

**STRATEGIC PLANNING IN LARGE FAMILY OWNED SUPERMARKET  
CHAINS IN NAIROBI, KENYA**

**By**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF  
BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, AND UNIVERSITY  
OF NAIROBI.**

**JUNE, 2017**

**DECLARATION**

This research is my original work and has not been submitted or presented for examination in any other university, either in part or as a whole

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## **DEDICATION**

To God our mighty for his providence and mercy,

To my mother and long departed father, for nurturing and educating me,

To my doting wife and charming daughters for their encouragement,

To the few I met in this journey, who supported me in this quest.

## **ACKNOWLEDGEMENTS**

The author would like to express his sincere gratitude to his supervisor Dr Victor Ndambuki who took time to review, critic and offer guidance on these project. Appreciation also goes to the external examiners for offering helpful suggestions during the preparation of this paper.

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## **ABBREVIATIONS AND ACRONYMS**

<b>KAM</b>	means Kenya Association of Manufacturers
<b>SMEs”</b>	means Small and Medium Enterprises
<b>SPSS</b>	means program for statistical analysis
<b>SWOT”</b>	means Strength, Weaknesses, Opportunities and Threats

## ABSTRACT

This research aims to study strategic planning in large family owned supermarkets in Kenya. . The study seeks to answer the following research question; what is the state of strategic planning in large family owned supermarkets in Kenya? The study set out to assess strategic planning within large family owned supermarkets, and to establish the challenges in strategic planning within large family owned supermarkets in Kenya. The population of this study consisted of all large supermarkets that are family owned operating in Kenya. As at 30<sup>th</sup>, April, 2017 there were forty-five (45) supermarkets that were family owned operating within Nairobi (Retail Trade Association of Kenya, 2017). A questionnaire consisting of both open and closed ended questions were used. The questionnaire was organized into three (3) parts with part 1 capturing demographic data on the supermarket, Part 2 capturing data on the strategic planning practices and Part 3 Designed to collect data on the Challenges that strategic planners in these family owned businesses have to contend with. Analysis using SPSS was then be undertaken and the expected output was Descriptive statistics in this case the mean and standard deviation and Correlation Analysis to establish any relationships that may be inherent. The Pearson Moment Correlation ( $r$ ) was derived to show the strength and nature of the relationship among variables. The number of branches a supermarket had had a negative correlation with political situation in the country, however it was not significant at either 0.05 or 0.01, but technical advances showed a negative correlation with the number of branches, and was significant at the 0.05 level. On the other hand, changes in social structure had a positive correlation with the number of branches a supermarket had at the 0.01 significance level. Due to limited resources, and time constraints, the study was not able to study a sample extracted from a population of supermarkets in the entire country, as such the researcher recommends that a follow up study may be undertaken with a broader population of supermarkets in Kenya, which can provide a higher level of confidence to extrapolation of the findings to the supermarket population in Kenya.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the study**

Organizations formulate strategy to gain competitive advantage, ordinarily such strategies include short and long term goals, a set of goals and objectives on how the organization intends to execute the strategy. A strategy can be developed for a functional unit or even for a small cost centre within an organization (Pearce and Robins, 2007). The basic approach to strategy development is first to review the internal and external environment to understand the competitive frame of the organization. Planning is an important element of strategy development in an organization, the strategic planning activities that are performed in an organization are in response to the competitive nature of the industry, which may include political and economic factors (Thompson, 1999). Strategic planning generally involves the establishment of the organizations mission and vision, and a set of goals and objectives as well as activities that the organization has to undertake in order to progress competitively towards its vision (Nichols, 2015).

Strategy formulation, as noted, follows scanning of the internal and external environments of an organization, and the resource dependency theory and the dynamic capability view explains the relationship between an organization and its environment, the understanding of, which can help organizations formulate effective strategies. In, particular, the theory avers that organizations are dependent on their environment for survival and influence the environment in the same breadth. The dynamic capability view explains the importance of an organizations resources being adaptive to developments within the organizations environment (Teece, Pissano and Shuen, 1998).

Businesses are said to evolve in a cycling periods, from a small outfit to a large outfit and back to a small outfit once more. Family businesses are especially not subject to this type of cyclic existence. The unique challenges that family businesses encounter, particularly in respect to the managerial skills, incline such business organizations more to the cyclic behavior, and probably even to their demise. For a business, particularly a family business, to survive there should be a harmonious co-existence in the fabric of family unit and a clear understanding among members of the unit on how they should be involved in the business as a unit and individually. More importantly, governance structures that are established must be based on threshold knowledge needed to enable an individual discharge functions in the critical parts of the business (Teece, Pissano and Shuen, 1998).

### **1.1.1 Concept of Strategy**

the proponents of strategy consider it as a game plan, which is devised by an organization to competitively position itself in the industry, and to fulfill the needs and wants of the customers in a manner that helps the organization achieve its purpose (Strickland, 2002). Scholars (Linn, 2007; Pearce and Robinson, 2001) considered strategy as the match between the resources and skills of an organization and the environment, in particular having considerations for the risks and the intended outcomes for the organization. Strategy give direction in the short term and in the long term, and scope to an organization, and confers a competitive edge to an organization as well (Johnson and Scholes, 2002).

The concept of strategy is understood through different viewpoints, thus far, and due to lack of consensus on the subject, however there is agreement on certain basic elements of

what a strategy is all about: Achievement of the specific needs of an organization. In an organization, there are three areas in which development of a strategy can follow, which include firm strategy, business strategy and functional strategies. Firm strategies focus on the right solutions to strategic challenges encountered in the course of execution of activities of the firm. These include market development strategies, innovation strategies, focus strategies, diversification strategies, collaboration strategies, and so on. Business strategies are generally action plans that are considered suitable for the firm to ensure its competitiveness in the market segment, and these include differentiation strategies and cost leadership strategies (Pearce and Robinson, 2001). Charitou and Markides (2003) contend that the success of a firm is assured when it has a superior strategy irrespective of how it was planned, formulated and implemented.

### **1.1.2 Strategic Planning**

Allio (2005) and Barrett (1990) argue that the formulation of strategy includes development of strategic intent and identification of the key firm capabilities, capabilities of which may include competency of the employees and other resources, foresight abilities regarding the market segment, and ability to discern the correct approaches and new competencies to develop. It is also important for a firm to have the capacity to codify, articulate, evaluate and elaborate as well as execute its strategy in a manner that is consistent with the best practices.

