catalogues the firms also tries to inform on its fields of experience and the possibilities of its activity to give room for any propositions from clients.

- **Panels:**

The company prints a number of panels that are found around the area of its headquarters in order to guide clients towards its position and to inform on its activity to those who do not know it. Other panels are printed to use them on national and international expositions.

- **Prospection and sale's force:**

For years, Ferroviaal's communication strategy was mainly composed of the sale's force efforts and prospections. Employees would visit potential clients, introduce the company and its products, and use their personal skills to convince them into signing contracts with Ferroviaal. In spite of the potential of this communication method, it is not benefitting the company as it used to due to the lack of the suitable people for such mission currently.

It use also the sales force responsibility to hold the relationships with company's clients by paying them occasional visits or calling them in certain occasions or inviting them into receptions held by Ferroviaal.

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- **Specialized conferences and national and international fairs and expositions:**

Ferrovial participates frequently in national and international exposition related to its different fields of activity, these expositions allow the company to introduce itself to new clients, partners or suppliers, and thus, it enables it of enlarging its connections circle. Through these expositions, the company can also introduce its different offers and even sign selling contracts. They also can be a great opportunity to create the desired image of the company by choosing channelling the desire image through the company's stand, the people and the exposition itself.

- **Website:**

Ferrovial owns its personal website ([www.ferrovial.com](http://www.ferrovial.com)), through this website the company informs the clients on its different offers, the characteristics of its products and provides the information needed to contact the company.

- **Sales promotion:**

An important vector for the company to maintain its relations with clients, ferrovial offers promotion and discounts for clients in many different cases; discount on important quantities, discount on the important amount of the purchase and even discounts related to the clients' seniority or loyalty to the company.

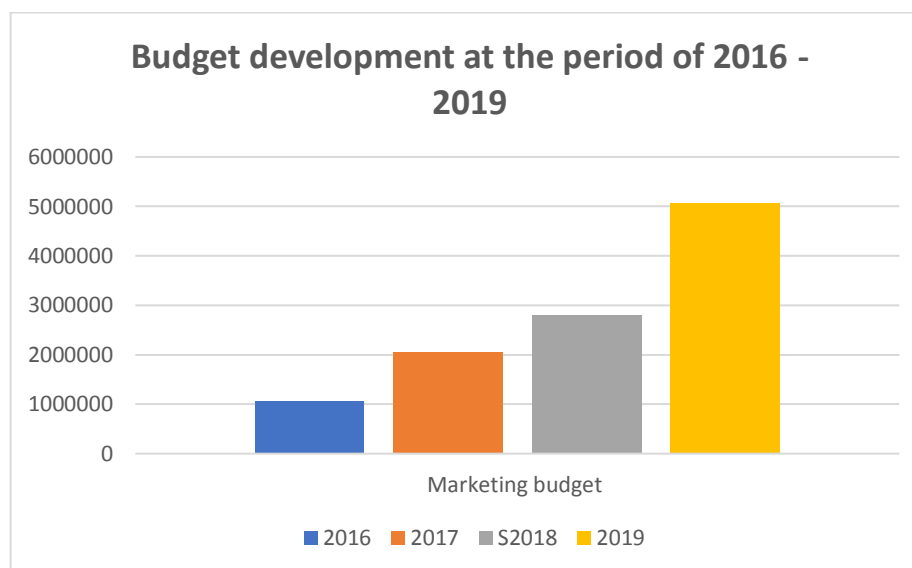
### **2.4. The marketing budget:**

The budget allocated by Ferrovia for marketing sums all the expenses related to communication with clients, publicity, market studies, acquisition of information resources and training of the marketing and commercial teams...etc.

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### 2.4.1. Budget development:

Figure N° 02: Budget development at the period of 2016 -2019



Source: Office Excel

### 2.4.2. Analysing the budget development :

It is clear that the company is progressively increasing the marketing efforts as showed on the previous figure. The marketing budget increased by an amount of 4 008 476 DZD between 2016 and 2019. This reflects the importance given to marketing function through time. The activity of the marketing function was mostly apparent on the years 2018 and 2019 as more budget was allocated to advertising, fairs and conferences, in 2019; the company gave importance to training in order to develop the collective know-how and expertise of employees (Check Appendix N°04).

## **Section 03: Performance indicators and marketing budget:**

### **1. Ferrovia's key performance indicators:**

To evaluate to company's performance we choose three key performance indicators, which are the Turnover, the sales and the number of clients.

- **Turnover:**

This indicator is the most important from the host company's perspective, as it reflect the annual revenues and their development without taking count of the different charges. Therefore, this indicator reflect the situation of the transactions between the company and its clients and can

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give interesting data related to the company's activity the change in its strategic orientation or its business environment

- **Sales:**

This indicator is even more representative than the turnover as sales reflect the exact number of transactions done with the clients without considering their amounts.

- **Number of clients:**

Managing a client portfolio is indispensable for any company's activity. The number of clients is one of the most important indicators and it can be used to analyse many aspects of the company's performance as it speaks for the company's reach into the market and the efficiency of its communication, it can also reflect the loyalty of the company's clients.

The choice of these indicators was also conditioned by the information that the host company was ready to divulge.

### 1.1. Turnover

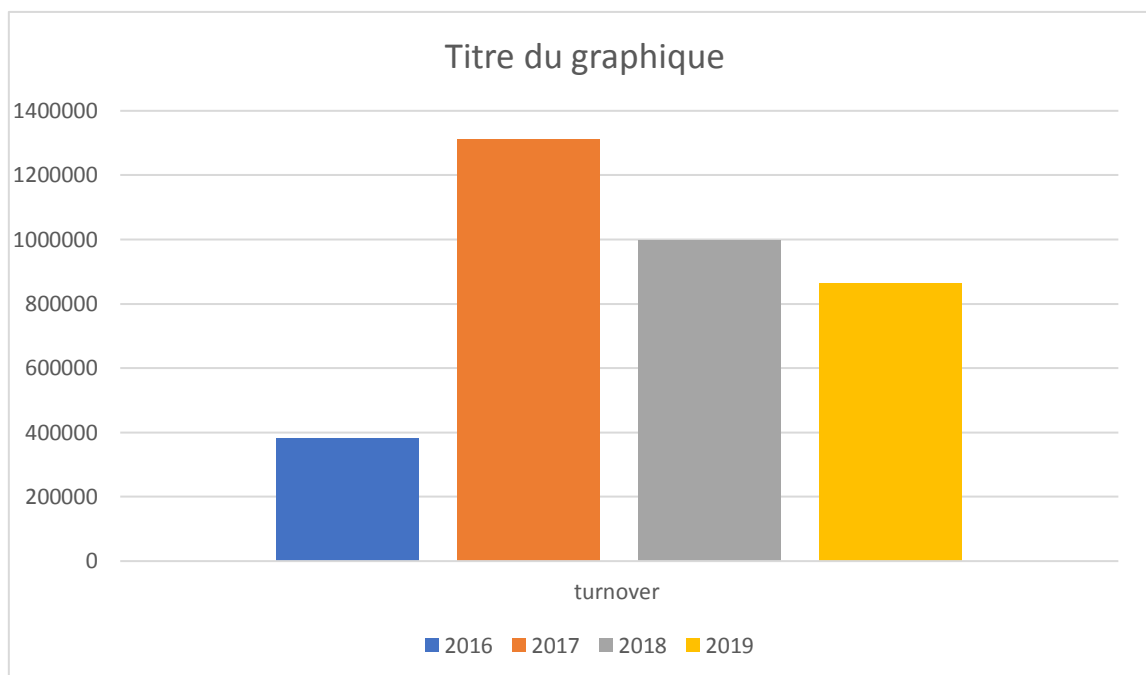
**Table N°05:** Turnover development over the period of 2016-2019

<b>Year</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Turnover (K DZD)</b>	<b>381 359</b>	<b>1 310 104</b>	<b>996 367</b>	<b>862 054</b>

**Source:** Ferrovia's sales journal, sales department, 13/07/2020, Ferrovia- Annaba.

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Figure N°03: Turnover development over the period of 2016-2019



Source: Office Excel

### Analysing the turnover:

In 2016, the company started its activity controlled by a previous negative cash flow, which affected its investment capacity for the year. The production capacity was very low due to the malfunctioning of the production equipment, which was by then outpaced by the technological development. This obstacle also effected the company's purchase capacity of base materials, hence, the very limited activity the company had with older clients.

The turnover raised by 928 745 K DZD in 2017, as a result to the exploitation of an investment envelope that company received from The Algerian National Bank (BNA). The objective was to develop the production capacity and renovate the production equipment in order to deliver the national companies orders of Wagons, mainly those of The National Company of railway Transportations (SNTF), and indeed the company was able to deliver an important number of wagons, which participated majorly in the increase of the Turnover. At this point, the company also started working on its diversification strategy and launching new products on the market.

By 2018, the Turnover fell by 313 737, yet the company was holding an interesting activity. The fell in the turnover is explained by the change in the company's orientations, the wagon activity, which was the company's usual main market, was rather low on 2015. Ferro vial was

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rather expending its diversification strategy and realizing the importance of the marketing function, thus, the marketing efforts were intensified. As a result, the company was able to get an important number of new clients to mention a few: ENOF, Group JK, ETTARKIB, Group Agrodiv, AQS BELLAR Jijel, ENAVA Chlef and many other public and private clients. The company also gave importance to the maintaining of the relationships with older clients, which resulted in the creation of new contracts with a number of them such as Group Sider and Somiphos and INFRAFER.

In 2019, despite the fall in the company's turnover the activity was rather high. The fall is mainly related to the absence of the wagon activity in 2019 as the company delivered a very small number of wagons to the SNTF and the STPE. On the other hand, the company paid even more attention the marketing function and maintaining the client relations. Therefore, Ferroviail was able to sign new important contract with the new client Logitrans. In addition, the company was able to promote its maintenance services activity.

### **1.2.Sales:**

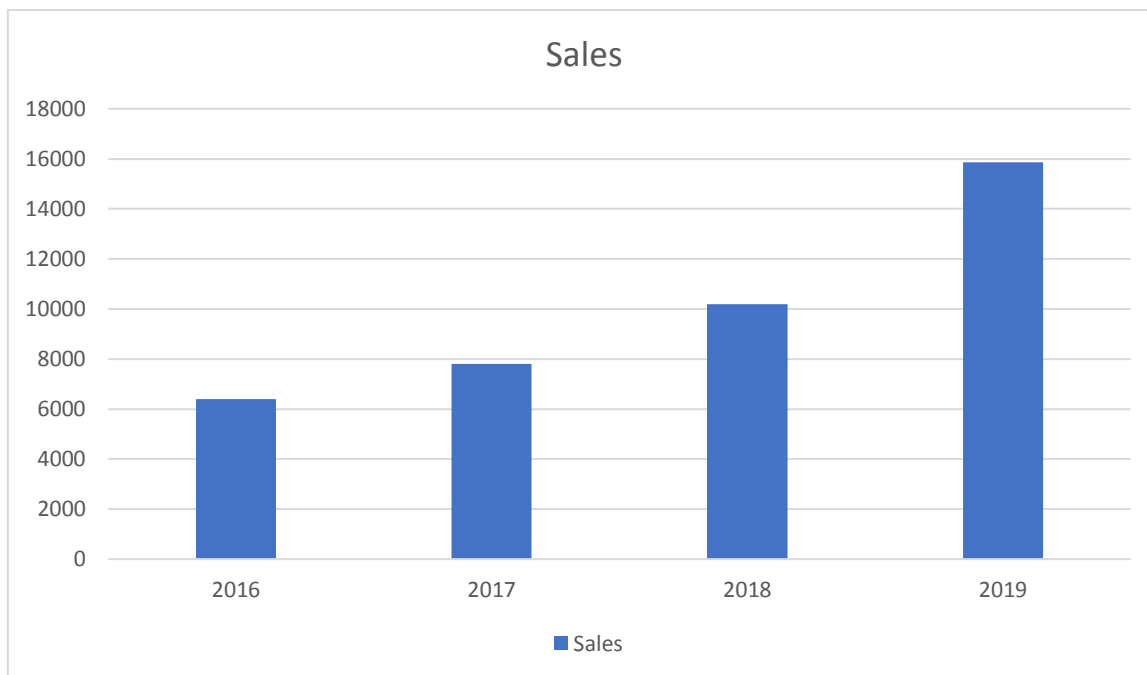
**Table N°06:** sales development over the period of 2016-2019

<b>Year</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Sales (units)</b>	<b>6 394</b>	<b>7 803</b>	<b>10 186</b>	<b>15 865</b>

**Source:** Ferroviail's sales journal, sales department, 02/09/2020, Ferroviail- Annaba.

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**Figure N°04:** sales development over the period of 2016-2019



**Source:** Office Excel

### **Analysing the sales development:**

As explained previously the company, in 2016, Ferroviaria was facing a negative cash flow that limited its activity majorly. The company overcame this obstacle slightly in 2017 by benefitting from subsidies offered by the government through the BNA, the sales increased during this year by 1409 units that count amongst them the national companies' orders of wagons and a number of the company's diversification products. By 2018 the sales raised by 2 383 units that are composed mainly if the company diversification products promoting then the new strategy aiming to diverge from the mono product. in 2019 the sale reached 15 856 units with a raise of 5 679 units, most soled products fall under the diversification products category reinforcing by that the company's new orientations.

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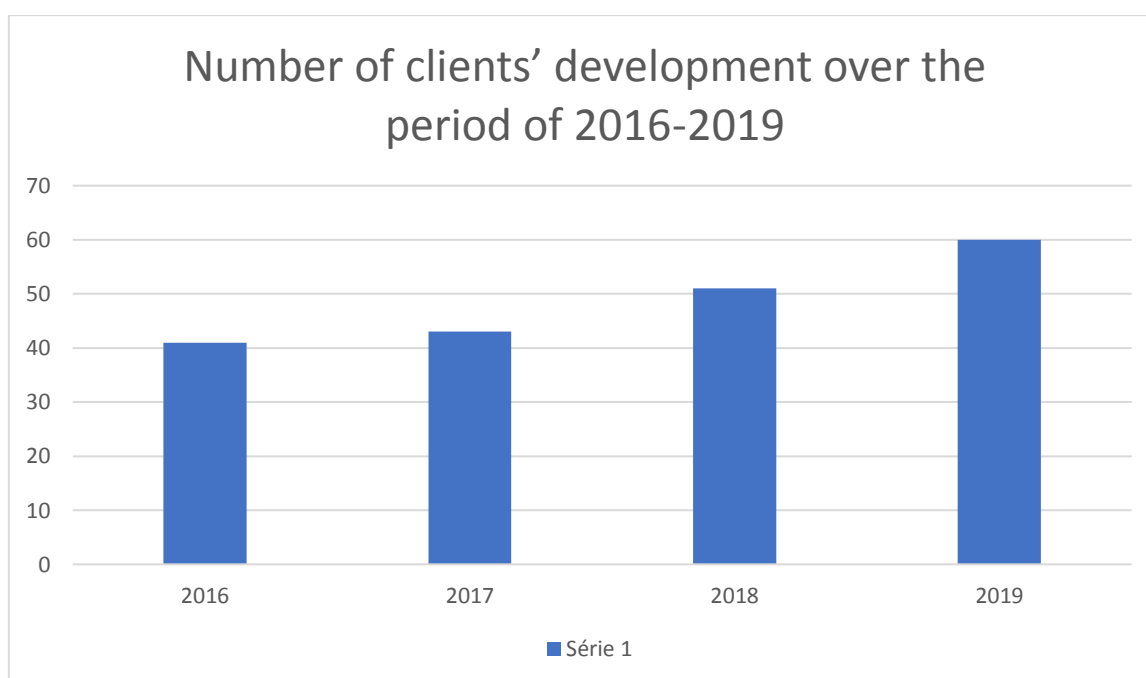
### 1.3.Number of clients:

**Table N°07:** Number of clients' development over the period of 2016-2019

Year	2016	2017	2018	2019
Number of client	41	43	51	60

**Source:** Ferrovia's sales journal, sales department, 03/09/2020, Ferrovia- Annaba.

**Figure N° 05:** Number of clients' development over the period of 2016-2019



**Source:** Office Excel

### 2. The impact of the marketing budget on the performance indicators:

To confirm the existence of a relation between the marketing strategy and the company's performance indicators we choose to evaluate the relation between the marketing budget and the different performance indicators using the Pearson's correlation coefficient.

