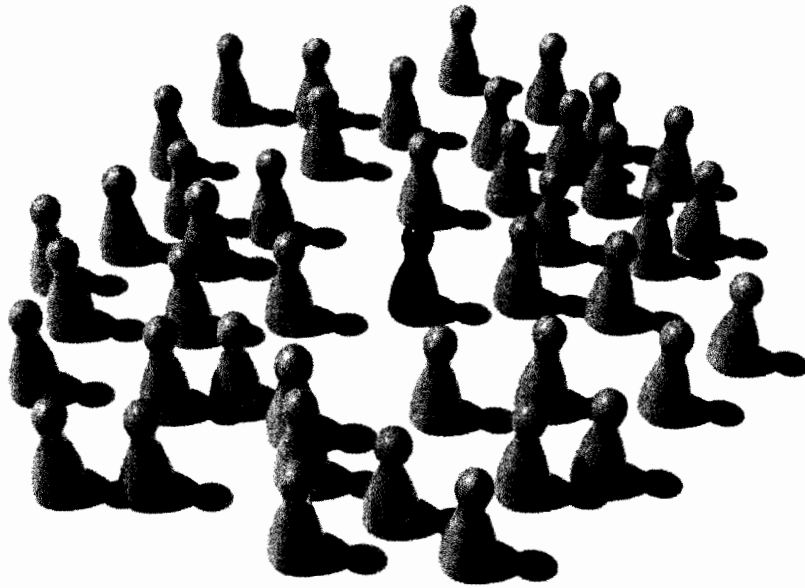


**The Importance of Niche Marketing in Creating Sustainable  
Differential Advantage of National Corporations for Food Industries  
in the Republic of Yemen**

*Fatihya Mahdi Ahmed Ali*

2011

**The Importance of Niche Marketing in Creating Sustainable  
Differential Advantage of National Corporations for Food Industries  
in the Republic of Yemen**



*A Thesis Submitted To The College Of Business In Partial  
Fulfillment Of The Requirements For The Degree Of The Master  
Of Science (Management)*

**BY:**

***Fatihya Mahdi Ahmed Ali***

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**UNIVERSITI UTARA MALAYSIA  
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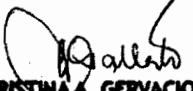
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## **DEDICATION**

This thesis is dedicated to those who deserve the to dedicate this work to them..

*Who were as a light into my life;*

***MY WONDERFUL PARENTS (MUM & DAD)***

*Who has chosen by Allah to be a companion of my life;*

*The love, Recognition and Loyalty;*

***MY DEAR HUSBAND***

*Who were a constant source of encouragement and support;*

***MY SISTERS & BROTHERS***

***“THE GREATEST OF THESE IS LOVE”***

*Fatihya Mahdi Ahmed Ali*

2011

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I thank you all!

## ABSTRACT

This thesis seeks to investigate of the importance of niche marketing in creating sustainable differential advantage of National Corporations for Food Industries in the Republic of Yemen through focusing at studying the extent of applying two key criteria of niche marketing (market segments and positioning). In particular, this thesis measures the level of perception of managers and staffs of marketing management (the study sample) on niche marketing and the effect of niche marketing on creating sustainable differential advantage.

In response, based on a review of the literature, this thesis develops a model reflects the expected relationship between niche marketing and sustainable differential advantage. Furthermore, it presents and discusses findings from a questionnaire of 82 respondents of managers and staffs of marketing management at seven national corporations for food industries in the Taiz Governorate in Yemen by using the descriptive analytical statistics methods (Cronbach's coefficient alpha (reliability test), frequencies, percentages, means, standard deviations, T-Test and One Sample Test, Chi-Square Test and Correlation Coefficient (Spearman))..

The findings of this thesis largely support the hypothesised relationships proposed in the theoretical model. Specifically, the results revealed that there is a significant, (moderate) and positive correlation between niche marketing and sustainable differential advantage creation of the National Corporations for Food Industries in Yemen ( $r = 0.612$ ,  $p < .01$ )

This thesis contributes to theoretical and practical knowledge by providing for the first time, evidence about relationships between niche marketing and sustainable differential advantage.

**Keywords:** Niche Marketing; Market Segments; Customer Conversion Analysis; Segment Profitability Analysis; Positioning; Integrated Marketing Concept; Distinctive Competences; Sustainable Differential Advantage.

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## LIST OF ABBREVIATIONS

<i>CCA</i>	Customer Conversion Analysis
<i>SPA</i>	Segment Profitability Analysis
<i>IMC</i>	Integrated Marketing Concept
<i>DC</i>	Distinctive Competences
<i>SDA</i>	Sustainable Differential Advantage
<i>SCA</i>	Sustainable Competitive Advantage

# CHAPTER I

## INTRODUCTION

### *1.1. Background of the Study*

There are many challenges faced by business organizations in the world today wherein competition is cited as one basic challenge. Perhaps the growth and expansion of the business horizon, which the management of the organization should consider, has led to a pivotal role in establishing the impact of those challenges in all management's decisions primarily associated with the function of marketing. Therefore, it is imperative that developing techniques that are not conventional, especially in dealing with the market and customers, has to be carefully studied and considered.

For instance, from the very beginning of the existence of humanity, food has been like petrol for human and animal beings. Food gives strength and life. People have always “benefited” from food and will continue consuming it till their last breath. So, the demand on food is the cause which has led to the growth of variety of the food products and the growth of the number of companies professionally providing food products for people. In other words, the demand on food is always high and the food industry has become a “battle-field” for many companies causing a great competition.

In addition, it is common knowledge that quantity does not always imply quality. As the industry is very lucrative, because people will buy food even during a hard financial crisis. In the Republic of Yemen, a lot of companies have introduced eatables of a very low quality but in great amounts and cheap price. These products are often not so useful to eat. Also, it can be said that along with the growth of competition, a number of major food-producing companies have focused on the quality of products in the recent years. Additionally, today, the customer has become more demanding and in case the product requirements are not fulfilled, he will not claim as buy it,

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