The approach that firms tend to take in strategic planning starts with development of the vision and thereafter the mission, objectives, which have to be monitored and appropriate

control mechanism established. In developing a vision, the firm or organization have in mind the future status in which the firm will be in, and this may in certain instance need changes in the general organizational structure, processes and even personnel (Rowe et al., 1994). When an organization as established the vision, then the next step is to establish the mission, which in essence describe the kind of business that the organization is in to achieve the vision. The purpose of a mission, according to Pearce and Robinson (1997) is to enable the organization to have a different competitive approach, and to gain a larger market share than other players in the market segment.

### **1.1.3 Retail Industry in Kenya**

The retail industry in Kenya is comprised of entities engaged in retailing merchandise generally without any great change to the model of business. Retailing is the final stage of distribution before goods reach the customer. Retail industry in Kenya consists of, hawkers or itinerant traders, flea markets, grocery stores, kiosk, shops and supermarkets. Whereas all the others are considered small scale, supermarkets are considered large scale retailers. Kiosk and shops carry limited merchandise and customers cannot satisfy themselves as to the goodness of the goods and have to catch the eye of the shop attendant. These leave customers unsatisfied creating a pent up demand for better alternatives. These better alternatives are provided by supermarkets since they have all under one roof provision for customers that in the past involved a whole day of errands. The retailing market in Kenya is predominantly small scale with a few larger organizations which include supermarkets. Traditionally, supermarkets were associated with the developed world but with increasing

urbanization and increasing incomes in the developing world, including Sub-Saharan Africa have seen an explosion in the number of supermarkets (Munyoki, 1997).

The largest chains of supermarkets in terms of branch network and shopping traffic are Nakumatt, Uchumi, Ukwala, Naivas and Tuskys. These have in the past few years expanded zealously and can now be found in residential areas where they are competing for attention with the small scale stores. In Nairobi, the war for market share has taken mainstream supermarkets from the usual commercial areas to residential places. With Kenya being the more affluent market in East Africa, its retail sector is more developed, but nearby hitting the slow lane, and the big players are looking beyond borders exporting their wars to the neighboring countries.

#### **1.1.4 Family Owned Businesses**

Family owned businesses are Family businesses are characterized by the founding family's involvement in the business through vision and control mechanisms and the reciprocal relationship between family and business systems which creates unique resources and capabilities. From an organizational communication perspective, family businesses communicatively construct meanings and processes which strategically integrate and separate family and organization within cultural and environmental contexts which shape family business strategies and experiences. Family business research can be divided into four distinct levels of focus: environmental/societal, organizational, group/interpersonal, and individual.

Family owned businesses have been reported to enjoy certain advantages compared to other forms of business ownerships. It has been established that family owned businesses score



better than other types of businesses on critical indicators of long-term corporate performance. Certain agency problems common in other businesses are eliminated in family businesses. Decisions can be made a lot faster in family owned businesses as a result of the absence, in most cases, of the hierarchal structure of ordinary organizations. Family owned firms also tend to have strong culture, which is likely to inspire loyalty among the employees with subsequent benefits. Many of the family owned firms enjoy political goodwill in some countries, and this provide them a competitive edge.

## **1.2 Research Problem**

One of the most important aspects of managing organizations is strategic planning (Nichols, 2004). Organizations are increasingly finding it hard to ignore the environment in which they are doing business, and without constantly observing, evaluating and analyzing the external and internal environments of the organization, the chances of failure will definitely increase (David, 2003). Mintzberg (2000) states that strategy is the creation of a fit between the external environment and internal conditions of an organization to solve a strategic problem. The matching is achieved through drop of organization care capabilities that are correlated to its external environment. Strategic planning forces the management to carry out both internal and external analyses and chart the future of the firm.

Family owned businesses have certain managerial peculiarities (Maselo, 2001). These managerial peculiarities make it necessary for the management of such businesses to factor in these dimensions in the various managerial functions. To a very large extent and

especially in the initial stages in the family business life cycle the owner/founder takes all or a majority of the managerial decisions (Drummond, 2006). As the business matures, some or all management duties are transferred to hired managers. The retail industry in Kenya is dominated by family owned businesses (Mutegi, 2014). As a result, the family's hand in the management and running of the supermarkets is heavily felt. The direction and the activities involved in their strategic planning are therefore determined to a large extent dependent on the intentions of the family members.

Research on family businesses in Kenya is heavily documented. Literature on strategic planning in relation to the retail industry in Kenya is however extant (Mutegi, 2014). Hussein (2013) studied the effects of strategic planning on family owned businesses in Kenya and reports that there is no evidence of a lot of succession planning. Mumbi (2014) examined the influence of mergers on profitability of family owned businesses. Muvea (2013) studied the strategy development process among family owned businesses and reports that most of it is informal. Mutia (2011) researched on strategic management practices in family owned businesses and his findings were validated by Muvea's (2013). Most of the research on family owned businesses are focused on succession planning (Keter, 2014; Rotich, 2014; Nyalita, 2014). The current study seeks to answer the following research question; what is the status of strategic planning in large family owned businesses in the retail industry in Kenya?

### **1.3 Research Objectives**

The main focus of this study is to investigate strategic planning in large family owned supermarket chains in Nairobi, Kenya. The following are the specific objectives of the study:

- (i) To determine the strategic planning within large family owned supermarkets in Kenya.
- (ii) To establish the challenges in strategic planning within large family owned supermarkets in Kenya.

### **1.4 Value of the Study**

The study contributes to new knowledge in the field of strategic planning, which managers of family owned businesses within the retail industry and also in other sectors of the economy. Managers will also be able to appreciate the challenges encountered in the process of strategic planning and design mechanisms of overcoming them

As stated earlier, literature on strategic planning in family owned businesses within the retail industry in Kenya so this study adds onto the existing body of knowledge in the area. Various theories will also be tested against the background of the sector under investigation.

Policy makers will benefit immensely because time and time again questions on the governance of family owned businesses have arisen and the study will provide insights on the aspect of strategic planning so that regulatory bodies can give direction as necessary.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents the theoretical positioning of the study, which includes the dynamic capability theory and the wheel of retailing theory. Subsequently the chapter discusses strategic planning process, the challenges faced in the strategic planning process and the empirical study summary.