#### 2.1.The linear correlation coefficient:

Correlation coefficients are used in statistics to measure the strength of a relationship between two variables. The most commonly used one is the Pearson's correlation coefficient or the linear correlation coefficient

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### 2.2.Definition:

The linear correlation coefficient measures how two sets of data are related in a linear regression. Thus, it clarifies the whether there is a linear relationship between two sets of data and whether it is positive or negative.

### 2.3.Formula:

$$r = \frac{\sum_{i=1}^n (X_i - \bar{X})(Y_i - \bar{Y})}{\sqrt{\sum_{i=1}^n (X_i - \bar{X})^2} \sqrt{\sum_{i=1}^n (Y_i - \bar{Y})^2}}$$

### 2.4.Interpretation:

The linear correlation coefficient's value is always between 1 and (-1):

$$r = |1|$$

*r is close to 1*: there is a strong positive correlation between the variables X and Y

*r > 0*: there is a positive correlation between the variables X and Y

*r = 0*: the variables X and Y are completely independent.

*r < 0*: there is a negative correlation between the variables X and Y

*r is close to 0*: here is a week correlation between the variables X and Y

*r is close to -1*: there is a strong negative correlation between the variables X and Y

### 2.5.Correlation between marketing budget and performance indicators:

To calculate the linear correlation coefficient between the marketing budget and the performance indicators we used the excel software as it provides the needed function to calculate the coefficient and present it directly as an output (Check Appendix N°05).

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### **2.5.1. The linear correlation coefficient between the marketing budget and the turnover:**

$$r = 0.26$$

- The coefficient is close to zero (0), there is a weak positive linear correlation between the marketing budget and the Turnover.

### **2.5.2. The linear correlation coefficient between the marketing budget and the sales:**

$$r = 0.83$$

- The coefficient is close to one (1), there is a strong positive linear correlation between the marketing budget and the sales.

### **2.5.3. The linear correlation coefficient between the marketing budget and the number of clients:**

$$r = 0.97$$

- The coefficient is very close to one (1), there is a strong (almost perfect) positive linear correlation between the marketing budget and the number of clients.

### **2.6. Conclusion:**

There is a positive relation between the marketing budget and the performance indicators; this relation is very weak with the turnover yet very strong almost perfect with sales and the number of clients. In short, we can conclude that there is a relatively strong positive linear relationship between the marketing budget, which represents the expenses related to the execution of the marketing strategy, and the performance indicators, therefore, we can deduce the existence of a positive relationship between the marketing strategy and the company's performance indicators.

## **Chapter 03: The Impact of the Marketing Strategy on The Company's Key Performance Indicators**

### **Conclusion:**

This chapter of our research work enabled us of introducing the company Ferrovia and analysing its external environment, as we concluded that the company is operating in a very competitive environment , thus, the importance of elaborating a thoroughly studied marketing strategy in order to survive on the market guarantee its profitability.

We later explained that the company does not follow an official marketing strategy yet. This situation lead us to the use of a qualitative research tool By holding a number of structured interviews with the marketing direction employees, through which we were able to define the key elements of the company's main marketing strategic decisions and its marketing Mix.

We presented then the company's performance development for the past four (04) years; through its turnover, sales and number of clients and we proceeded to analysing this development based on the company's history and the changes occurring on its strategic orientations through these years.

Finally, we tested the relation between the company's marketing strategy and its performance indicators using a statistics' measurement coefficient that enabled us of detecting the existence of a positive correlation between the company's marketing strategy and its performance indicators.

## Chapter 04: Survey

**Chapter 04**  
**The Survey**

## **Chapter 04: Survey**

### **Introduction:**

Hitherto, we were able to present Ferrovia's marketing strategy and test the relation between the latter and the company's key performance indicators using the Pearson correlation coefficient. Yet, the use of the coefficient is not sufficient to answer the main question of our study as the coefficient only tests the existence of a linear correlation and does not provide a profound insight on the relation conditions between the variables.

In order to promote the relevance of our research and to answer to the scientific research quality requirements, we decided to make use of a quantitative research tool. The survey will enable us of collecting the necessary information from a client's perspective in order to compare them to those collected from the company for the finality of testing the validity of our hypothesis.

The use of the survey will allow us to collect the clients' opinions and perspectives on the company in an objective manner permitting us to reflect the honest situation of the company. This will give us a chance to evaluate the efficiency of the marketing strategy in order to build a set of recommendations that would help the company optimize the marketing efforts and overcome any shortcomings if found.

## **Chapter 04: Survey**

### **Section 01: Survey results**

In order to answer to the main question of our research work, we choose to consolidate the results of our qualitative research with quantitative research tool. Therefore, we launched a survey (Check Appendix N°09) amongst fifteen (15) of Ferrovia's most active clients.

#### **1. Survey's structure:**

This survey will be composed of two main blocks. The first one will study the clients behavioural and perspective characteristics according to their seniority or period as clients of the company. The second block will simultaneously study the clients' perception of the company's image and their perception of the company's communication along with their reactivity towards it.

#### **2. Objective of the survey:**

The purpose of this survey is to collect information related to the clients' perception of the company's image, their behaviour and reactivity to different forms of advertising and to the company's communication in general. It also aims determine the existence of behavioural or perspective characteristics shared between the homogenous groups of clients

#### **3. Sampling:**

The population of this survey is composed all the clients of the company Ferrovia, due to the obstacles we found in contacting all the clients, we decided to use the sampling method by choosing a presentative sample of the 15 most active clients. Their answers will be analysed and presented in the forms of percentages that will be extrapolated to the rest of the population

#### **4. Types of questions:**

##### **4.1. Closed questions:**

Where the respondents was given a number of answers from which he could choose, under this category we used:

- **Dichotomous questions.**
- **Multiple choice questions**

##### **4.2. Scales of measurement:**

These questions facilitate the evaluation attitudes and opinions on graduated scales.<sup>1</sup> In our survey we used two types of measurement scales:

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<sup>1</sup> DEMEUR (Claude), aide mémoire marketing, Edition DUNOD, 6th edition, Paris, 2008, p88.

## Chapter 04: Survey

### 4.2.1. The scale of Likert:

Its objective is the measurement of opinions or attitudes of the respondents to the survey questions, the scale has a central value indicating a neutral attitude towards a particular notion and accordingly the values corresponding to the attitudes of negation and acceptance of various intensity.<sup>1</sup>

### 4.2.2. The scale of Osgood:

The concept of the Osgood scale referred to as the semantic scale or the semantic differential, In contrast to the Likert scale, this concept focuses more on assessing the level of intensity of a phenomenon or the state of the object that is perceptible by the respondent through specifying it in the semantic form.<sup>2</sup>

## 5. Analysing the survey results:

### 5.1.Flat sorting

**Q1: For how long have you been a client of Ferrovia?**

**Table N°01:** Clients' distribution by seniority

	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid [5years- 10years[	9	60,0	60,0	60,0
Less than 5 years	3	20,0	20,0	80,0
[10years-15years]	2	13,3	13,3	93,3
More than 15 years	1	6,7	6,7	100,0
Total	15	100,0	100,0	

**Source: SPSS Output**

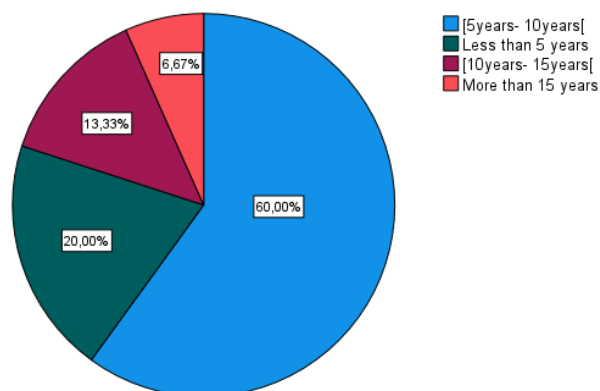
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<sup>1</sup> IWONA (Foryś), RADOSLAW (Gaca), APPLICATION OF THE LIKERT AND OSGOOD SCALES TO QUANTIFY THE QUALITATIVE FEATURES OF REAL ESTATE PROPERTIES, University of Szczecin, Faculty of Economics and Management, 2015, P.9

<sup>2</sup> Idem, P.9

## Chapter 04: Survey

**Figure N° 01:** Clients' distribution by seniority



**Source: SPSS output**

**Comment:**

60% of the answers have been clients for Ferrovia between 5 and 10 years. 20% have been clients for less than 5 years; the lasting 20% are clients for over 10 years.

**Q2: Through which of these supports do you communicate with company the most?**

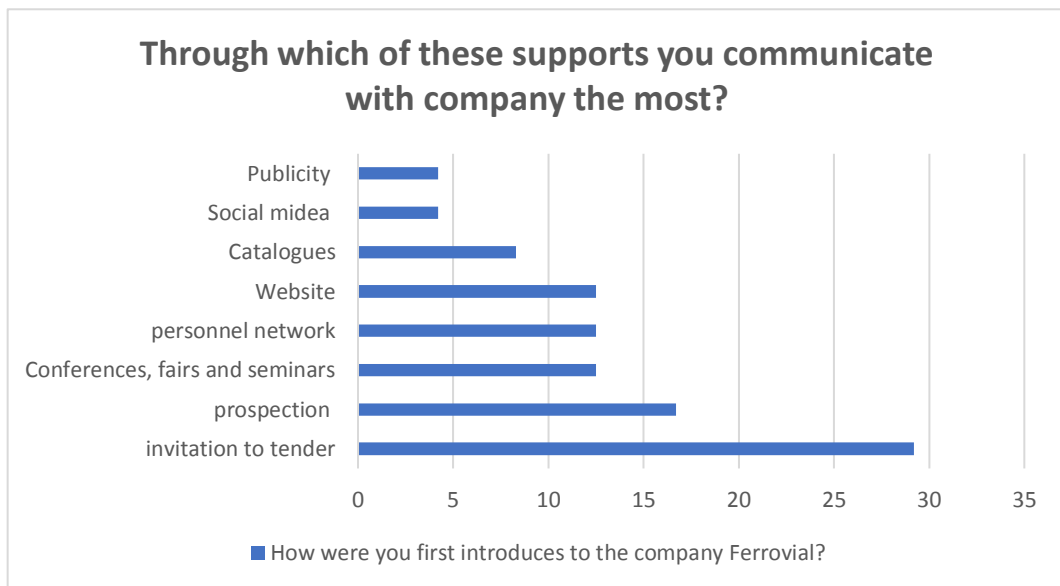
**Table N°02:** Communication supports between the client and Ferrovia

	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid Invitation to tender	7	29,2	29,2	29,2
Prospection done by Ferrovia	4	16,7	16,7	45,9
Conferences, fairs and expositions	3	12,5	12,5	58,4
Website	3	12,5	12,5	70,9
Personnel network	3	12,5	12,5	83,4
Catalogues	2	8,3	8,3	91,7
Social media	1	4,2	4,2	95,9
Publicity	1	4,2	4,2	100
Total	24	100,0	100,0	

**Source: SPSS Output**

## Chapter 04: Survey

**Figure N° 02:** Communication supports between the client and Ferrovia



**Source:** Office Excel

**Comment:**

Most clients find that the company communicates through its invitations to tender or prospection by Ferrovia respectively 29.2% and 16.7%. Conferences, seminars and fairs, the company's website and the clients' personal network participate equally to the company's communication with clients by a percentage of 12.5%. Catalogues participate by only 8.3% and the company's advertising campaigns along with social media participate equally by only 4.2%

## Chapter 04: Survey

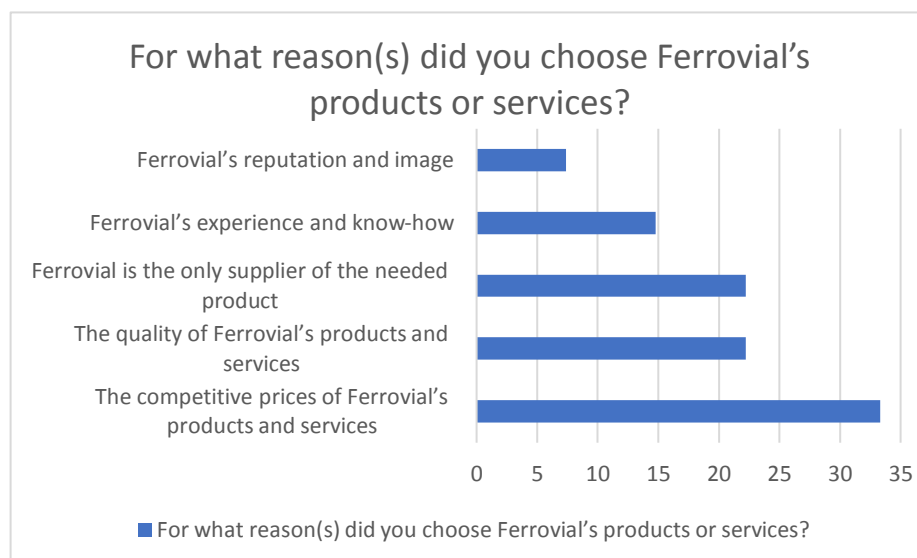
**Q3: For what reason(s) did you choose Ferrovia's products or services :**

**Table N°03:** Clients' reasons for choosing Ferrovia's products or services

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	The competitive prices of Ferrovia's products and services	9	33,3	33,3	33,3
	The quality of Ferrovia's products and services	6	22,2	22,2	55.5
	Ferrovia is the only supplier of the needed product	6	22,2	22,2	77.7
	Ferrovia's experience and know-how	4	14,8	14,8	92.5
	Ferrovia's reputation and image	2	7,4	7,4	100
	Total	27	100,0	100,0	

**Source: SPSS Output**

**Figure N°03:** Clients' reasons for choosing Ferrovia's products or services



**Source: Office Excel**

## Chapter 04: Survey

### Comment

Most clients with a percentage of 33.33% chose Ferrovia's products and services for competitive price. Slightly fewer clients chose the company's products and services for their quality or due to the unavailability of other suppliers on the market, the percentage is 22.22% for each type of client. Even less clients, build their choice based on the company's experience and know-how with a percentage of 14.5% and only 7.4% of the clients choose Ferrovia for its reputation and image

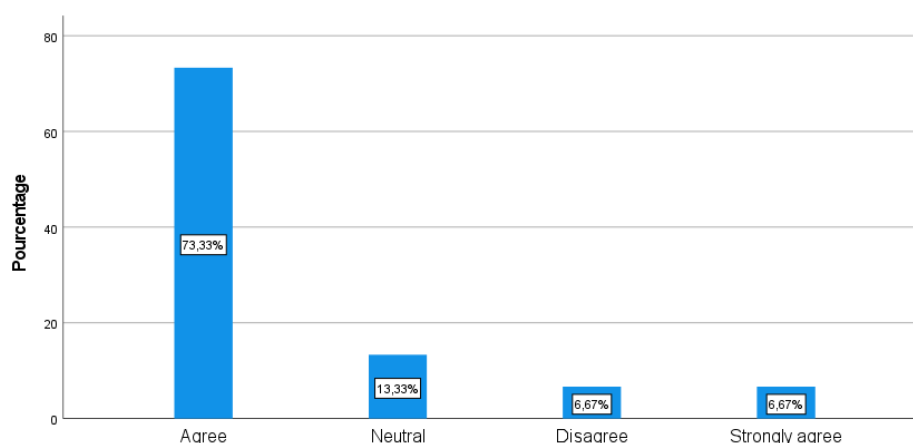
### Q4: Indicate your level of agreement with the following statements:

#### Q4.1: Ferrovia's products and services answer to our expectations in terms of quality

**Table N°04:** Clients' distribution according to their opinion on the company Answering to their expectations

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Agree	9	69,2	69,2	69,2
	Disagree	1	7,7	7,7	76,9
	Neutral	2	15,4	15,4	92,3
	Strongly agree	1	7,7	7,7	100,0
	Total	13	100,0	100,0	

**Figure N° 04:** Clients' distribution according to their opinion on the company answering to their expectations



**Source: SPSS Output**

### Comment:

A strong majority of the client agrees or strongly agrees with the fact that the company's product answer to their expectations in terms of quality with a percentage of 73.33% and

## Chapter 04: Survey

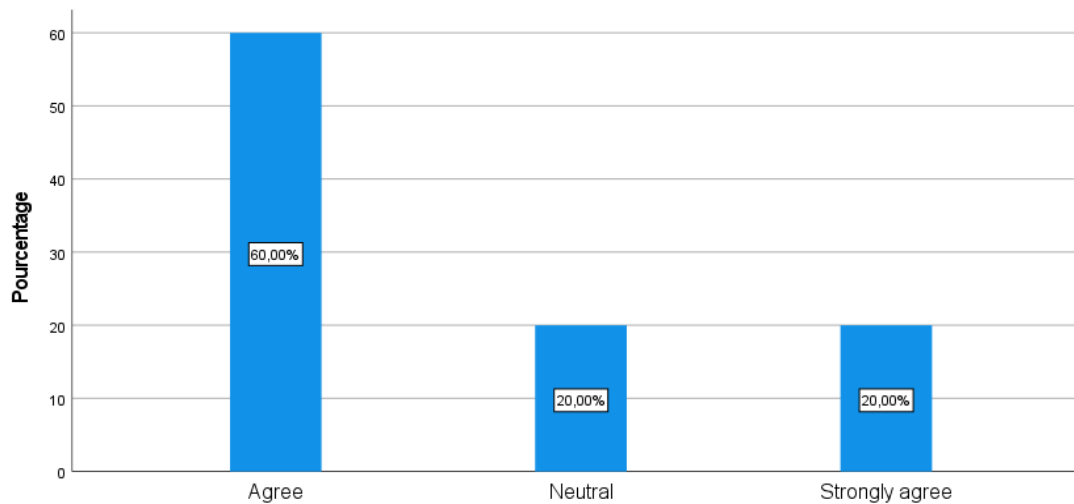
6.67% respectively. A very few clients deny that that the company's product answer to their expectation in terms of quality with a percentage of 6.67% the rest of the clients are neutral to the statement they neither agree or disagree.

