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

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

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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”*

Fatlhia Mahdi Ahmed Ali

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ABSTRACT

This thesis seeks to investigate 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.
TABLE OF CONTENTS

DEDICATION..................................................................................................................i
ACKNOWLEDGMENTS ..................................................................................................ii
ABSTRACT ....................................................................................................................iii
TABLE OF CONTENTS .................................................................................................iv
LIST OF FIGURES ......................................................................................................vii
LIST OF TABLES .........................................................................................................viii
LIST OF ABBREVIATIONS ........................................................................................ix

CHAPTER I: INTRODUCTION .....................................................................................1-7
  1.1. Background of the Study......................................................................................1
  1.2. Problem Statements............................................................................................4
  1.3. Research Questions ...........................................................................................5
  1.4. Research Objectives .........................................................................................6
  1.5. Significance of the Study ..................................................................................6
  1.6. Scope and Delimitation ....................................................................................7

CHAPTER II: LITERATURE REVIEW .......................................................................8-52
  2.1. Introduction ......................................................................................................8
  2.2. Niche Marketing Overview ..............................................................................9
      2.2.1. What is a niche? .......................................................................................9
      2.2.2. What is a niche marketing? ....................................................................10
      2.2.3. Elements of Niche Marketing: .................................................................13
          2.2.3.1. Market Segment .............................................................................14
              2.2.3.1.1. Customer Conversion Analysis ...............................................16
              2.2.3.1.2. Segment Profitability Analysis .................................................17
          2.2.3.2. Positioning .......................................................................................19
              2.2.3.2.1. Integrated Marketing Concept ..............................................20
              2.2.3.2.2. Distinctive Competences .......................................................21
5.2. Summary of Findings......................................................................................... 83
5.3. Conclusions................................................................................................. 86
5.4. Recommendation...................................................................................... 87

BIBLIOGRAPHY ................................................................................................. 89

APPENDICES

APPENDIX (A) : Questionnaire

APPENDIX (B) : The population of study

APPENDIX (C) : Statistical Tables : t-Distribution
LIST OF FIGURES

Figure (2.1): Niche Strategies ................................................................. 14
Figure (2.2): Advantage-creating Resources ........................................... 23
Figure (2.3): Routes to Competitive Advantage ...................................... 33
Figure (2.4): Types of Differential Advantage ....................................... 34
Figure (2.5): Generic Competitive Strategies ......................................... 41
Figure (3.1): The relationship of Niche Marketing and Sustainable Differential Advantage .... 54
Figure (4.1): Respondents' Gender ......................................................... 66
Figure (4.2): Respondents' Age ............................................................... 67
Figure (4.3): Respondents' Educational Qualification .............................. 67
Figure (4.4): Respondents' Experience ................................................... 68
LIST OF TABLES

Table 2.1: Recommendations for implementing a niche marketing strategy ........................................... 43
Table 3.1: Distribution of the items of the second part on the criteria of niche marketing ....................... 57
Table 3.2: Questionnaires Distributed, Received and Response Rates ................................................... 60
Table 3.3: Cronbach's Coefficient Alpha Value ....................................................................................... 61
Table 3.4: Cronbach's Coefficient Alpha Value of Each Variable ........................................................... 61
Table 4.1: Demographic Profile of Respondents .................................................................................... 66
Table 4.2: One-Sample Statistics for the Respondents' Perception on niche marketing ....................... 69
Table 4.3: One-Sample Test Results for the Respondents' Perception on niche marketing .................... 70
Table 4.4: The Means, Standard Deviation and Qualitative Interpretation of Market Segments Creation (Customer Conversion Analysis (CCA)) .......................................................... 71
Table 4.5: The Means, Standard Deviation and Qualitative Interpretation of Market Segments Creation (Segment Profitability Analysis (SPA)) ................................................................ 72
Table 4.6: The Means, Standard Deviation and Qualitative Interpretation of Positioning Creation (Integrated Marketing Concept (IMC)) ......................................................................... 73
Table 4.7: The Means, Standard Deviation and Qualitative Interpretation of Positioning Creation (Distinctive Competences (DC)) .................................................................................. 74
Table 4.8: The Perception of National Corporations for Food Industries in Yemen on Niche Marketing ........................................................... 75
Table 4.9: The Means, Standard Deviation and Rank of Benefits that the Management and Staffs of National Corporations for Food Industries get from Niche Marketing ........................................ 76
Table 4.10: The Means, Standard Deviation and Rank of the effect of niche marketing on creating a Sustainable Differential Advantage as identified by the Management and Staffs of National Corporations for Food Industries ................................................................. 78
Table 4.11: One-Sample Statistics for the effect of niche marketing on the sustainable differential advantage creation ............................................................................................................. 80
Table 4.12: One-Sample Test for the effect of niche marketing on the sustainable differential advantage creation ............................................................................................................. 80
Table 4.13: Chi-Square Test ..................................................................................................................... 81
Table 4.14: The correlations between Niche Marketing and the Sustainable Differential Advantage (N =82) ........................................................................................................................................... 82
LIST OF ABBREVIATIONS

CCA  Customer Conversion Analysis
SPA  Segment Profitability Analysis
IMC  Integrated Marketing Concept
DC   Distinctive Competences
SDA  Sustainable Differential Advantage
SCA  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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