### **2.2 Theoretical Background**

The foremost theory in this study is the Resource Dependency Theory since organizations are reported to engage in strategic planning with the intention of managing their environments (Salancik, 1997). The Dynamic Capabilities View is also relevant because in managing environments resources have to be integrated and mobilized. The Wheel of retailing model explains the evolution of retail businesses overtime.

#### **2.2.1 Dynamic Capability Theory**

The performance of organizational processes depends on the capability of the employees of the organization and the embedded characteristics that enables the organization to compete effectively in the midst of change occasioned by environmental factors (Zhou and Li, 2010; Eisenhardt and Martin, 2000). The dynamic capability theory stipulates that the decision making processes of an organization determines the kind of opportunities that

become available to the organization, and that for an organization to execute implementation processes effectively, coordination and realignment must be done in a manner that is responsive to the changes that are taking place in the market.

Organizations that are keep abreast of the market forces are more likely to yield positive results, since in doing so, such organizations are able to understand the needs of customers, and to know the moves of its competitors to organize appropriate responses (Day, 1994). The resource based view and the dynamic capability view provide organizations the right framework for creating organizational processes that can bring about customer loyalty and ultimately competitive advantage, and that organizations need to encounter the effects of rapidly changing environment by building, integrating and reconfiguring both internal and external factors in a way that creates strategic fit (Teece et al., 1997).

Fang and Zou (2009) argue that the span of control of critical resources and capabilities of an organization can extend beyond its boundaries and into other organizations processes such as the processes of suppliers and distributors or even retailers. An elaborate span of control, its argued, makes an organization better placed to control quality and to address customer needs for effectively and efficiently (She et al., 2005).

Makadok (2001) views rent seeking, from the resources of a firm, as an effective strategy for outperforming competitors in an environment where other competitive strategies are no longer providing added advantage. The manner in which a firm deploys resources at its disposal confer certain advantages, however, this is a delicate balancing act that requires

astuteness on the part of the management of organizations. Resource picking and capability building mechanisms are constructs that represent ways in which organizations deploy resources to gain rents or acquire resources to compete in their market segment.

### **2.2.2 The Wheel of Retailing Theory**

The wheel of retailing theory indicate that start-up organizations enter the market by using low pricing and low margins to gain a foothold in the market segment. And this is similarly true of the retailers. The competitive nature of the retail market means that organizations in the market segment need to devise innovative ways of improving their market share. Value addition in the market segment is in most instances realized on the basis of the pricing regime adopted by an organization. Hollander (1960) argues that retailers are more inclined to focus on customers that offer higher margins than on customers that offer lower margins, and that new market entrants are more concentrated at the lower margins segment than in the higher margins segments.

The wheel of retailing is one of the oldest marketing thoughts, and easily found in citations of scholarly works in marketing and retailing (Kotler and Keller, 2009). The main idea behind the wheel of retailing is identification of factors that increase retailing outcomes for organizations (Goldman, 2011). Retailers preferences is ordinarily towards higher margin customers, and they tend to build loyalty of that particular segment of customer since it is a source of higher revenue for the organization.

Kalkati (1985) notes that retailers that focus on higher margins display flexibility, and may at times resort to low margins tactic depending on the influences of the environment and levels of competition. May (1989) views retailing in the form of growth cycle attributed to firms, and suggests that current retailing practices are experiencing greater effects of environmental forces, which favours dynamic forms of retailing.

### **2.3 Strategic Planning Process**

Different theories have been advanced to explain strategy development process (Child, 1999; Steiner, 1969; Quinn, 1980), most of which suggest the deliberate process of managerial choice. The notion of logical incremental approach, which refer to a process that follows logic, a sequence, and includes a set of analytical and deliberate procedures to develop the vision, mission, objectives, activities and values of an organization is what is known as strategy formulation.

The role of top managers in an organization is to exercise control over strategic intents elaborated in the strategy formulated (Bourgeois and Brodwin, 1984; Westley and Mintzberg, 1989; Hamel and Prahalad, 1989; lindblom, 2012). And that managers make strategic choices through a process of successive limited comparison, in which a smaller set of critical environmental issues are reviewed to establish the external forces that are likely to influence operations of the organization in the market. Thus strategic intent is established through the creation of organizational vision, which is the preferred future state of the organization.

There is a school of thought that considers strategy an important aspect of organizational development process, and that outcomes of planning should ensure that strategy permeates every rubric of an organization (Mintzberg and Waters, 1985; Hannan and Freeman; 1989; Aldrich; 1979). Hickson et al. (1986) contend that organizations are subject to political influences, as such they are political entities, and that various stakeholders in the political arena jostle for their interests to take precedence (Feldman, 1986; Pfeffer and Salancik, 1978; Cyert and March, 1963). The canvassing that goes on among the stakeholders ordinarily reaches a consensus through negotiations, bargaining and compromise. In some cases, managers have no control over the strategies that have been presented to them to implement, and it is the ecological factor that drive strategy implementation, which may even limit the role of implementers of the strategy itself.

There are striking variations in organizational processes and systems, which means that organizations need to device strategies that suit their own organization's needs. A number of options regarding strategic thought have been presented by scholars (Adrich, 1979; Galliers et al., 1999; Whittington, 1997). The strategic approaches have been classified as evolutionary, processual, classical and systemic, which represent different sequences of strategy formulation.

#### **2.4 Challenges Faced in the Strategic Planning Process**

The inclination of managers of organizations to pursue their own interests than the interests of the organization is normally stronger, and when that happens it affects strategy implementation, may even render the whole process of strategy planning worthless



(Wambugu, 2011).Mintzberg (2011) notes that failure to communicate facts about the strategic plans can contribute to poor performance of the whole process of strategic planning. It is therefore important that every employee that is affected by the strategy is well briefed to ensure their buy-in in the implementation of the strategic plan.

There are numerous factors that have been cited that influence strategic planning process, and notable among them is environmental uncertainties, which have the capacity to greatly interfere with the development of long range plans in an organization, and legal regimes prevailing in a country have also impacted strategic planning in organizations (Robson and Pearce, 1983).

The cycle of organizational growth follows a path that encounters a number of changes in the competitive environment, which means an organizational must keep adjusting its strategic planning process to fit the prevailing conditions, however there are certain minimum standards that must be observed to guarantee quality of performance. Strategic planning is generally viewed as a continuous process that needs constant feedback, and an effective strategic planning process allows an organization to be an effective instrument of socio-economic development. The critical factors that spell successful strategic planning include administrative considerations such as staff and citizen's involvement, participation approaches to deploy, the kind of information and dissemination processes to include (Robson and Pearce, 1983).