### Q4.2: Ferrovial's products and are of strong resilience

**Table N°05:** Clients' distribution according to their opinion on products' resilience

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Agree	9	60	60	60
	Neutral	3	20	20	80
	Strongly agree	3	20	20	100,0
	Total	15	100,0	100,0	

**Figure N° 05:** Clients' distribution according to their opinion on products' resilience



**Source: SPSS Output**

#### Comment:

The majority of the clients with a percentage of 60% agree that the Ferrovial's products are of a strong resilience, 20 percent strongly agree, the rest of the clients are neutral to the statement.

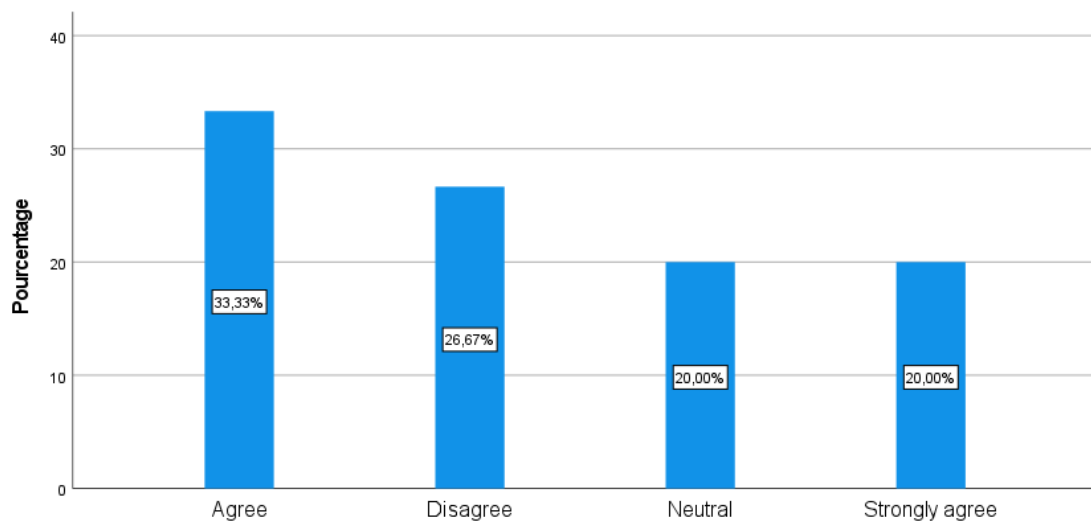
## Chapter 04: Survey

### Q4.3: The prices of Ferrovia's products and services are competitive

**Table N°06:** Clients' distribution according to their opinion on the competitiveness of prices

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Agree	5	38,5	38,5	38,5
	Disagree	2	15,4	15,4	53,8
	Neutral	3	23,1	23,1	76,9
	Strongly agree	3	23,1	23,1	100,0
	Total	13	100,0	100,0	

**Figure N° 00:** Clients' distribution according to their opinion on the competitiveness of prices



**Source: SPSS Output**

**Comment:**

33.33% of the clients agree with the fact that Ferrovia's prices are competitive yet an important percentage of 26.67 percent disagrees. 20% strongly agree with the statement and the rest of the client neither agree nor disagree to any extent.

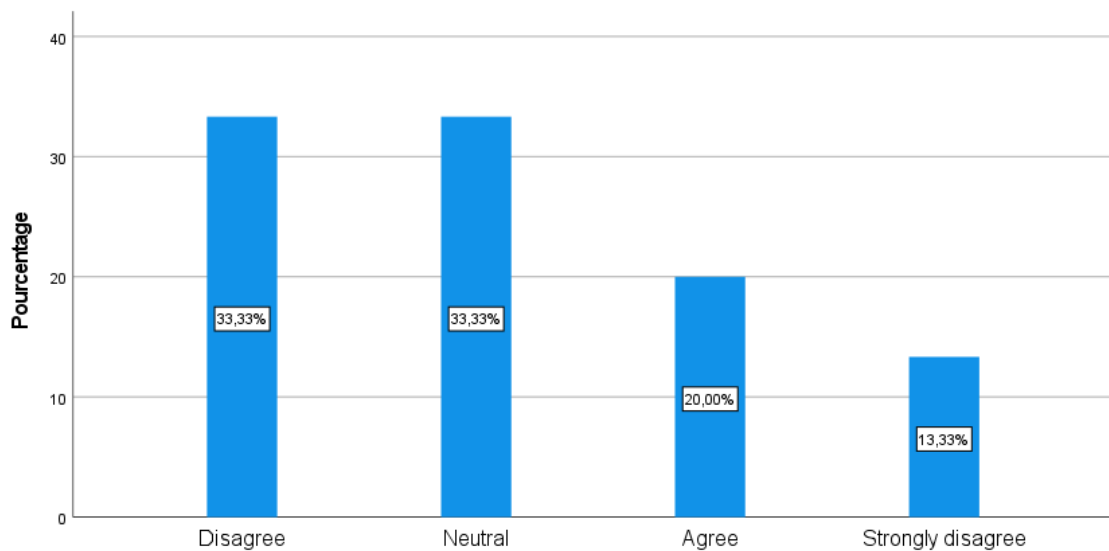
## Chapter 04: Survey

### Q4.4: Ferrovia delivers products on time:

**Table N°07:** Clients' distribution according to their opinion on the whether the company delivers products on time

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Disagree	5	33,3	33,3	33,3
	Neutral	5	33,3	33,3	66,7
	Agree	3	20,0	20,0	86,7
	Strongly disagree	2	13,3	13,3	100,0
	Total	15	100,0	100,0	

**Figure N° 07:** Clients' distribution according to their opinion on the whether the company delivers products on time



**Source: SPSS Output**

#### **Comment:**

Most clients either disagree or strongly disagree with the statement that Ferrovia delivers products on time with percentages of 33.33% and 13.33% respectively. 20% of the clients agree that Ferrovia delivers products on time and the rest are neutral to the statement.

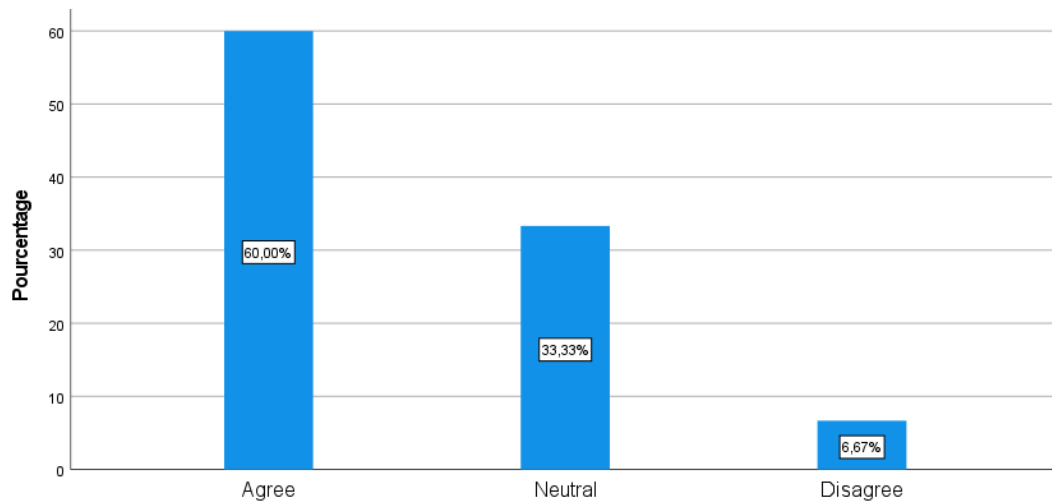
## Chapter 04: Survey

### Q4.5. Ferrovia takes full responsibility in case of non- conformity of products:

**Table N°08:** Clients' distribution according to their opinion on whether the company takes responsibility for non-conformities

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Agree	9	60,0	60,0	60,0
	Neutral	5	33,3	33,3	93,3
	Disagree	1	6,7	6,7	100,0
	Total	15	100,0	100,0	

**Figure N° 08:** Clients' distribution according to their opinion on whether the company takes responsibility for non-conformities



**Source:** SPSS Output

#### **Comment:**

A strong majority of the clients with a percentage of 60% Agree that Ferrovia takes full responsibility in case of any non-conformity of delivered products, a very small percentage of 6.67 percent disagrees with the statement. The rest of the clients neither agree nor disagree to any level.

## Chapter 04: Survey

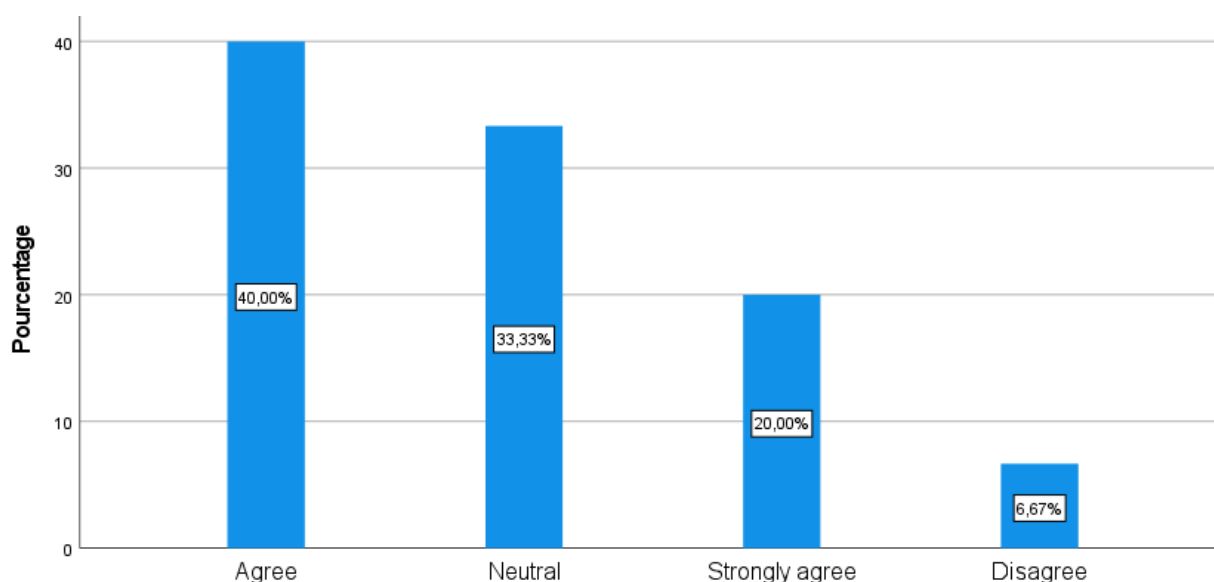
**Q5: Indicate your level of agreement with the following statements:**

**Q5.1: the quality of Ferrovial's products and services encourages me to stay loyal to the company**

**Table N°09:** Clients' distribution according to their opinion on the participation of the products' quality to their retention

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Agree	6	40,0	40,0	40,0
	Neutral	5	33,3	33,3	73,3
	Strongly agree	3	20,0	20,0	93,3
	Disagree	1	6,7	6,7	100,0
	Total	15	100,0	100,0	

**Figure N° 09:** Clients' distribution according to their opinion on the participation of the products' quality to their retention



**Source: SPSS Output**

**Comment:**

A majority of the clients with a percentage of 40% Agree with the statement that the quality of Ferrovial's products and services encourages clients to stay loyal to the company and 20% strongly agree with statement. Only 6.67% disagree and the rest of the clients are neutral to the statement

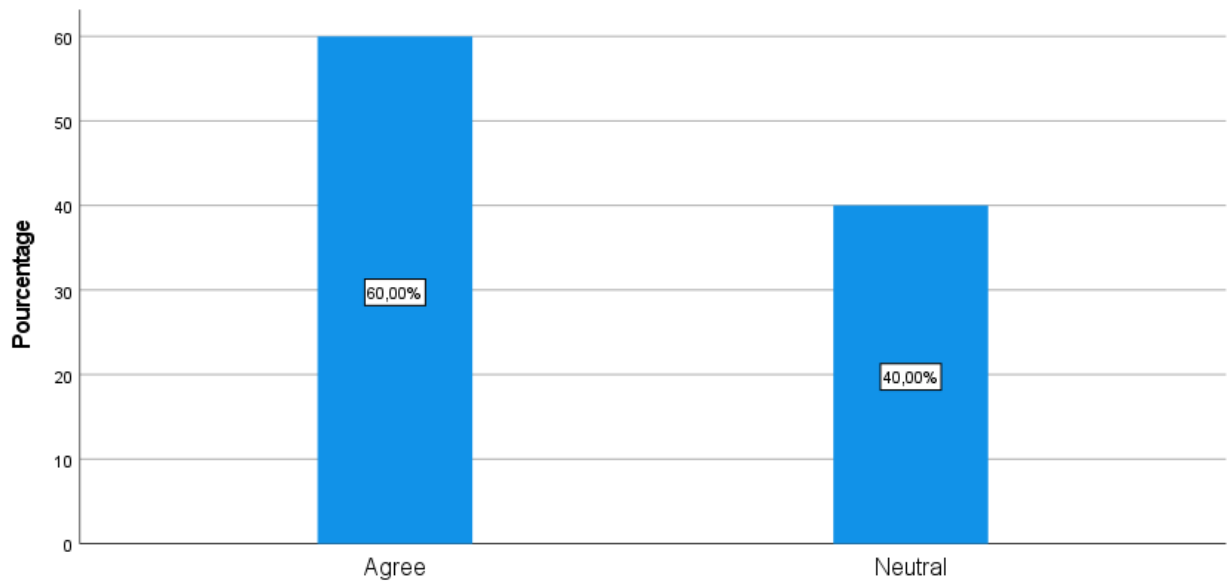
## Chapter 04: Survey

**Q5.2: promotions and discounts offered by Ferrovia encourage me to stay loyal to the company:**

**Table N°10:** Clients' distribution according to their opinion on the participation of promotions and discounts to their retention

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Agree	9	60,0	60,0	60,0
	Neutral	6	40,0	40,0	100,0
	Total	15	100,0	100,0	

**Figure N° 10:** Clients' distribution according to their opinion on the participation of promotions and discounts to their retention



**Source: SPSS Output**

**Comment:**

60% percent of the clients agree with statement that promotions offered by Ferrovia encourages the clients loyalty to the company the other 40% neither agree nor disagree to any extent with the statement.