## **2.5 Empirical Review Summary**

This chapter has looked at the relevant theories associated with the study, which include the dynamic capability theory and the wheel of retailing theory. The main thrust of the former theory is that organizational capabilities is a reflection of the effectiveness of organizational processes, whereas the reasoning behind the later theory is that start-ups enter a consumer market by adopting a strategy of low pricing, which make them low margin performers, but ensures their survival in the highly competitive market. Strategic planning process presents complex decision challenges rooted in the social fabric of organizations. The literature reviewed show that these challenges bedeviling strategic planning process are both internal and external to an organization, and the choice of strategic plans presented by the planners may as well face resistance from the users or consumers of the plan.

This study sets out to determine the strategic planning within large family owned supermarkets in Kenya, and establish the challenges in strategic planning within large family owned supermarkets in Kenya. The literature reviewed indicate that strategic planning process plays a significant role that facilitates effective organizational performance, however very few studies have been undertaken in Kenya that can provide conclusive agreement as to how strategic planning can be effectively undertaken to yield consistent and satisfactory results for an organization, more so in supermarkets chains in Kenya. The study therefore seeks to investigate strategic planning in large family owned supermarket chains in Nairobi, Kenya.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter presents the method of study, that was adopted. The chapter discusses the study design, population of the study, data collection and data analysis.

### **3.2 Study Design**

A Study design is the researcher's roadmap on how the objectives of the study will be fulfilled (Sekaran, 2000). It also provides the parameters within which the study will be carried out. The researcher will use a census survey study design. Census survey have been recommended when the population under study is considered relatively small (Hall, 2011). A survey enables eventual statistical manipulation of data which is considered an important output in answering the objectives of the study.

### **3.3 Population of the Study**

The study population will comprise all the large supermarkets that are family owned operating in Kenya. As at 30<sup>th</sup>, April, 2017 there were forty five (45) supermarkets that were family owned operating within Nairobi(Retail Trade Association of Kenya, 2017). Supermarket size can be measured in terms of number of branches, sales turnover, number

of employees and space occupied (Kamau, 2008). Using the number of branches, the supermarkets within Nairobi will be categorized as follows:

Less than 3 Branches = 14..... Small

3 – 7 Branches = 20..... Medium

Above 7 Branches = 11.....Large

Total = 45

The eleven supermarkets categorized as large will form the population of the study.

### **3.4 Data Collection**

Only primary data will be collected. This is because the variables under investigation do not call for secondary data. A questionnaire consisting of both open and closed ended questions will be used. The questionnaire is organized into three (3) parts with part 1 capturing demographic data on the supermarket, Part 2 capturing data on the strategic planning practices and Part 3 Designed to collect data on the Challenges that strategic planners in these family owned businesses have to contend with. A five (5) point likert scale will be used for purposes of rating points in Parts 2 and 3.

### **3.5 Data Analysis**

Data collected as above be analyzed as follows; First the questionnaires will be screened for incomplete responses. The data will then be coded and captured using Excel computer package. Analysis using SPSS will then be undertaken and the expected output will be Descriptive statistics in this case the mean and standard deviation and Correlation Analysis to establish any relationships that may be inherent.

# **CHAPTER FOUR**

## **DATA ANALYSIS AND INTERPRETATION**

### **4.1 Introduction**

This chapter presents the findings from the questionnaire survey. The study set out to assess strategic planning within large family owned supermarkets, and to establish the challenges in strategic planning within large family owned supermarkets in Kenya. Subsequently, the findings are presented in sections that include Demographic information, and strategy development, which is subdivided into several other sub-sections. Graphical representation is used in the form of Tables and figures to help explain the findings.

### **4.2 Demographic Information**

The population from which the sample of 42 was drawn included 45 supermarkets that are operating as family owned, out of which 38 responded satisfactorily, which is 90.50% response rate. The following sections represents the demographics based on the response rate.

#### 4.2.1 Position in the company

Table 4.2.1: Position in the company

	Frequency	Percent	Valid Percent	Cumulative Percent
management	11	28.9	28.9	28.9
supervisor	19	50.0	50.0	78.9
clerks	8	21.1	21.1	100.0
Total	38	100.0	100.0	

Figure 4.2.1: Position in the company

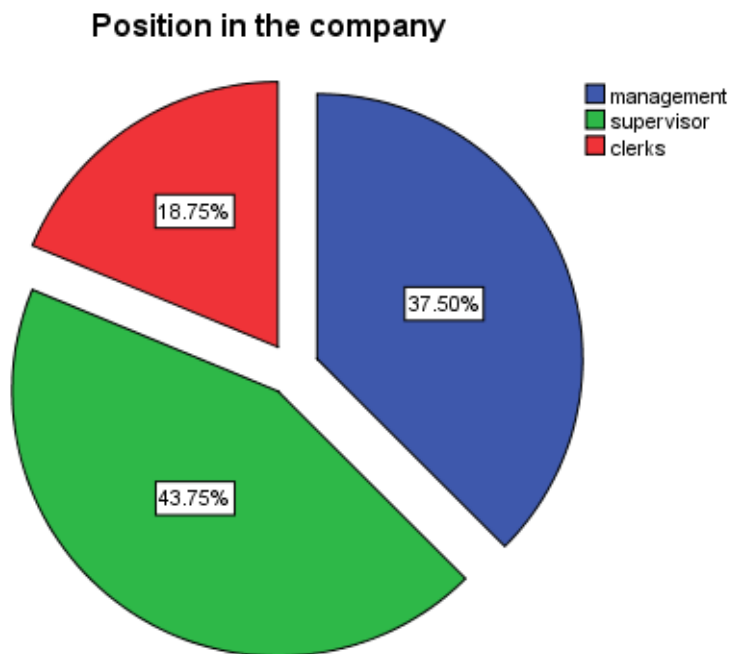


Table 4.2.1 and Figure 4.2.1 shows the position of respondents in the company, of which 28.90% were at the management level, 50% were supervisory and 21.10% clerks. Majority of the respondents were supervisory level staff.