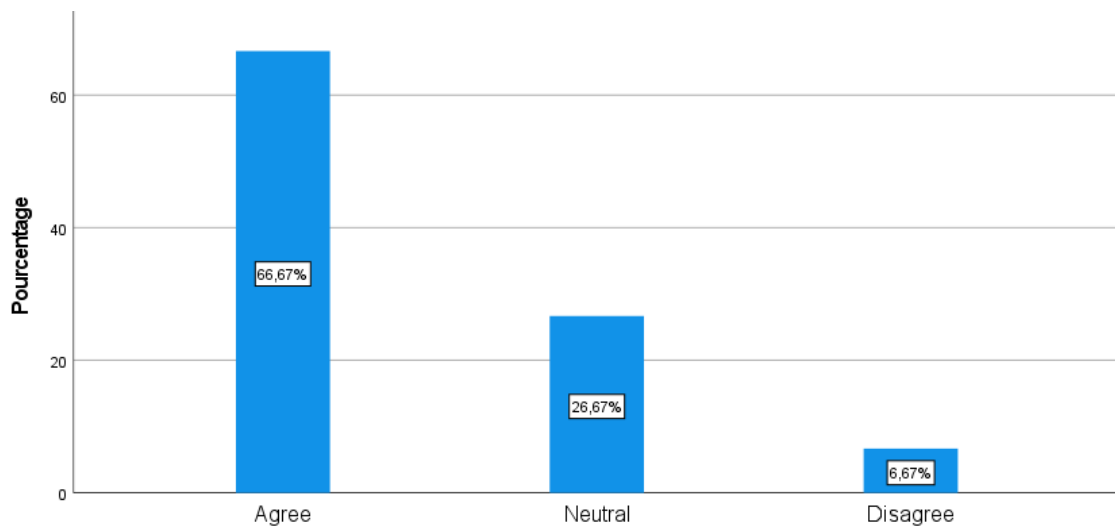
## Chapter 04: Survey

**Q5.3: The direct relations between my company and Ferroviaal encourage me to stay loyal to the company:**

**Table N°11:** Clients' distribution according to their opinion on the participation of the direct relations between them and the company to their retention

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Agree	10	66,7	66,7	66,7
	Neutral	4	26,7	26,7	93,3
	Disagree	1	6,7	6,7	100,0
	Total	15	100,0	100,0	

**Figure N° 11:** Clients' distribution according to their opinion on the participation of the direct relations between them and the company to their retention



**Source: SPSS Output**

**Comment:**

66.67 % of the clients agree that the direct relationships between their companies and Ferroviaal encourage them to stay loyal to the company Ferroviaal and only 6.67% disagree. The rest of the client are neutral to the statement.

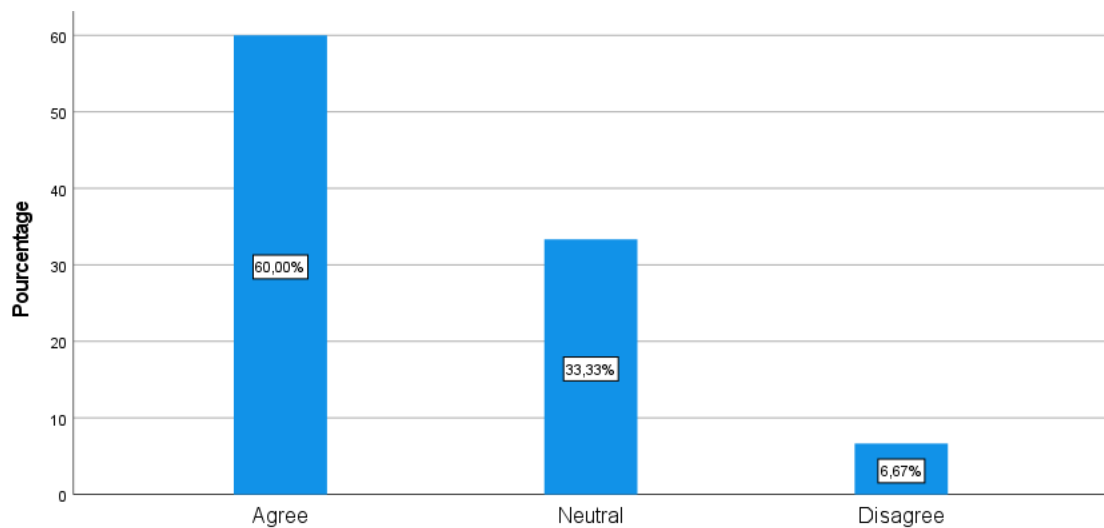
## Chapter 04: Survey

### 5.4. Ferrovia taking responsibility for any non-conformity encourages me to stay loyal to the company

**Table N° 12:** Clients' distribution according to their opinion on the participation of the company's responsibility to their retention

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Agree	9	60,0	60,0	60,0
	Neutral	5	33,3	33,3	93,3
	Disagree	1	6,7	6,7	100,0
	Total	15	100,0	100,0	

**Figure N° 12:** Clients' distribution according to their opinion on the participation of the company's responsibility to their retention



**Source: SPSS Output**

**Comment:**

60% of the clients Agree that Ferrovia taking responsibility for all non-conformities encourage them to stay loyal to the company a slight percentage of 6.67% disagree with statement. The rest of the client with a percentage of 33.33% are neutral to the statement.

## Chapter 04: Survey

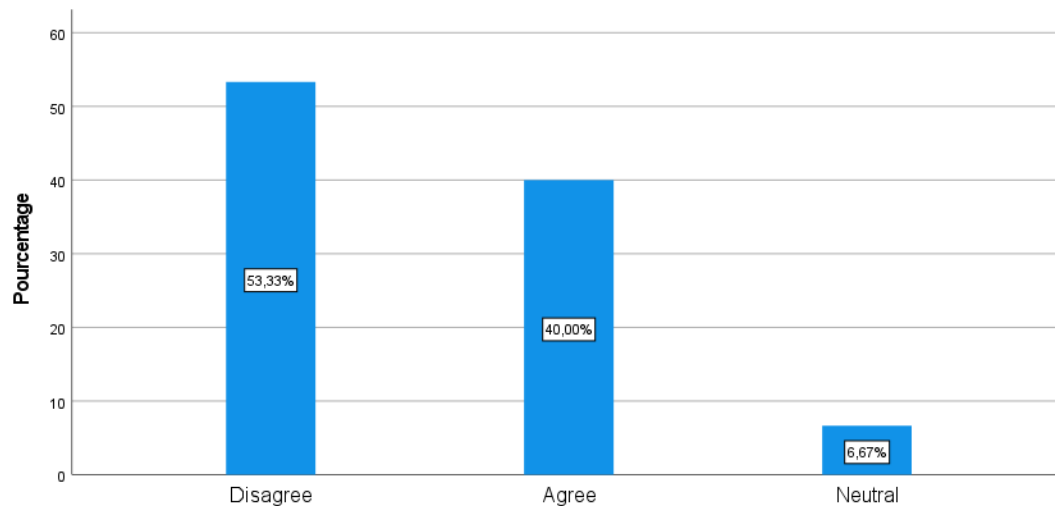
**Q6: Indicate your level of agreement with the following statements:**

**Q6.1: Ferrovial's communication provides all the necessary technical information about its products and services**

**Table N°13:** Clients' distribution according to their opinion on whether the communication provides them with the necessary technical information.

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Disagree	8	53,3	53,3	53,3
	Agree	6	40,0	40,0	93,3
	Neutral	1	6,7	6,7	100,0
	Total	15	100,0	100,0	

**Figure N° 13:** Clients' distribution according to their opinion on whether the communication provides them with the necessary technical information.



**Source: SPSS Output**

**Comment:**

More than a half of the clients with a percentage of 53.33% disagree with the statement that Ferrovial's communication provides all the necessary technical information about its products and services, a rather important percentage of 40% agrees with statement and the rest of the clients are neutral.

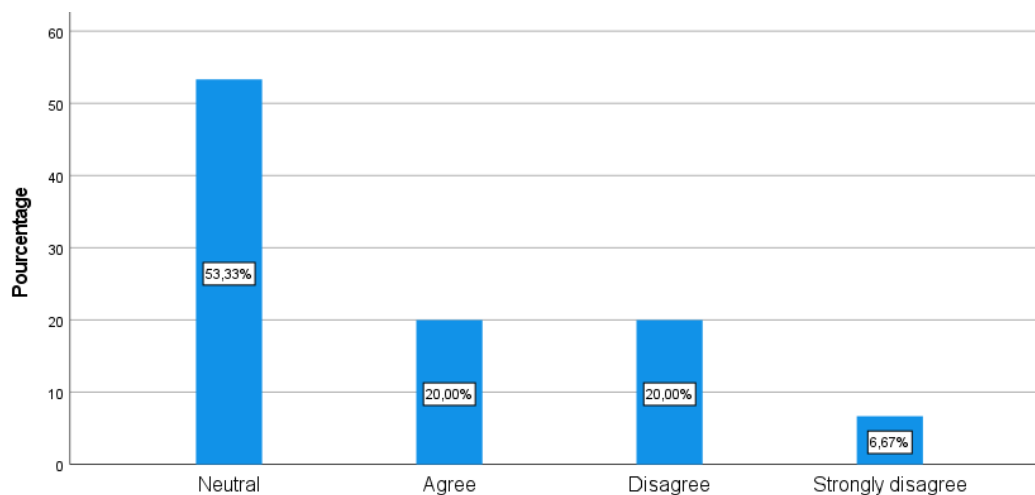
## Chapter 04: Survey

### Q6.2: Ferrovia's communication creates a positive image of the company's level of experience and know-how:

**Table N°14:** Clients' distribution according to their opinion on whether the communication creates a positive image of the company's experience and know-how

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Neutral	8	53,3	53,3	53,3
	Agree	3	20,0	20,0	73,3
	Disagree	3	20,0	20,0	93,3
	Strongly disagree	1	6,7	6,7	100,0
	Total	15	100,0	100,0	

**Figure N° 14:** Clients' distribution according to their opinion on whether the communication creates a positive image of the company's experience and know-how



**Source: SPSS Output**

#### **Comment:**

The majority of the clients are neutral to the statement Ferrovia's communication creates a positive image of the company's level of experience and know-how. 20% of the client agree with statement and an equal percentage disagrees. A slight percentage 6.67% strongly disagrees.

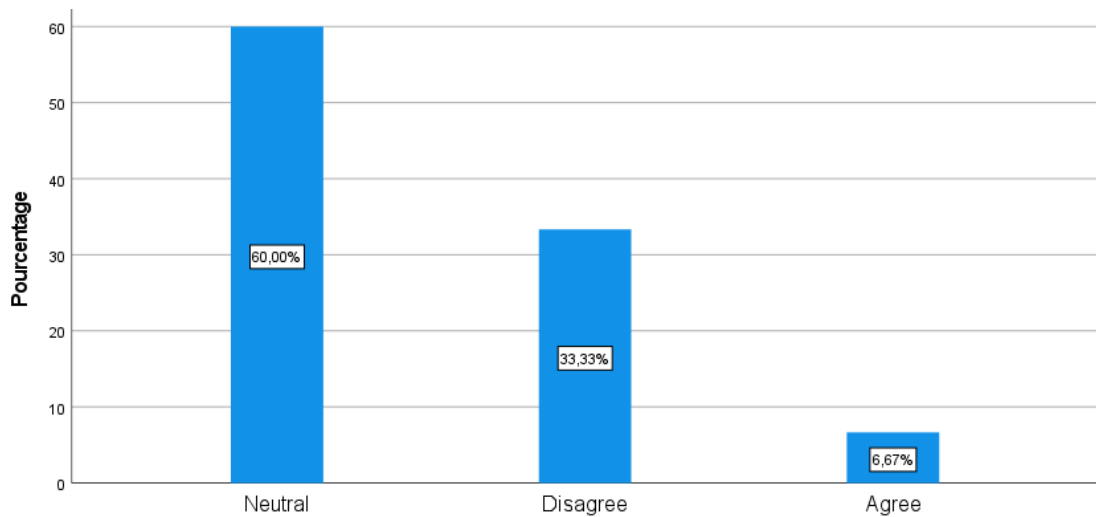
## Chapter 04: Survey

### Q6.3: Ferrovia's communication gives a positive idea of the company's history

**Table N°15:** Clients' distribution according to their opinion on whether the communication gives a positive idea of the company's history.

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Neutral	9	60,0	60,0	60,0
	Disagree	5	33,3	33,3	93,3
	Agree	1	6,7	6,7	100,0
	Total	15	100,0	100,0	

**Figure N° 15:** Clients' distribution according to their opinion on whether the communication gives a positive idea of the company's history.



**Source: SPSS Output**

**Comment:**

60% percent neither agree nor disagree to any extent that Ferrovia's communication create a positive image of its history. 33.33% disagree with the statement and a rather low percentage of 6.67% agree with the statement.

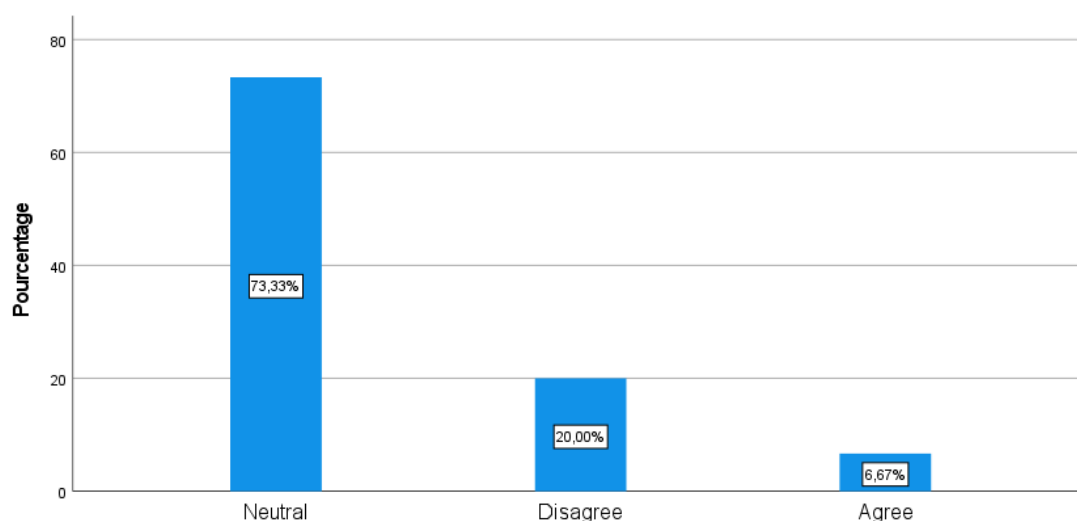
## Chapter 04: Survey

### Q6.4: Ferrovial's communication creates a positive image of the company

**Table N°16:** Clients' distribution according to their opinion on whether the communication creates a positive image of the company

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Neutral	11	73,3	73,3	73,3
	Disagree	3	20,0	20,0	93,3
	Agree	1	6,7	6,7	100,0
	Total	15	100,0	100,0	

**Figure N° 16:** Clients' distribution according to their opinion on whether the communication creates a positive image of the company



**Source: SPSS Output**

#### **Comment:**

73.33% choose to not express any level of agreement or disagreement with the statement Ferrovial's communication creates a positive image of the company. 20% disagree with the statement and a percentage of 6.67 % agree with the statement.