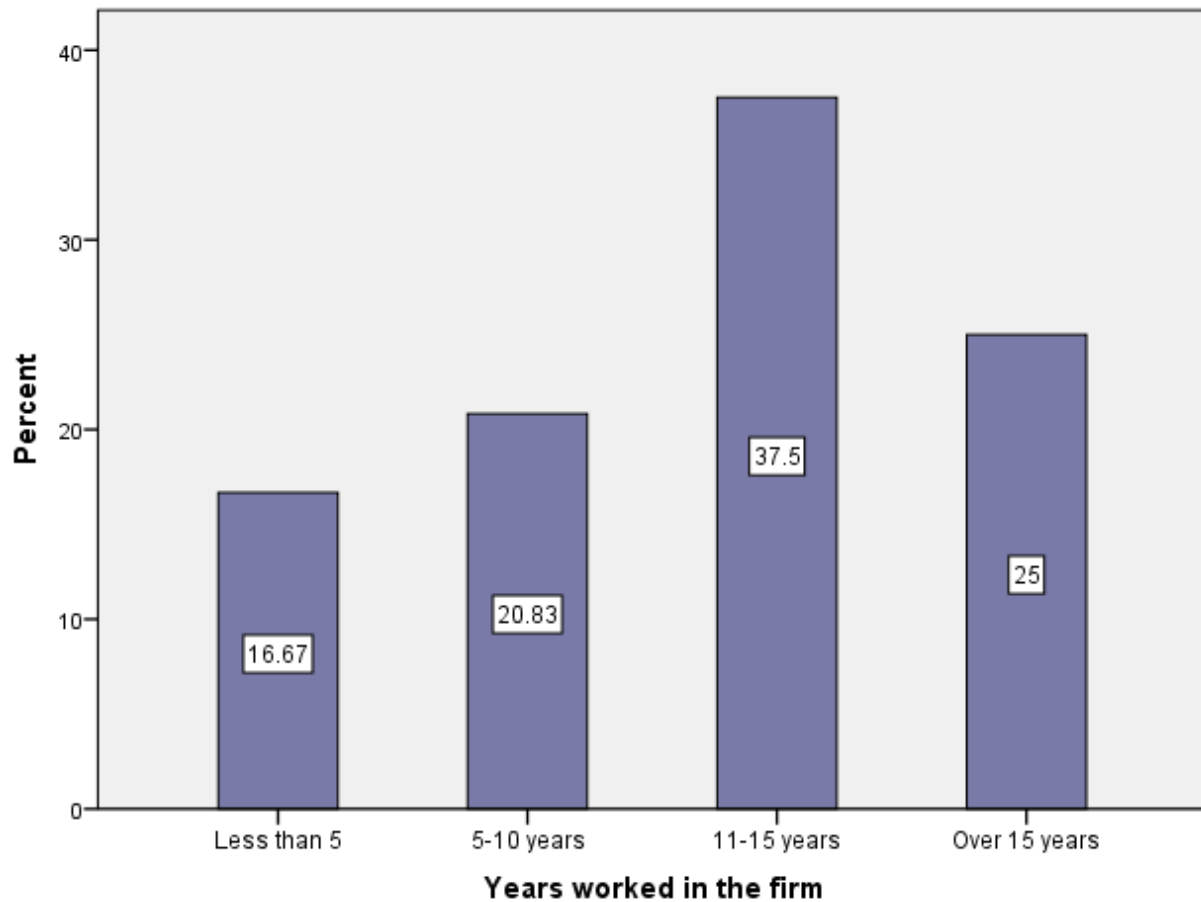
#### 4.2.2 Years worked in the firm

**Table 4.2.2: Years worked in the firm**

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 5	4	10.5	10.5	10.5
5-10 years	8	21.1	21.1	31.6
11-15 years	17	44.7	44.7	76.3
Over 15 years	9	23.7	23.7	100.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	<b>100.0</b>	

Table 4.2.2 shows the number of years that the respondents had worked in their respective organizations. 10.50% had worked for less than 5 years, 21.10% had worked for 5-10 years, 44.70% had worked for 11-15 years, and 23.7% had worked for over 15 years. Thus majority of the respondents had evidently worked in their respective organizations from 11 to 15 years, and up to 68.40% percent of the respondents had an experience of over 10 years.

**Figure 4.2.2: Years worked in the firm**



#### 4.2.3 Number of branches of a supermarket

##### 4.2.3: Number of branches of a supermarket

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 3	14	36.8	36.8	36.8
4-6 branches	11	28.9	28.9	65.8
7-9 branches	5	13.2	13.2	78.9
10-12 branches	2	5.3	5.3	84.2
Above 12 branches	6	15.8	15.8	100.0
Total	38	100.0	100.0	



**Figure 4.2.3: Number of branches of a supermarket**

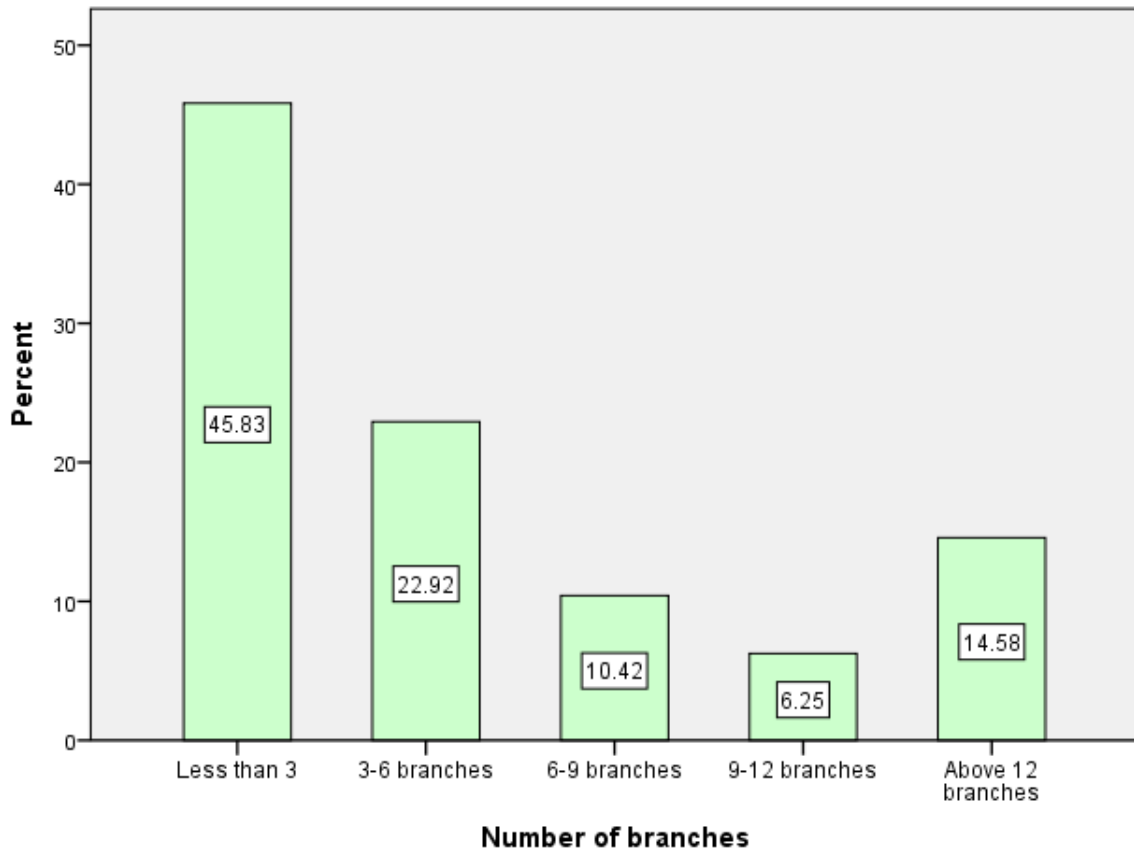


Table 4.2.3 and Figure 4.2.3 indicates the number of branches that the supermarkets have, and those with less than 3 branches accounted for 36.8%, and 28.9% of the supermarkets had 4-6 branches, 13.3% had 7-9 branches, those with 10-12 branches accounted for 5.3% while those with 12 branches and above accounted for 15.8%. Majority of the supermarkets had less than 3 branches.

#### **4.2.4 Number of years a supermarket has been in operation**

Table 4.2.4 shows the number of years that a supermarket has been in operation, and those that had been in operation for less than 3 years accounted for 10.50% while those in operation for 4-6 years accounted for 26.30%, those in operation for 7-9 years 21.10%, those in operation for 10-12 years 36.80%, and those that had been in operation for more than 12 years accounted for 5.3%. Thus majority of the supermarkets had been in operation for 9 to 12 years

**Table 4.2.4: Number of years the supermarket has been in operation**

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 3	4	10.5	10.5	10.5
4-6 years	10	26.3	26.3	36.8
7-9 years	8	21.1	21.1	57.9
10-12 years	14	36.8	36.8	94.7
Above 12 years	2	5.3	5.3	100.0
Total	38	100.0	100.0	

### 4.3 Strategy Development

#### 4.3.1 Whether supermarket has a vision

**Table 4.3.1: Whether supermarket has a vision**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	24	63.2	63.2	63.2
No	14	36.8	36.8	100.0
Total	38	100.0	100.0	

On whether the supermarkets had a vision, 63.20% of the respondents indicated that they had while 36.8% indicated that they did not have. Table 4.3.1 shows that majority of the respondents indicated that their supermarket had a vision

#### 4.3.2 When the vision was developed

Table 4.3.2 shows the responses on when the respondents thought their supermarket's vision was developed, those that indicated 1 year ago accounted for 2.6% while those that indicated 2 years ago accounted for 18.4%, those that indicated 3 years ago 15.8%, 4 years ago 26.3%, and up to 36.8% had indicated that their supermarket had developed the vision more than 5 years ago. Based on the data, majority of the supermarkets had developed the vision statement more than five years ago.

**Table 4.3.2: When the vision was developed**

	Frequency	Percent	Valid Percent	Cumulative Percent
1 Year ago	1	2.6	2.6	2.6
2 Years ago	7	18.4	18.4	21.1
3 Years ago	6	15.8	15.8	36.8
4 Years ago	10	26.3	26.3	63.2
More than 5 Years ago	14	36.8	36.8	100.0
Total	38	100.0	100.0	

### 4.3.3 Whether supermarket has a mission statement

As indicated in table 4.3.3, 65.80% indicated the supermarket had a mission statement while 34.20% indicated that the supermarket did not have a mission statement. Hence majority of the supermarkets had a mission statement.

**Table 4.3.3 Whether supermarket has a mission statement**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	25	65.8	65.8	65.8
No	13	34.2	34.2	100.0
Total	38	100.0	100.0	

### 4.3.4 When mission was developed

Table 4.3.4 shows when it is that the respondents think the mission of the supermarket was developed, and from the responses, 10.50% indicated 1 year ago, 10.50% 2 years, 13.20% 3 years ago, 18.40% 4 years ago and 47.40% indicated more than 5 years ago. Thus majority of the respondents indicated that the mission had been developed more than five years ago. Upwards of 65.80% of the respondents thought the mission statement had been developed more than 3 years ago.

**Table 4.3.4**When mission was developed

	<b>Frequenc y</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>1 Year ago</b>	<i>4</i>	<i>10.5</i>	<i>10.5</i>	<i>10.5</i>
<b>2 Years ago</b>	<i>4</i>	<i>10.5</i>	<i>10.5</i>	<i>21.1</i>
<b>3 Years ago</b>	<i>5</i>	<i>13.2</i>	<i>13.2</i>	<i>34.2</i>
<b>4 Years ago</b>	<i>7</i>	<i>18.4</i>	<i>18.4</i>	<i>52.6</i>
<b>More than 5 years ago</b>	<i>18</i>	<i>47.4</i>	<i>47.4</i>	<i>100.0</i>
<b>Total</b>	<i>38</i>	<i>100.0</i>	<i>100.0</i>	

#### 4.3.5 Person responsible for developing vision and mission

**Table 4.3.5: Person responsible for developing vision and mission statement in the supermarket**

	<b>Frequenc y</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Board of directors</b>	<i>17</i>	<i>44.7</i>	<i>44.7</i>	<i>44.7</i>
<b>Managing director</b>	<i>8</i>	<i>21.1</i>	<i>21.1</i>	<i>65.8</i>
<b>Supermarket manager</b>	<i>7</i>	<i>18.4</i>	<i>18.4</i>	<i>84.2</i>
<b>Supervisors</b>	<i>3</i>	<i>7.9</i>	<i>7.9</i>	<i>92.1</i>
<b>General staff members</b>	<i>3</i>	<i>7.9</i>	<i>7.9</i>	<i>100.0</i>
<b>Total</b>	<i>38</i>	<i>100.0</i>	<i>100.0</i>	

Table 4.3.5 shows who the respondents thought was responsible for developing the vision and mission statements in the supermarket, and, 44.70% of the respondents thought it is the board of directors, 21.10% the managing director, 18.4% the supermarket manager,

7.9% the supervisor while 7.9% thought it was the responsibility of the general staff members. Majority of the respondents, however thought it was the responsibility of the board of directors.