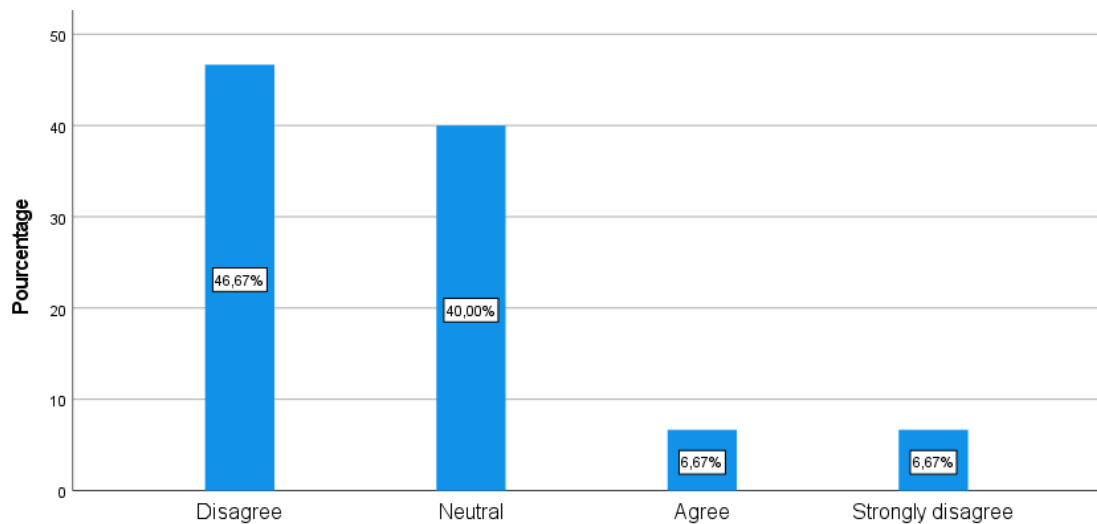
## Chapter 04: Survey

### Q6.5: Ferrovia's communication encourages me to better know the company and its products and motivates me to purchase:

**Table N°17:** Clients' distribution according to their opinion on the communication's impact on their purchase behaviour

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Disagree	7	46,7	46,7	46,7
	Neutral	6	40,0	40,0	86,7
	Agree	1	6,7	6,7	93,3
	Strongly disagree	1	6,7	6,7	100,0
	Total	15	100,0	100,0	

**Figure N° 17:** Clients' distribution according to their opinion on the communication's impact on their purchase behaviour



**Source: SPSS Output**

#### **Comment:**

46.67% of the clients disagree with the statement that Ferrovia's communication encourages me to better know the company and its products. 40% neither agree nor disagree to any extent with the statement. An equal percentage of 6.67% of the clients either agree or strongly disagree with the statement.

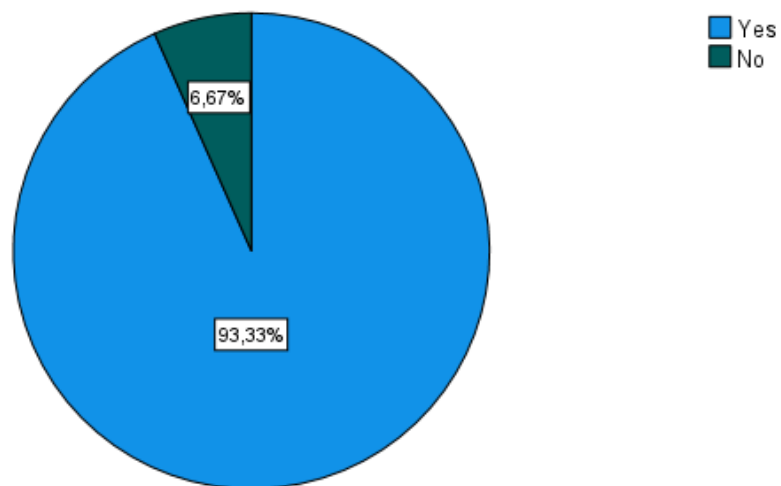
## Chapter 04: Survey

### Q7: Have you ever submitted a complaint to Ferrovia?

Table N°18: Clients submitting complaints to the company

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Yes	14	93,3	93,3	93,3
	No	1	6,7	6,7	100,0
Total		15	100,0	100,0	

Figure N° 18: Clients submitting complaints to the company



Source: SPSS Output

**Comment:**

A great majority of the clients with a percentage of 93.33% have lunched a complaint before. Only 6.67% never expressed any complaints.

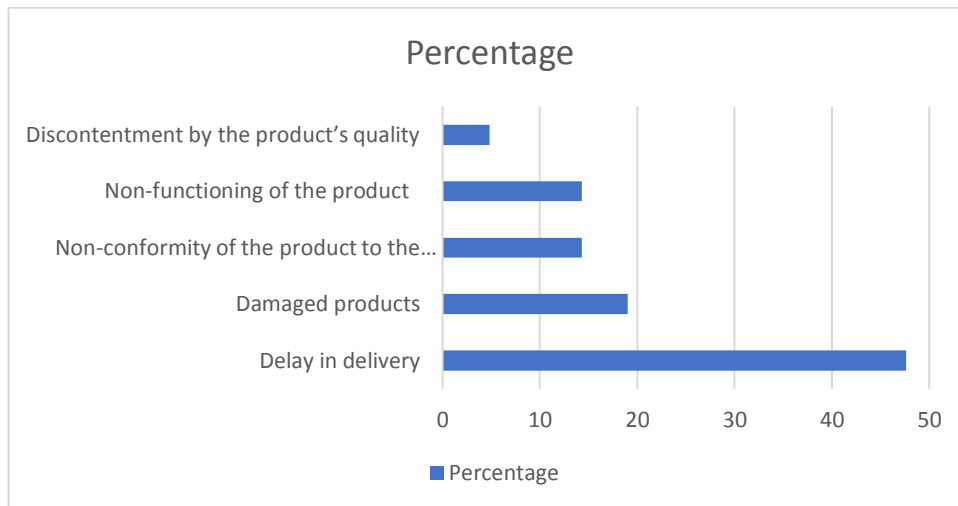
## Chapter 04: Survey

### Q8: Of what type was (were) your complaint(s):

**Table N°19:** Types of complaint submitted by the clients

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Delay in delivery	10	47,6	47,6	47,6
	Damaged products	4	19	19	66.6
	Non-conformity of the product to the company's needs	3	14,3	14.3	80.96
	Malfunctioning of the product	3	14,3	14,3	95.2
	Discontentment by the product's quality	1	4,8	4,8	100
	Total	21	100	100	

**Figure N° 19:** Types of complaint submitted by the clients



**Source: SPSS Output**

**Comment:**

An important percentage of 47.6% of the clients' complaints concern the delays in delivery. A percentage of 19% are related to damaged delivered products. Equal percentages of 14.3% concern the Non-conformity of the product to the company's needs and the Non-functioning of the product and only 4.3% are related to discontentment with product's quality.

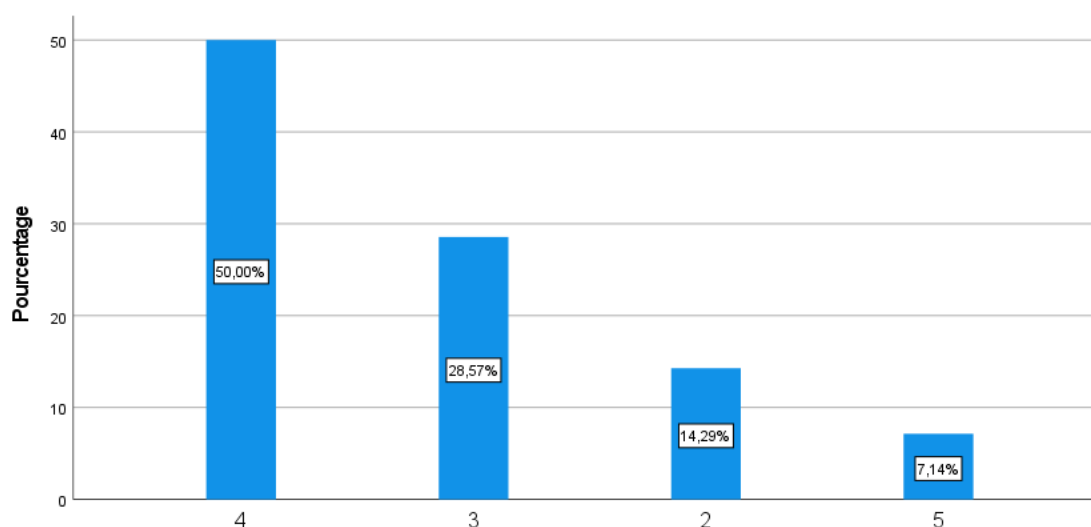
## Chapter 04: Survey

**Q9: What was your level of satisfaction with Ferrovia's handling of your complaints (1 not at all satisfied and 5 very satisfied)**

**Table N°20:** Clients level of satisfaction with the company's handling of their complaints

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	4	7	46,7	50,0	50,0
	3	4	26,7	28,6	78,6
	2	2	13,3	14,3	92,9
	5	1	6,7	7,1	100,0
	Total	14	93,3	100,0	

**Figure N° 20:** Clients level of satisfaction with the company's handling of their complaints



**Source: SPSS Output**

**Comment:**

Half of the clients are satisfied with the company's handling of their complaints, 28.57% are neither satisfied nor unsatisfied. 14.29% are unsatisfied with the company's handling of their complaints and a slight percentage of 7.14% are very satisfied.

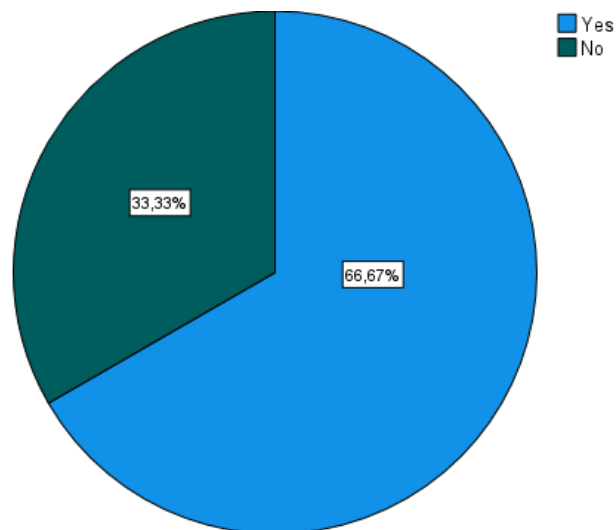
## Chapter 04: Survey

### Q10: Have you ever visited Ferrovia's website?

Table N°21: Clients visiting the company's website

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Yes	10	66,7	66,7	66,7
	No	5	33,33	33,33	100,0
	Total	15	100,0	100,0	

Figure N° 21: Clients visiting the company's website



Source: SPSS Output

**Comment:**

A majority of the client with a percentage of 66.67% visited ferrovia's website. 33.33% never visited the company's website.

## Chapter 04: Survey

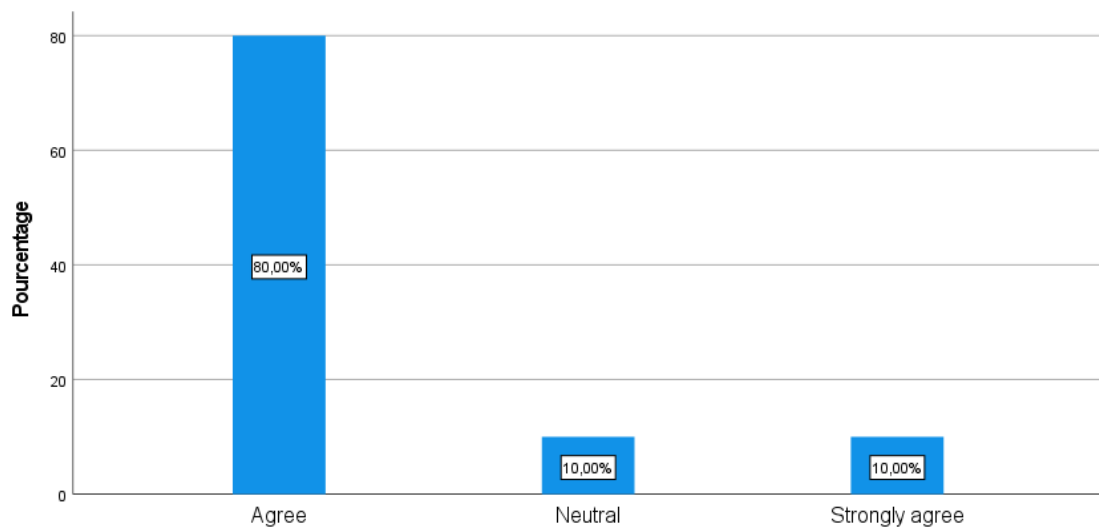
**Q11: Indicate your level of agreement with the following statements**

**Q11.1: Ferrovia's website is simple and easy to use**

**Table N°22:** Clients' distribution according to their opinion on the website's simplicity and easiness of use.

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Agree	8	80,0	80,0	80,0
	Neutral	1	10,0	10,0	90,0
	Strongly agree	1	10,0	10,0	100,0
	Total	10	100,0	100,0	

**Figure N° 22:**



**Source: SPSS Output**

**Comment:**

A vast majority of 80% agrees that Ferrovia's website is simple and easy to use, 10% strongly agree with the statement and 10% are neutral to the statement.

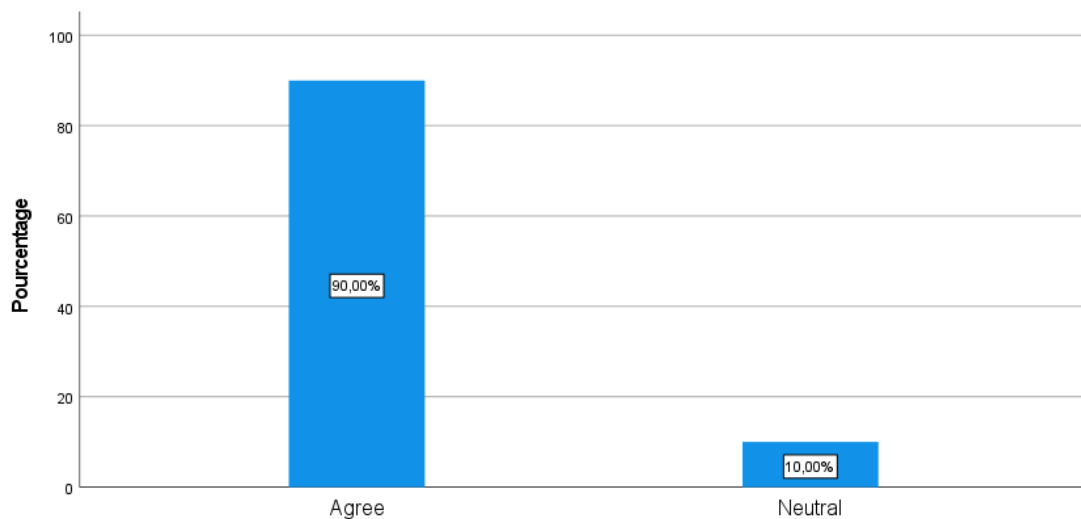
## Chapter 04: Survey

### Q11.2: Ferrovial's website offers all the necessary information concerning its products lines and services

**Table N°23:** Clients' distribution according to their opinion on whether the company's website offers all the necessary information concerning its products lines and services

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Agree	9	90,0	90,0	90,0
	Neutral	1	10,0	10,0	100,0
	Total	10	100,0	100,0	

**Figure N° 23:** Clients' distribution according to their opinion on whether the company's website offers all the necessary information concerning its products lines and services



**Source: SPSS Output**

**Comment:**

The vast majority of 90% of the clients agree that the company's website provides all the necessary information concerning its products lines and services the rest neither agree or disagree to any extent.