**4.3.6 Whether everyone is aware of the supermarket mission**

As indicated in table 4.3.6, 73.7% of the respondents thought everyone was aware of the supermarket mission while 26.3% were of the opposite view. Evidently majority of the respondents thought everyone was aware of the supermarket mission.

**Table: 4.3.6 Whether everyone is aware of the supermarket mission**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	28	73.7	73.7	73.7
No	10	26.3	26.3	100.0
Total	38	100.0	100.0	

**4.3.7 Mission statement communication**

Table 4.3.7 shows respondent’s responses concerning mission statement communication throughout the company, 10.50% indicated that newsletter was the mode of communication 28.90% indicated that memorandum was the mode of communication, 36.80% indicated that meetings were the mode of communication, and 23.70% indicated work discussion as the mode of communication. However, majority indicated meetings as the most common method of communicating the mission statement.

**Table: 4.3.7 Mission statement communication throughout the company family**

	Frequency	Percent	Valid Percent	Cumulative Percent
Newsletter	4	10.5	10.5	10.5
Memorandum	11	28.9	28.9	39.5
Meetings	14	36.8	36.8	76.3
Work discussion	9	23.7	23.7	100.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	<b>100.0</b>	

#### **4.3.8 Whether situational analysis is carried out.**

As indicated in table 4.3.8, 60.50% of the respondents indicated that situational analysis is carried out to understand the strategic position of the institution while 39.5% of the respondents held an opposite view. Majority however thought situational analysis is carried out to understand the strategic position of the institution.

**Table: 4.3.8 Whether situational analysis is carried out to understand the strategic position of the institution**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	23	60.5	60.5	60.5
No	15	39.5	39.5	100.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	<b>100.0</b>	

#### **4.3.9 The Person That Conducts Situational Analysis**

Table 4.3.8 shows respondent's views on the person they thought conducts situational analysis, and, those who thought it was selected members of the company accounted for 7.9%. Similarly, those who thought it was the management of the company also accounted for 7.9%,

**Table: 4.3.9 The Person That Conducts Situational Analysis**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Selected members of the company</b>	<i>3</i>	<i>7.9</i>	<i>7.9</i>	<i>7.9</i>
<b>Management of the company</b>	<i>3</i>	<i>7.9</i>	<i>7.9</i>	<i>15.8</i>
<b>External consultant</b>	<i>21</i>	<i>55.3</i>	<i>55.3</i>	<i>71.1</i>
<b>A group composed of both internal and external members</b>	<i>11</i>	<i>28.9</i>	<i>28.9</i>	<i>100.0</i>
<b>Total</b>	<i>38</i>	<i>100.0</i>	<i>100.0</i>	

while those who thought it was external consultants and a group composed of both internal and external members were 55.30% and 28.90 % respectively. Majority, however, indicated situational analysis is done by external consultants.

#### **4.3.10 Whether respondent sets objectives for the company**

**Table: 4.3.10 Whether respondent sets objectives for the company**



		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	9	23.7	23.7	23.7
	No	29	76.3	76.3	100.0
	Total	38	100.0	100.0	

Table 4.3.9 indicates whether respondents set objectives for the company, 23.70% affirmed that they were involved in setting objectives for the company while 76.30% were not involved in setting objectives for the company, and constituted the majority.

#### **4.3.11 The importance of key themes in organizational objectives ratings**

Table 4.3.10 shows the importance of key themes in organizational objectives ratings, and, human resource Human resource training and development, communication and consultation, rewards and benefits linked to achieving targets (mean score of 3.53 and S.E of 0.238),

**Table 4.3.11 The importance of key themes in organizational objectives ratings**

No.	Items	Mean	S.E
1	Human resource training and development, communication and consultation, rewards and benefits linked to achieving targets	3.53	.238
2	Synchronizing requirements of customers with flow of materials from suppliers in order to effect a balance between high customer service, low inventory investment and low unit cost.	3.63	.215
3	Expanding sales to existing customers, introducing new products, market research and development	4.47	.163
4	Achieving acceptable cash flow, credit worthiness, earnings growth, acceptable returns on investment, dividend growth, and stock price appreciation	4.42	.175
<b>5</b>	<b>Average score</b>	<b>4.01</b>	<b>0.198</b>

synchronizing requirements of customers with flow of materials from suppliers in order to effect a balance between high customer service, low inventory investment and low unit cost (mean score of 3.63, S.E. 0.215), expanding sales to existing customers, introducing new products, market research and development (mean score of 4.47, S.E. 0.163), achieving acceptable cash flow, credit worthiness, earnings growth, acceptable returns on investment, dividend growth, and stock price appreciation ( mean score 4.42, S.E. 0.175).

On average, the key themes in organizational objectives were considered important factors in the organizations (average mean score of 4.01 and S.E of 0.198).

#### **4.3.12 Factors influence the supermarkets strategic planning**

Table 4.3.12 shows the extent respondents believe the indicated factors influence the supermarket strategic planning, and, global political trends, global economic trends, and technological advances had a mean score less than 3, while consumer perception, substitute products, changing needs, changing family structures, changes in social structures and holding the family together had a mean score greater than 2 and less than 4, on the other hand political situation in the country, consumer purchasing power, our competitor activities, regulatory activities, shifts in consumer shopping modes and maximizing returns all had a mean score greater than 4. The average mean score was 3.34 and S.E. 0.176, an indication that respondents believed to a large extent that these factors influenced strategic planning

**4.3.12 Extent respondents believe the following factors influence the supermarkets strategic planning**

<b>ITEM NUMBER</b>	<b>ITEMS</b>	<b>MEAN</b>	<b>S.E</b>
<b>1</b>	Political situation in the country	4.42	0.195
<b>2</b>	Consumer purchasing power	4.50	0.145
<b>3</b>	Consumer perceptions	3.63	0.190
<b>4</b>	Our competitor's activities	4.53	0.180
<b>5</b>	Substitute products	3.37	0.260
<b>6</b>	Global political trends	2.13	0.169
<b>7</b>	Global economic trends	2.89	0.150
<b>8</b>	Regulatory activities	4.08	0.170
<b>9</b>	Technological advances	2.95	0.241
<b>10</b>	Shifts in consumer shopping modes	4.26	0.191
<b>11</b>	Changing needs	3.79	0.185
<b>12</b>	Changing family structures	3.87	0.220
<b>13</b>	Changes in social structures	3.32	0.169
<b>14</b>	holding the family together	3.24	0.234
<b>15</b>	Maximizing returns	4.24	0.183
<b>16</b>	<b>Average scores</b>	<b>3.34</b>	<b>0.176</b>