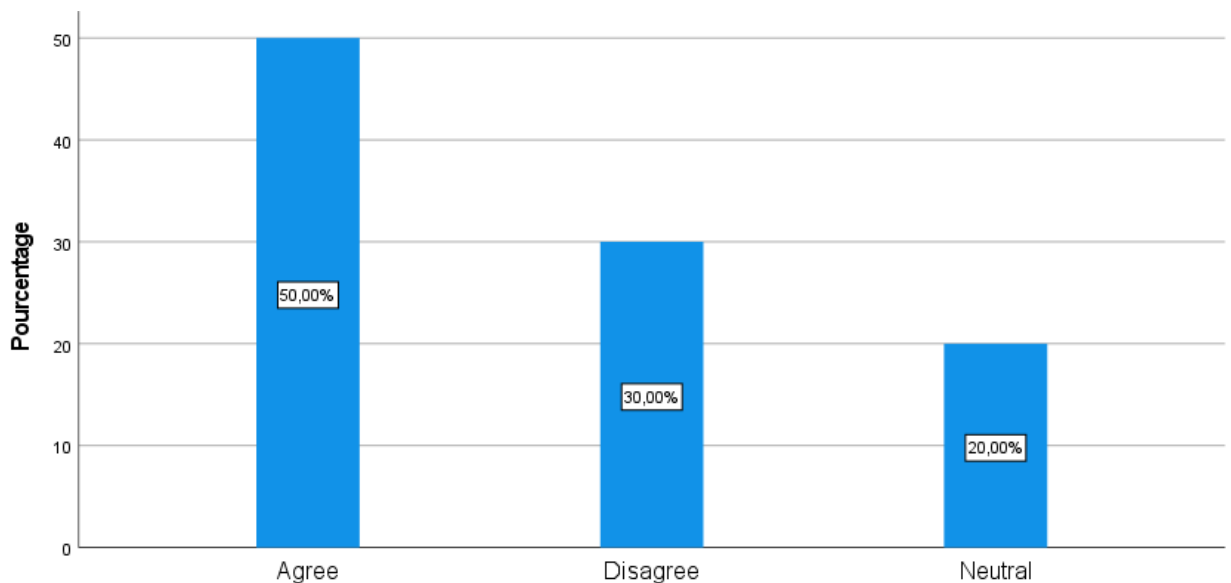
## Chapter 04: Survey

### Q11.3: Ferrovia's website is reactive and enables me of contacting the company easily

**Table N°24:** Clients' distribution according to their opinion on the website's reactivity and whether it facilitates the contact with the company

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Agree	5	50,0	50,0	50,0
	Disagree	3	30,0	30,0	80,0
	Neutral	2	20,0	20,0	100,0
	Total	10	100,0	100,0	

**Figure N°24:** Clients' distribution according to their opinion on the website's reactivity and whether it facilitates the contact with the company



**Source:** SPSS Output

**Comment:**

Half the clients agree that Ferrovia's website is reactive and enables me of contacting the company easily, 30% of them disagree with the statement and the rest of the clients are neutral to the statement.

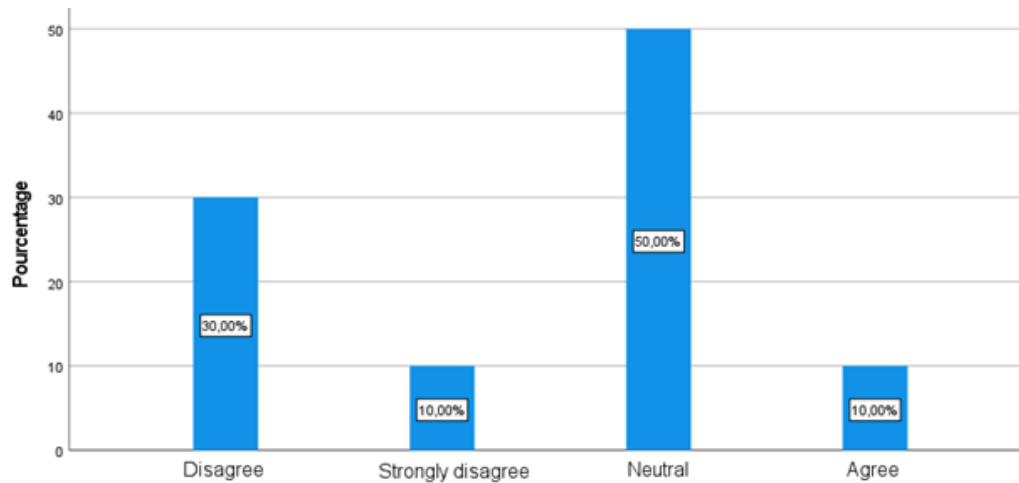
## Chapter 04: Survey

### Q11.4: Ferrovial's website is attractive and encourages me to revisit it

**Table N°25:** Clients' distribution according to their opinion on the website's attractiveness and whether it encourages them to revisit it.

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Disagree	3	30,0	30,0	30,0
	Strongly disagree	1	10,0	10,0	40,0
	Neutral	5	50,0	50,0	90,0
	Agree	1	10,0	10,0	100,0
	Total	10	100,0	100,0	

**Figure N° 25:** Clients' distribution according to their opinion on the website's attractiveness and whether it encourages them to revisit it.



**Source: SPSS Output**

#### **Comment:**

Half the clients neither agree nor disagree to any level with the statement that Ferrovial's website is attractive and encourages them to revisit it. 30% of the clients disagree with the statement and 10% strongly disagree with the statement. The other 10% agree that the website is attractive and encourages them to revisit it.

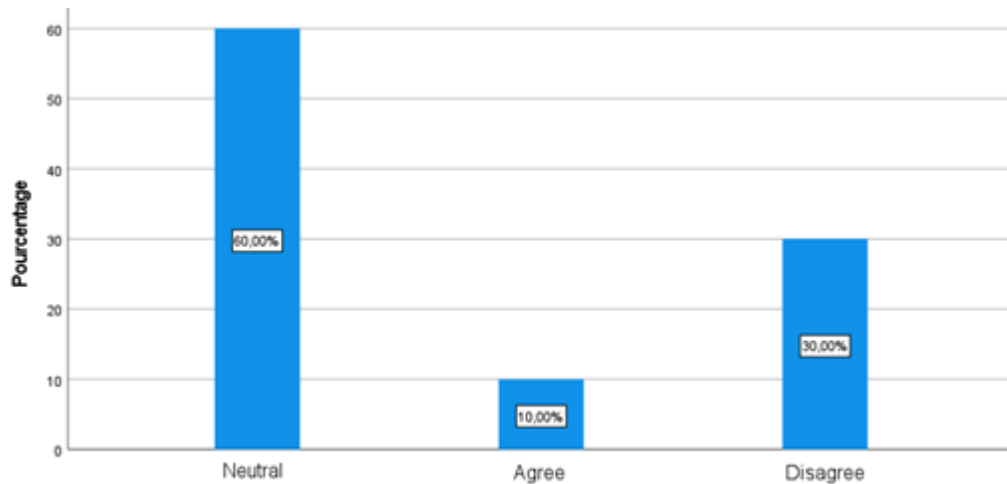
## Chapter 04: Survey

### Q11.5: Ferrovial's website creates a positive image of the company:

**Table N°26:** Clients' distribution according to their opinion on whether the website creates a positive image of the company

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Neutral	6	60,0	60,0	60,0
	Agree	1	10,0	10,0	70,0
	Disagree	3	30,0	30,0	100,0
	Total	10	100,0	100,0	

**Figure N° 26:** Clients' distribution according to their opinion on whether the website creates a positive image of the company



**Source:** SPSS Output

#### **Comment:**

60% of the clients are neutral to the statement that Ferrovial's website creates a positive image of the company. 30% disagree with the statement and 10% agree that the company's website create a positive image.

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### 5.2. Cross sorting:

- **Question1:** “For how long have you been a client of Ferrovia?” and **question 2:** “Through which of these supports you communicate with company the most?”

**Table N°27:** the distribution of the client seniority categories according to the different means of communication mostly used between them and the company

2. Mean of communicating with the company

		Invitation to tender	Prospection done by Ferrovia	Conferences, fairs and expositions	Website	Personnel network	Catalogues	Social media	Publicity	Total
1. period of										
being a	Less than 5 years	0	0	28.6%	42.8%	14.3%	0	14.3%	0	100%
client of	[5years- 10years[	50%	0	8.3%	0	16.7%	16.7%	0	8.3%	100%
Ferrovia	[10years- 15years]	0	100%	0	0	0	0	0	0	100%
	More than 15 years	100%	0	0	0	0	0	0	0	100%

**Source: SPSS Output**

#### Comment:

42.8% of Ferrovia’s clients for less than five year were find that they mostly communicate with the company through its website, 28.6% of them find its done the company during conferences and expositions and equal percentages of 14.3% of the communication is held through social media or their personal network. Half of the clients for five years and more and less than 10 years find that they communicate through the invitations to tender. Equal percentages of 16.7% find that it is done by the mean of their personal network or through the distributed catalogues, and less clients of the category with equal percentages of 8.3% find that the communication is mostly done through conferences and expositions or through Ferrovia’s publicity campaigns.

The totality of those who have been clients for 10 year to 15 years find that the communication support mostly used is the prospections done by Ferrovia, when the totality of the client for more than 15 years find that they communicated through the invitations to tender.

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- **Question1:** “For how long have you been a client of Ferrovia?” and **question3:** “For what reason(s) did you choose Ferrovia's products or services?”

**Table N°28:** the distribution of the client seniority categories according to their reasons for choosing Ferrovia’s products or services

3. Reason(s) of choosing Ferrovia's products or services

		The competitive prices of Ferrovia's products and services	The quality of Ferrovia's products and services	Ferrovia is the only supplier of the needed product	Ferrovia's experience and know-how	Ferrovia's reputation and image	Total
1. period of being a client of Ferrovia	Less than 5 years	11.1%	33.3%	0	33.3%	22.2%	100%
	[5yaers- 10years[	25%	25%	50%	0	0	100%
	[10years- 15years]	50%	50%	0	0	0	100%
	More than 15 years	25%	25%	50%	0	0	100%

**Source: SPSS Output**

### Comment:

Equal percentages of 33.33% of Ferrovia’s clients for less than 5 years choose the company’s products or services for their quality and for the company’s experience and know-how, 22.2% pay attention to the company’s reputation and image and 11.1% choose it for the competitive prices. As for those who have been clients for a period of 5 years and more and less than 10 years, half of them had no choice, as the company is the only supplier of their needed product when equal percentages of 25% of them choose the products or services either for their competitive prices or for their quality.

The clients for a period between 10 years and 15 years choose the product or services either for the price or for the quality, with equal percentages of 50%

When 50% of the clients for more than 15 years found Ferrovia as the only supplier and equal percentages of 25% choose them either for the price or for the quality.

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- **Question1:** “For how long have you been a client of Ferrovia?” and **question7:** “Have you ever submitted a complaint to Ferrovia?”

**Table N°29:** the distribution of the client seniority categories according to whether they visited the company’s website or not

12. Visiting Ferrovia's website

		Yes	No	Total
1. Period of being a client of Ferrovia?	Less than 5 years	100%	0	100%
	[5years- 10years[	77.8%	22.2%	100%
	[10years- 15years]	0	100%	100%
	More than 15 years	0	100%	100%

**Source: SPSS Output**

### **Comment:**

All the clients that have been with the company for less than five years have visited the company’s website. 77.8% of those who have been clients between 5 years and less than 10 years visited the website the rest of the category did not. The totality of clients of Ferrovia for 10 years or more have never visited the company’s website.

### **Section 02: Data analysis:**

In this section, we will be summarising the most relevant results of the survey in order to set in order the results related to each of the research hypothesis to facilitate and simplify their testing

#### **1. Flat sorting results:**

- The data resulting from the flat sorting of the answers enable of gathering the different client perceptions of the company’s image. Most clients see the Ferrovia products and services as products of good quality offered at a competitive price as 33.3% of the clients answered on the third question (Q3) that they choose the company’s products for their good quality and 22.2% say that they choose them for their competitive price.

This idea is consolidated by the answers of the fourth question where 69.2% of the respondents agree on the good quality of Ferrovia’s products (Q4.1) in the same context 80% of the answer related to product’s resilience (Q4.2) presented a positive opinion with 60% agreeing to the statement and 20% strongly agreeing. On the same question (Q4.3) 62% of the answers presented a positive opinion of the competitiveness of the price, confirming by that the positive client perception of it

## Chapter 04: Survey

company on the other hand is not that well known for its history and experience as only 14% of answers of the third question choose the company's products for its history and experience. The company is also seen as a company that does not deliver its product on time as shown by the 50% negative answers of the fourth (Q4.4) question related to the company delivering its product on deadline, the company suffers from this problem so often that most of the complaint received by Ferrovia concern the delays in delivering the products.

Yet the company handles the complaint well as 53.4% of the clients represented a good level of satisfaction with the handling of their complaint on the ninth question (Q9). This is also reflected on the fourth question (Q4.5) where 60% of the answers agree that Ferrovia is a responsible company that takes the needed measures in case of any non-conformity.

- These answers also help us deduce clients' reactivity to the communication efforts of the company, as we see on the second question (Q2) that 29.3%, of the answers the support of communication most used between them and Ferrovia is the invitations to tender when 16.7% find that it is prospectations done by Ferrovia. Where at the same time the totality of clients finding that most communication is done through publicity, catalogues or social media all together is 16.7%.

The fifth question indicate that sales promotion and the direct relations between the clients and Ferrovia increase the client loyalty (Q5.2 and Q5.3). Whereas the company's communication does not provide the needed technical information concerning the products and services as answered 33.3% of the clients on the sixth question (Q6.1), it neither promotes the company's image as also indicated by the third of the clients on the sixth question (Q6.4). In addition, the communication does not motivate the clients to better know the company nor to purchase as show on the same question by 46.7% of the answers (Q6.5).

As the web communication is today's mean of communication we found that it is indispensable to analyse the company's communication through its website separately, through this we came to collect interesting information. We realised that although the clients find the website very simple and easy to use as answered by 80% of the clients on the eleventh question (Q11.1) they also find the website reactive and helps them communicate with the company (Q11.2).

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When at the same time 40% of the clients expressed a negative opinion towards the attractiveness of the website and its ability to incite people to revisit it (Q11.3) and 30% of the clients disagree that the website promotes the company's positive image (Q11.4).

### 2. Cross sorting results:

The crossing of the first question with the second, the third and the ninth question provided us with interesting information related to the clients' behavioural and perspective characteristics according to the period spent a client of Ferrovia.

- We were able to detect that 42.08% of the clients for less than 5 year find that that the support of communication most used between them and the company is the company's website and some of them even mentioned that it is social media; this reflects the importance give to digital communication by the new clients.

50% of those who have been clients for the period between 5 years an less than 10 years communicate through the invitations to tender 16.7% communicate either through their personal network or through catalogues; the client on this category are receptive to different types of communications supports. The clients of the period of 10 to 15 years communicate through prospections, reflecting their attachment to the communication method used by the company earlier in its activity. The clients for more than 15 years communicate through invitations to tender; this reflects the type of communication between the oldest clients of the company as we can say that its mostly transactional communication rather than relational.

The crossing of the first and the third question showed that the most recent client choose the company's products for their quality yet they are also interested by the company's experience and know-how and its reputation on the market. The rest of the clients choose the products mainly for their quality and their price. This reflect the centre of interest of different categories clients.

By crossing the first and ninth question, we realized that the totality of the clients for less than five years visited the company's website, 78.2% the clients for a period between 5 years and less than 10 years, also visited the website. The rest of the clients never visited the website. These results indicates the categories of clients communicating through digital platforms.

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### 3. Validity of guiding hypotheses:

The analysis of the survey's answer along with the analysing of answers collected from the interviews held with the employees lay out the empirical data needed to test the validity of our research hypothesis:

**H.1:** A sound segmentation and targeting strategy affect positively the KPIs of Ferrovia. This hypothesis was confirmed through the crossing of the first question with the second, the third and the ninth question we noticed that different seniority categories of clients have different centres of interest when it comes to choosing the product, we were also able to grasp that these different categories communicate through different platforms and through different supports. By analysing the characteristics of each of the clients' categories, the company can elaborate a market segmentation strategy that will enable it of choosing the suitable marketing mix for each segment. Providing the potential clients of each segment with the offers that interest them most and communicating with them through the platforms they use most. This process will increase the company's chances in interesting more clients with specialized offers answering to their exact effecting by that directly the company's key performance indicators.

**H.2:** Perceptions of the desired positioning strategy (by Ferrovia) and the perceived one by customers are unequal. Through the fieldwork, this hypothesis was denied to a certain extent. As we collected from the interview answers that the company's positioning aims to differentiate it by the attributes of its products and services, which are the quality and the resilience and to differentiate it by the prices of it offers as well. We concluded through the survey that client perceive ferrovia's products as products of good quality, strong resilience and offered at a complete price. Therefore, the perception desired by the company and that perceived by the client is equal.

Yet we can detect a slight form of difference in perception due to the clients' unawareness of the company's experience level and history with Ferrovia considers as a main virtue

**H.3:** Advertising has no effect on Ferrovia's KPIs. This hypothesis was confirmed. As we concluded from the survey answers that most clients are aware of the company through prospectations or services offers, much less clients communicate with company through any of the advertising supports. We also deduce that the company's communication does not affect the clients' perception of the company nor their purchase behaviour; they are rather motivated

## **Chapter 04: Survey**

to purchase and to be loyal to the company through the direct relations between them and Ferrovial and by benefiting from promotional offers as well.

## **Chapter 04: Survey**

### **Conclusion:**

Through this chapter, we were able to analyse the clients' perception of the company, we were able to collect information concerning the behavioural characteristics of homogenous groups of clients and analyse their perception to the company's communication efforts.

Choosing Ferrovial as the case study enabled us of applying the theoretic expects our research theme to the business world; the company itself presented an interesting study, as it is rare to find national public companies giving importance to their marketing in general or even their communication.

The comparing of the survey result with results of the interview with the company's employees allowed us to test the validity of out hypothesis, which will guide us to answering the main question of our research concluding by that our work.

## **Conclusion**

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## **Conclusion**

### **Conclusion:**

The marketing concepts changed frequently along the different economic eras. At the industrial era, marketing consisted of selling all the products of a factory to all the consumers who would buy them. The products at the time were of a standardizing strategy as they targeted a mass market, no interest was put into the clients' wants or needs, and this was the product centric era for marketing.

Along with the leap in information technology. Marketing was found now to be more than just selling a product, clients became more informed and were receptors to a large number of offers, and thus they became more and more demanding. Companies found themselves obliged to create offers that would interest the different market targets and answer to all the different needs, they had to create a differentiating element that motivates the customers to choose them rather than the competition. The client became at this time the core of any business's activity creating a new dimension for marketing, which is client relations management. And for marketing, this was the client-oriented era.

Later on, customers became more demanding of the companies as they are no longer content by the simple satisfaction of their needs; they demand that their different social, cultural and ecological environments must be taken into consideration along with their principles and values.

Consumers have always been versatile, their needs and expectations change according to their environments and conditions. Marketing enabled companies of detecting these needs and of creating the exact offers that answer to them.

Along our rather limited experiences in the fieldwork, we noticed that in spite of its importance, very few companies in our country practice marketing. In order, to better understand the reasons behind this situation and in the objective of determining the actual impact of marketing on a company's performance we decided to elaborate our research work around the impact of a marketing strategy on the company's key performance indicators.

To answer the main question of our research -to note "How does marketing strategy affect a company's performance key indicators?"-, we first presented the process of elaborating a marketing strategy and the most important key performance indicators for a company along with their related theoretic concepts. We passed then, to the test of the possible relation between the marketing budget and the host company's performance indicators using the Pearson's linear

## Conclusion

correlation coefficient. We later used qualitative and quantitative research tools to collect the necessary empirical data. We started by holding interviews with the employees of the marketing department, this enabled us of understanding the main elements of our host company's marketing strategy, it also allowed us to collect data that was compared later on with the survey results, to test one of the hypothesis. To evaluate the rest of the hypothesis, we launched a survey among the most active clients of the company.

The main results are presented as follows:

- A sound segmentation of the market affects the company's KPIs positively. As we saw through the analysing of the interview results, the host company follows a simple macro-segmentation strategy, which seems logical for a company mostly operating in a B-to-B business.

Yet the client survey showed different results. As we could reason through the crossing of the first question with three other questions that the clients of different seniority categories have different centres of interest when it come to the company's offers. We could also detect that each of the latter client categories is mostly present on a different platform or use a different communication support.

- The Perceptions of the desired positioning strategy (by Ferrovia) and the perceived one by customers are relatively similar, through the interviews we worked out that the company's positioning strategy is based on differentiation by the quality of its products ,mainly their resilience, and by the price, which was the same perception detected amongst the clients of the company.

On the other hand, the company aspires to be recognized for its history, experience and know-how as well, yet, the clients seem to be oblivious to the company's long years of experience and the its level of expertise.

- Advertising has no effect on Ferrovia's KPIs; the company's clients presented a rather negative opinion on the company's communication system. Most clients declared that their purchase behaviour is conditioned by the company's sales promotion or by the direct relations they have with company, as for the advertising, the results of the survey show that it does not affect the clients purchase behaviour nor perception .

These results reflect the real opportunities that a thoroughly studied marketing strategy would open for the company. They also reflect the lack of mastery of the function by Ferrovia. This

## Conclusion

lack is due to the limited number of marketing experts managing the department, the misapprehension of the basic marketing concepts by the rest of the employees and the monopolistic situation that company benefits from on its railway market affecting the general culture of the company.

Along with the elaboration of this work, we faced a number of obstacles that conditioned the relevance its relevance to a certain extent. The main obstacle was the limited period of time that we have spent on our internship due to the global covid-19 pandemic the world is facing, which limited our opportunities to collect more detailed information from the employees' interviews. Another important obstacle is the unavailability of data that would bring out an interesting dimension of our work such as the company's market share and the client retention level.

To conclude, we must announce that this work is far from complete, yet it is a step to an important field of research, and it creates room for a number of interesting topics that could be of a great contribution to both the theoretic and the empirical fields. We hope that future researches will contribute to its enrichment. To propose a few topics we ask the following questions:

- How can a company develop an inserting communication mix enabling it of affecting the consumers' behaviour and perception?
- How to optimise the advertising contribution to the company's performance?
- How can the measurement of the marketing performance affect the company's profitability?

Finally, we hope that our work was of any guiding to the host company and that it would help the decision makers steer the marketing strategy towards its optimal results.

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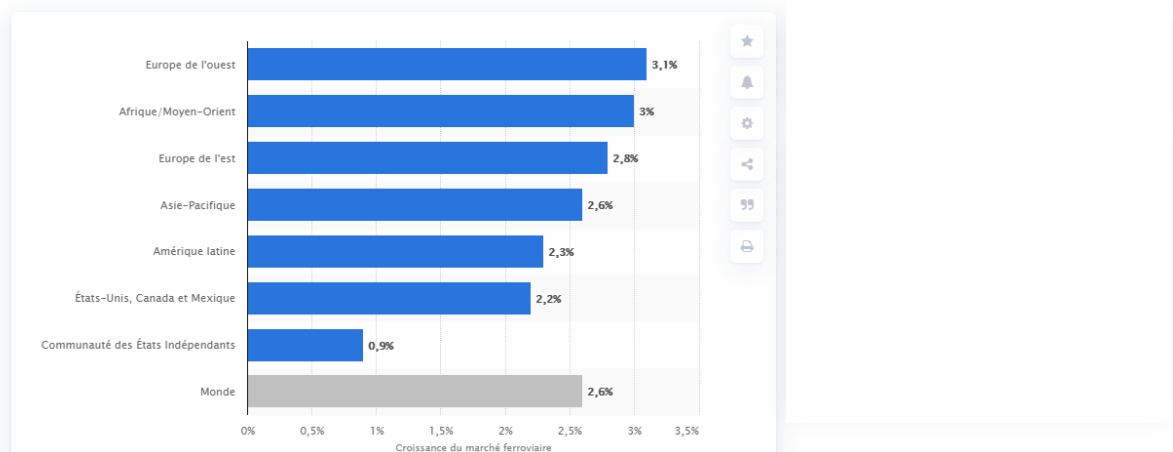
## **Appendices**

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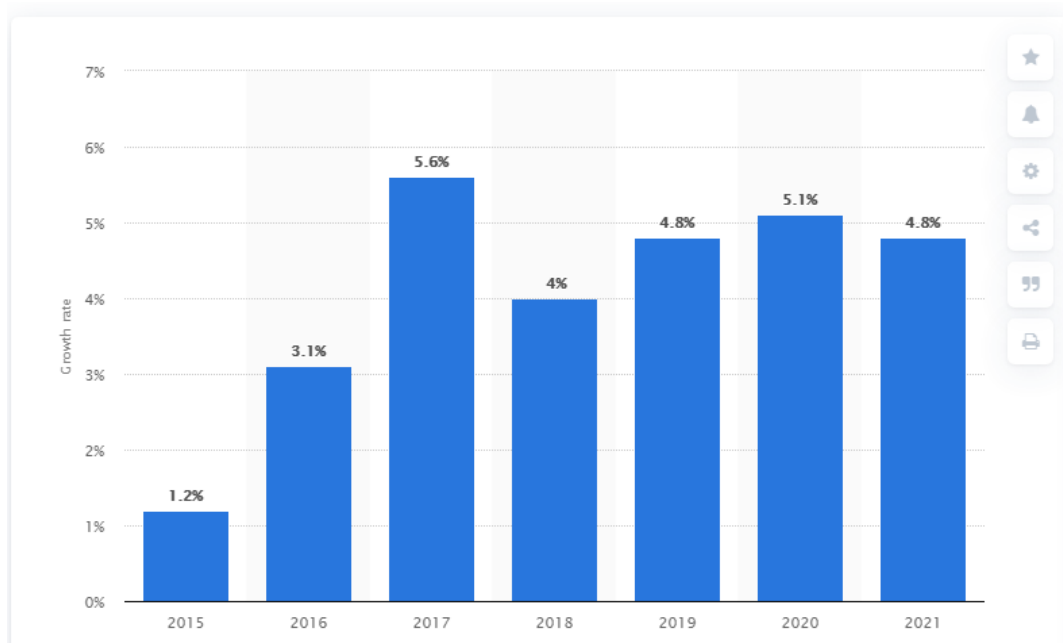
## Appendix N° 01: Prediction of the railway market for 2019-2021

Prévision de la croissance du marché ferroviaire mondial pour 2019-2021 par rapport à 2013-2015, par zone géographique



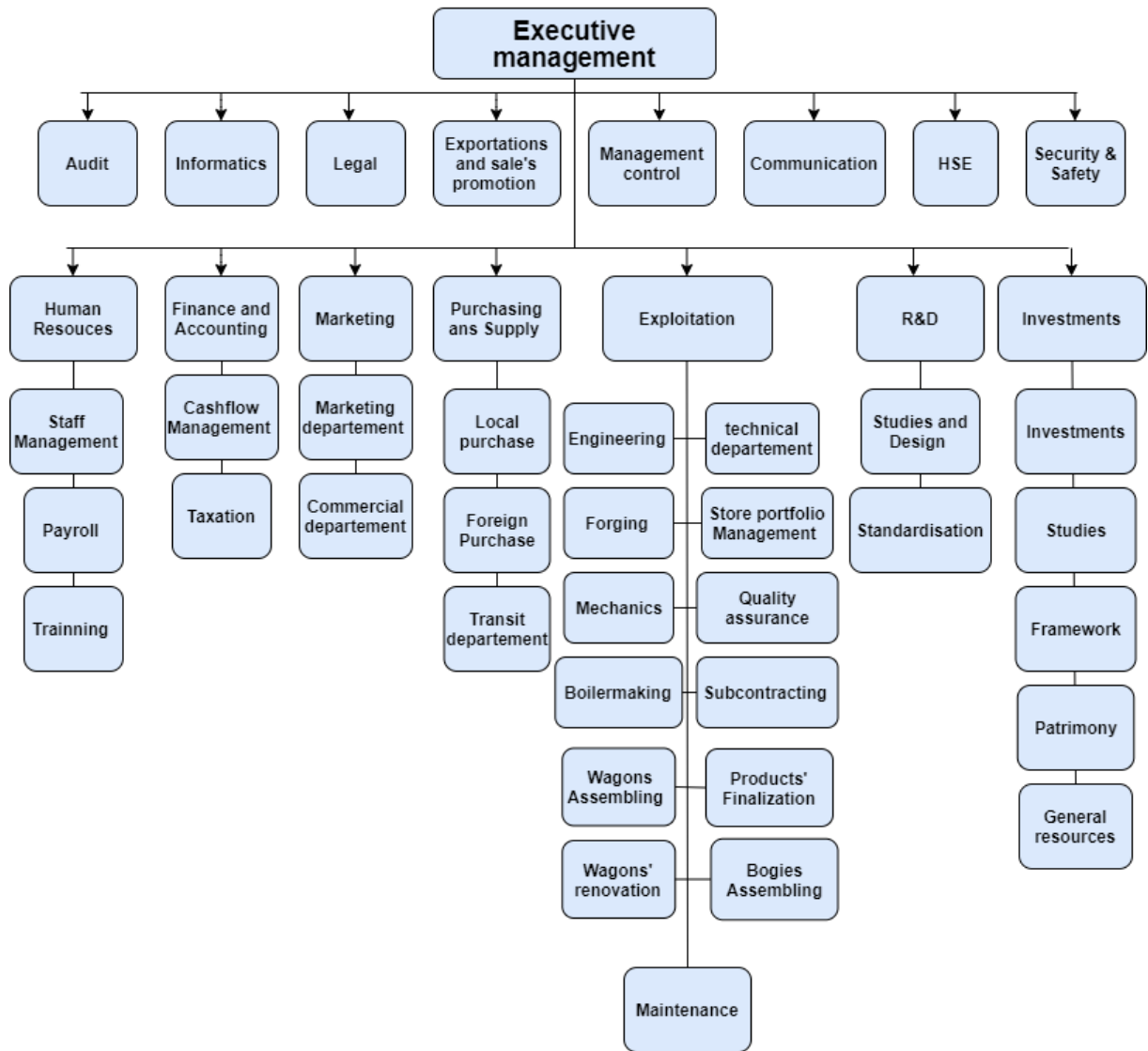
Source: <https://fr.statista.com/statistiques/882832/marche-mondial-volume-technologie-ferroviaire-par-region-monde/>, 12/07/2020, 09:48

## Appendix N° 02: Projected Global container market growth 2015-2021



Source: <https://www.statista.com/statistics/253931/global-container-market-demand-growth/>, 12/07/2020 at 10:35

**Appendix N° 03: Ferroviol's organizational flow chart**



Source: Management department, 02/09/2020, Ferroviol- Annaba

#### Appendix N° 04: The marketing budgets calculations.

**Table N°01: Marketing budget for 2016**

	Element	Amount
01	Total salary of the marketing team	150 000,00 DZD
02	Ctatalogues and printing	9 460,00 DZD
03	Training	0,00 DZD
04	Participations	285 000,00 DZD
05	Advertisement and insertion	334 325,00 DZD
06	Publication	30 110,00 DZD
07	internet Subscription	139 550,00 DZD
08	Telecommunication charges	11 320,00 DZD
09	colloquim, conference and siminar charges	102 090,00 DZD
Total	Marketing budget 2016	1 061 855,00 DZD

**Source: Office excel output through the company's documents**

**Table N°02: Marketing budget for 2017**

	Element	Amount
01	Total salary of the marketing team	305 000,00 DZD
02	Ctatalogues and printing	96 200,00 DZD
03	Training	0,00 DZD
04	Participations	603 500,00 DZD
05	Advertisement and insertion	577 500,00 DZD
06	Publication	45 110,00 DZD
07	internet Subscription	101 500,00 DZD
08	Telecommunication charges	15 500,00 DZD
09	colloquim, conference and siminar charges	317 550,00 DZD
Total	Marketing budget 2017	2 061 860,00 DZD

**Source: Office excel output through the company's documents**

**Table N°03: Marketing budget for 2018**

	Element	Amount
01	Total salary of the marketing team	305 000,00 DZD
02	Ctatalogues and printing	372 671,00 DZD
03	Training	0,00 DZD
04	Participations	612 240,00 DZD
05	Advertismment and insertion	561 100,00 DZD
06	Publication	37 510,00 DZD
07	Internet Subscription	121 300,00 DZD
08	Telecommunication charges	15 540,00 DZD
09	colloquim, conference and siminar charges	772 020,00 DZD
Total	Marketing budget 2018	2 797 381,00 DZD

**Source: Office excel output through the company's documents**

**Table N°04: Marketing budget for 2019**

	Element	Amount
01	Total salary of the marketing team	365 000,00 DZD
02	Ctatalogues and printing	334 000,00 DZD
03	Training	1 568 000,00 DZD
04	Participations in fairs	750 140,00 DZD
05	Advertismment and insertion	652 100,00 DZD
06	Publication	491 110,00 DZD
07	internet Subscription	121 300,00 DZD
08	Telecommunication charges	17 340,00 DZD
10	colloquim, conference and siminar charges	771 341,00 DZD
Total	Marketing budget 2019	5 070 331,00 DZD

**Source: Office excel output through the company's documents**

## Appendix N° 05: Calculations of the linear correlation coefficient

**Table N°05: Calculations of the linear correlation coefficient**

	Marketing budget	Turnover	Sales	Number of clients
	1061855	381 359	6 394	41
	2061860	1 310 104	1803	43
	2797381	996 367	10186	51
	5070331	862 054	15865	60
r between the mkg budget and turnover	0,2582666			
r between the mkg budget and sales	0,8323681			
r between the mkg budget and nbr of clt	0,9775555			

**Source: Office Excel**

## **The impact of marketing strategy on a company's performance Indicators**

As part of the elaboration of a dissertation in partial fulfilment of the requirements for master's degree in commercial Sciences, marketing Major, at the "École des Hautes Etudes Commerciales" of Algiers. We are developing an empirical study aiming to analyse the impact of marketing strategy on the key performance indicators of the company.

The purpose of this research is to highlight the importance of a well-studied marketing strategy for the performance of any business.

We therefore ask you to answer the following questions in the most sincere manner possible. We thank you in advance for taking the time to help with the development of our work. We guarantee the confidentiality of your answers and that they will be used strictly only for the development of our research.

M. BOUBEGUIRA

**Sample characteristics: These questions relate to the following categories:**

- 1. Employees currently in Sales / Marketing department**
- 2. Employees who have worked in sales / marketing department and transferred to other structures**
- 3. Any other person from another structure who can enrich the answers (Supply and purchasing; After-sales; Quality control; ...).**

**Name and Family name:**.....

**Current Position:** .....

**1/- General Information:**

1. For how long have you been an employee for Ferrovia?

less than 5 years

[5 years- 10 years[

[10 years- 15 years]

Plus de 15 years

2. For how long have you been on the commercial/ marketing department?

less than 5 years

[5 years- 10 years[

[10 years- 15 years]

Plus de 15 years

3. What is your field of expertise (specialization). What is your study field?

4. What is your role on the process of elaboration and execution of the marketing strategy?

**2/-information related to the companies activity**

**A. Client relation management:**

1. Does the company maintain a direct and supportive relationship with its customers?

2. What are the measures that the company takes to build customer loyalty?

3. What types of customer complaints does the company usually receive?

4. Are customers generally satisfied with the company's handling of their complaints?

**B. Perception:**

1. Does the company meet customer expectations in terms of product quality?
2. Does the company take responsibility in case of non-conformity of the delivered products?

**C. Marketing strategy:**

1. What are the marketing objectives set and over what period, and what their measurement indicators?
2. What are Ferrovial's competitive advantages?
3. What is the optimal segmentation method the company's uses in order to elaborate the operational marketing (marketing mix)?
4. Does the marketing strategy in place have a direct impact on the company's performance
5. At what level of the commercialization process would you judge the engagement of the marketing strategy?
6. What are the company's future perceptions and what are the possible obstacles to their realization?

**END**

## **L'impact de la stratégie marketing sur les indicateurs clés de performance de l'entreprise**

Dans le cadre de l'élaboration d'un mémoire de fin de cycle en vue de l'obtention d'un diplôme de Master en sciences commerciales option marketing, à l'école des hautes études commerciales. Nous sommes tenues à effectuer une étude pratique visant à étudier l'impact de la stratégie marketing sur les indicateurs clés de performance de l'entreprise.

Le but de cette recherche est de mettre le point sur l'importance d'une stratégie marketing bien étudiée pour l'activité de toute entreprise.

Nous vous sollicitons ainsi de bien vouloir répondre aux questions suivantes de la manière la plus sincère possible. Nous vous remercions en avance pour le temps que vous accorderez pour répondre à nos questions.

Nous vous garantissons la confidentialité de vos réponses et qu'elles ne serviront strictement qu'au développement de notre recherche.

M. BOUBEGUIRA

Caractéristiques de l'échantillon : Ces questions touchent les catégories suivantes :

- 1. Les employées actuellement au commercial / Marketing**
- 2. Les employées ayant travaillé au commercial/ marketing et orientés vers d'autres structures**
- 3. Tout autre personne d'autre structure pouvant enrichir les réponses (achats ; SAV ; Suivi de la Garantie ; .....).**

**Nom et Prénom :** .....

**Fonction actuelle :** .....

**1/- Informations générales :**

1. Depuis quand vous êtes employé à Ferroviaal ?

Moins de 5 ans

[5ans- 10 ans [

[10ans- 15ans]

Plus de 15 ans

2. Depuis quand vous êtes au département commercial/ Marketing ?

Moins de 5 ans

[5ans- 10 ans [

[10ans- 15ans]

Plus de 15 ans

3. Quelle a été votre expérience au niveau de Ferroviaal ? Vous êtes de quelle formation ?

4. quel rôle occupez-vous dans le processus de l'élaboration et l'exécution de la stratégie marketing ?

**2/- informations liées à l'activité de l'entreprise**

**A. Relation client :**

**Selon vous :**

1. L'entreprise maintien-t-elle une relation directe et de soutien étroite avec ses clients ?

2. Quelles sont les mesures prises par Ferroviaal pour fidéliser sa clientèle ?

3. Quelles les natures des réclamations clients souvent reçues par l'entreprise ?

4. Les clients sont-ils généralement satisfaits par le traitement de leurs réclamations par l'entreprise ?

## **B. Perceptions :**

**Selon vous :**

1. L'entreprise répond-elle aux attentes des clients en termes de qualité des produits ?
2. L'entreprise prend-elle sa responsabilité dans le cas de non-conformité des produits livrés ?

## **C. Stratégie marketing :**

**Selon vous :**

1. Quel sont les objectifs marketings fixés et sur quelle période, et quels sont les indicateurs choisis ?
2. Quels sont les avantages compétitifs de Ferrovia ?
3. Quelle est la méthode de segmentation optimale utilisée vous permettant d'optimiser votre marketing opérationnel (mix marketing) ?
4. La stratégie marketing en place a-t-elle un impact direct sur la performance de l'entreprise ?
5. A quel niveau du processus de commercialisation jugeriez-vous l'engagement de la stratégie marketing ?
6. Quelles sont les perspectives d'avenir de l'entreprise et que peuvent être les obstacles possibles face à leur réalisation ?
7. Quels sont les formes de communication les plus utilisées par l'entreprise ?

**FIN**

## l'impact de la strategie marketing sur les indicateurs clés de performance de l'entreprise

Dans le cadre de l'élaboration d'un mémoire de fin de cycle en vue de l'obtention d'un diplôme de Master en sciences commerciales option marketing, à l'école des hautes études commerciales. Nous sommes tenues à effectuer une étude pratique visant à étudier l'impact de la stratégie marketing sur les indicateurs clés de performance de l'entreprise.

Le but de cette recherche est de mettre le point sur l'importance d'une stratégie marketing bien étudiée pour l'activité de toute entreprise.

Nous vous sollicitons ainsi de bien vouloir répondre aux questions suivantes de la manière la plus sincère possible. Nous vous remercions en avance pour le temps que vous accorderez pour répondre à nos questions.

Nous vous garantissons la confidentialité de vos réponses et qu'elles ne serviront strictement qu'au développement de notre recherche.

M. BOUBEGUIRA

Caractéristiques de l'échantillon : Ces questions touchent tous les clients de l'entreprise Ferroviail Algerie

**\*Obligatoire**

1. 1. depuis qaund vous etes client a ferroviail \*

*Une seule réponse possible.*

- moins de 5 ans
- [5-10[
- [10-15]
- plus de 15 ans

2. 2. Quel est les supports de communication les plus utilisés entre vous et Ferroviaal parmi les suivants?

*Plusieurs réponses possibles.*

- appel d'offre
- publicité
- conférence, foires, siminaires, salons
- Catalogues
- Site web
- réseaux sociaux
- procepection faite par ferroviaal
- réseau personnel

Autre :  \_\_\_\_\_

3. 3. Pourquoi avez vous choisis le produit ou le service ferroviaal?

*Plusieurs réponses possibles.*

- qualité des produits et/ ou services
- prix des produits et/ou services
- la réputation et l'image de Ferroviaal sur le marché
- l'expérience de Ferroviaal
- Ferroviaal est le seul fournisseur du produit demandé

Autre :  \_\_\_\_\_

perception

## 4. 4. Veuillez déterminer votre niveau d'accord avec les propositions suivantes \*

*Une seule réponse possible par ligne.*

	Pas du tout d'accord	Pas d'accord	Neutre	D'accord	Tout à fait d'accord
Les produits Ferroviaire répondent à nos attentes en terme de qualité	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Les prix des produits et/ou service Ferroviaire sont bien étudiés	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferroviaire livre les produits à temps	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
les produits Ferroviaire sont de forte résilience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferroviaire prend responsabilité totale pour tous types de non conformité	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 5. 5. Veuillez déterminer votre niveau d'accord avec les propositions suivantes \*

*Une seule réponse possible par ligne.*

	Pas du tout d'accord	Pas d'accord	Neutre	D'accord	Tout à fait d'accord
La qualité des produits et/ou services de Ferroviaire m'incite à devenir un client fidèle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Les promotions, les remises et rabais proposés par Ferroviaire m'incitent à rester fidèle à l'entreprise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
La relation amicale que mon entreprise entretient avec Ferroviaire m'incite à rester fidèle à l'entreprise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
la prise en charge de toute non conformité liée au produit et/ou service par Ferroviaire m'incite à rester fidèle à l'entreprise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 6. 6. Veuillez déterminer votre niveau d'accord avec les propositions suivantes?

Une seule réponse possible par ligne.

	Pas du tout d'accord	Pas d'accord	Neutre	d'accord	tout à fait d'accord
la communication de Ferroviaal donne des informations techniques valable sur ses produits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
la communication de Ferroviaal donne une bonne idée sur son niveau d'expérience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
la communication de Ferroviaal donne une bonne idée sur son histoi et son savoir faire	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
la communication de Ferroviaal crée une image positive de l'entreprise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
la communication de Ferroviaal m'incite à mieux connaître l'entreprise et ses produits et à les acheter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 7. 7. Avez-vous déjà lancé une réclamation au près de Ferroviaal?

Une seule réponse possible.

- oui    Passer à la question 8
- non    Passer à la question 11

Réclamations

## 8. 8. Quel type de réclamations avez-vous lancé

Plusieurs réponses possibles.

- non satisfaction par la qualité du produit
- non conformité du produit aux exigences de l'entreprise
- retard dans la livraison du produit
- non fonctionnalité du produit
- des pannes au niveaux du produit

Autre :  \_\_\_\_\_

## 9. 9. Quel est votre niveau des satisfaction par le traitement de votre reclamation par Ferrovia? ( 1 etant pas du tout satisfait et 5 très satisfait )

Une seule réponse possible.

	1	2	3	4	5	
Pas du tout satisfait	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Très satisfait

## 10. 10. Avez-vous déjà consulté le site web de Ferrovia

Une seule réponse possible.

- oui    *Passer à la question 11*
- non

site web

## 11. 11. Veuillez indiquer votre niveau d'accord avec les propositions suivantes

Une seule réponse possible par ligne.

	Pas du tout d'accord	Pas d'accord	Neutre	D'accord	Tout à fait d'accord
la site web de Ferrovia est simple, efficace et facile utilisé	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
le site web de Ferrovia offre toutes les informations nécessaire sur sa gamme de produit et ses services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
le site web de Ferrovia est réactif et me permet de communiquer facilement avec l'entreprise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
le site web de ferrovia est attrayant et incite à le visiter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
le site web de Ferrovia donne une image positive de l'entreprise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Appendix N° 09: the English version of the clients' survey

16/09/2020

The impact of marketing strategy on a company's performance indicators

### The impact of marketing strategy on a company's performance Indicators

As part of the elaboration of a dissertation in partial fulfilment of the requirements for master's degree in commercial Sciences, marketing Major, at the "École des Hautes Etudes Commerciales" of Algiers. We are developing an empirical study aiming to analyse the impact of marketing strategy on the key performance indicators of the company.

The purpose of this research is to highlight the importance of a well-studied marketing strategy for the performance of any business.

We therefore ask you to answer the following questions in the most sincere manner possible.

We thank you in advance for taking the time to help with the development of our work. We guarantee the confidentiality of your answers and that they will be used strictly only for the development of our research.

M. BOUBEGUIRA

Sample characteristics : These Questions concerne all the clients of Ferroviaal Algeria

**\*Obligatoire**

1. 1. For how long have you been a client of Ferroviaal? \*

*Une seule réponse possible.*

- less than 5 years  
 [5 years-10years]  
 [10years -15years]  
 more than 15 years

2. 2. Through which of these supports do you communicate with company the most \*

*Plusieurs réponses possibles.*

- Invitation to tender  
 Prospection done by Ferroviaal (service offer)  
 Publicity ( TV, Radio, presse, pannels,)  
 Conferences, fairs and expositions  
 Catalogues  
 Personnel network  
 website  
 Social media

Autre :  \_\_\_\_\_

## 3. 3. For what reason(s) did you choose Ferrovia's products or services? \*

*Plusieurs réponses possibles.*

- The quality of Ferrovia's products and services
- The competitive prices of Ferrovia's products and services
- Ferrovia's reputation and image
- Ferrovia's experience and know-how
- Ferrovia is the only supplier of the needed product

Autre :  \_\_\_\_\_

## Perception

## 4. 4. Indicate your level of agreement with the following statements \*

*Une seule réponse possible par ligne.*

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Ferrovia's products and services answer to our expectations in terms of quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovia's products and are of strong resilience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The prices of Ferrovia's products and services are competitive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovia delivers products on time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovia takes full responsibility in case of non-conformity of products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 5. 5. Indicate your level of agreement with the following statements \*

*Une seule réponse possible par ligne.*

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
the quality of Ferrovia's products and services encourages me to stay loyal to the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
promotions and discounts offered by Ferrovia encourage me to stay loyal to the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The direct relations between my company and Ferrovia encourage me to stay loyal to the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovia taking responsibility for any non-conformity encourages me to stay loyal to the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 6. 6. Indicate your level of agreement with the following statements \*

*Une seule réponse possible par ligne.*

	Strongly disagree	Disagree	Neutral	Agree	Stroglyly Agree
Ferrovial's communication provides all the necessary technical information about its products and services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovial's communication creates a positive image of the company's level of experience and know-how	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovial's communication gives a positive idea of the company's history	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovial's communication creates a positive image of the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovial's communication encourages me to better know the company and its products and motivates me to purchase	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 7. 7. Have you ever submitted a complaint to Ferrovial? \*

*Une seule réponse possible.*

- Yes
- No *Passer à la question 11*

compalints

## 8. 8. Of what type was(were) your complaint(s) \*

*Plusieurs réponses possibles.*

- Discontentment by the product's quality
- Non-conformity of the product to the company's needs
- Delay in delivery
- Malfunctioning of the product
- Damaged products

Autre :  \_\_\_\_\_

## 9. 9. What was your level of satisfaction with Ferrovia's handling of your complaints (1 not at all satisfied and 5 very satisfied) \*

*Une seule réponse possible.*

	1	2	3	4	5	
Not at all satisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Very satisfied

## 10. 12. Have you ever visited Ferrovia's website? \*

*Une seule réponse possible.*

- Yes *Passer à la question 11*
- No

website

## 11. 13. Indicate your level of agreement with the following statements \*

*Une seule réponse possible par ligne.*

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Ferrovial's website is simple and easy to use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovial's website offers all the necessary information concerning its products lines and services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovial's website is reactive and enables me of contacting the company easily	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovial's website is attractive and encourages me to revisit it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ferrovial's website creates a positive image of the company:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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