#### 4.3.13 Factors posing challenges to the supermarket's strategic planning

<b>4.3.13 Extent the following factors pose challenges to the supermarket's strategic planning</b>			
<b>ITEM NUMBER</b>	<b>ITEM</b>	<b>MEAN</b>	<b>S.E</b>
1	Changes in political environment	3.82	.203
2	Changes in consumer purchasing power	4.03	.187
3	Changes in consumer perceptions	3.89	.206
4	Lack of competitor information	3.58	.231
5	Lack of knowledge in importance of strategic planning	4.26	.216
6	Inadequate environmental assessment	3.11	.213
7	Improper communication to lower levels	4.05	.226
8	Too much secrecy in the entire process	2.50	.180
9	Interference from family members who feel left out of the process	4.00	.192
10	Lack of resources	4.21	.193
11	Changing needs	3.50	.235
12	Changing family roles	3.58	.266
13	Changing family structures	3.61	.231
14	Changes in social structures	3.76	.190
15	Changes in economic structures	3.21	.259
16	Maximizing returns	4.13	.169
<b>17</b>	<b>Average scores</b>	<b>3.70</b>	<b>0.212</b>

Table 4.3.13 shows the extent indicated factors pose challenges to the supermarket's strategic planning. Too much secrecy in the entire process was the only factor that had a mean below 3, whereas changes in political environment, changes in consumer perceptions, lack of competitor information, inadequate environmental assessment, changing needs, changing family roles, changing family structures, changes in social structures and changes in economic structures all had mean scores more than 2 and less than 4, on the other hand changes in consumer purchasing power, lack of knowledge in importance of strategic planning, improper communication to lower levels, interference from family members who feel left out of the process, lack of resources and maximizing returns had mean scores equal to or greater than 4. Based on the average scores, mean 3.70 and S.E. 0.212, the respondents believed, to a large extent, that the factors posed challenges to the supermarkets strategic planning.

#### **4.3.14 Correlation between number of branches the supermarket ; number of years the supermarket has been in operation; and factors influencing strategic planning**

Table 4.3.14 indicates the result of number of branches the supermarket has, number of years the supermarket has been in operation and factors influencing strategic planning correlation. Interference from family members who feel left out of the process had a positive correlation with number of branches the supermarket had at the 0.05 significance level, and too much secrecy in the entire process had a negative correlation with the number of branches the supermarket had at the 0.01 significance level.

**TABLE : 4.3.14 CORRELATION: NUMBER OF BRANCHES THE SUPERMARKET HAS; NUMBER OF YEARS THE SUPERMARKET HAS BEEN IN OPERATION; AND FACTORS INFLUENCING STRATEGIC PLANNING**

	Number of branches the supermarket has			Number of years the supermarket has been in operation		
	Pearson Correlation	Sig. (2-tailed)	N	Pearson Correlation	Sig. (2-tailed)	N
Changes in political environment	.217	.192	38	-.285	.083	38
Changes in consumer purchasing power	-.038	.820	38	-.186	.265	38
Changes in consumer perceptions	.079	.635	38	.318	.052	38
Lack of competitor information	-.060	.722	38	-.233	.159	38
Lack of knowledge in importance of strategic planning	-.246	.136	38	.054	.749	38
Inadequate environmental assessment	-.163	.328	38	-.217	.190	38
Improper communication to lower levels	.126	.453	38	-.460**	.004	38
Too much secrecy in the entire process	-.500**	.001	38	.578**	.000	38

Interference from family members who feel left out of the process	.396*	.014	38	-.220	.184	38
Lack of resources	.004	.980	38	.200	.230	38
Changing needs	.266	.106	38	-.180	.279	38
Changing family roles	.109	.516	38	.116	.488	38
Changing family structures	-.157	.348	38	-.067	.691	38
Changes in social structures	-.223	.178	38	-.263	.111	38
Changes in economic structures	.333*	.041	38	-.193	.245	38
Maximizing returns	.419**	.009	38	-.500**	.001	38
Factors influencing strategic planning	-0.047	0.263	38	0.152	0.161	38

Correlation is significant at the 0.01 level (2-tailed).\*\*

Correlation is significant at the 0.05 level (2-tailed).\*

The number of years the supermarket has been in operation had a negative correlation with too much at the 0.01 significance level, but had a positive correlation with too much secrecy in the entire process at the 0.001 significance level. The other factors did not show any correlation either at the 0.05 or 0.01 significance levels. Overall it can be deduced that



number of branches and the number of years that a supermarket has been in operation have are not correlated to strategic planning in the supermarkets.

#### **4.3.15 Correlation of the number of branches the supermarket has; number of years the supermarket has been in operation; and challenges in strategic planning**

Table 4.3.15 shows the correlation table of the number of branches the supermarket has; number of years the supermarket has been in operation; and challenges in strategic planning. The number of branches a supermarket had had a negative correlation with political situation in the country, however it was not significant at either 0.05 or 0.01, but technical advances showed a negative correlation with the number of branches, and was significant at the 0.05 level. On the other hand, changes in social structure had a positive correlation with the number of branches a supermarket had at the 0.01 significance level.

The number of years a supermarket had been in operation had a positive correlation with the technical advances and the consumer perception at the 0.01 significance level and a negative correlation with the substitute products. The number of years a supermarket had been in operation had a positive correlation with the consumer perception and substitute products as well as technological advances at the 0.01 significance level and a negative correlation with shifts in consumer shopping modes at the 0.05 significance level. The number of years a supermarket had been in operation also had positive correlation with maximization of returns at the 0.05 significance level. On average the factors associated with challenges in strategic planning, however, showed no correlation with either the number of branches a supermarket had or the number of years that the supermarket had been in operation.

**4.3.15 CORRELATION: NUMBER OF BRANCHES THE SUPERMARKET HAS; NUMBER OF YEARS THE SUPERMARKET HAS BEEN IN OPERATION; AND CHALLENGES IN STRATEGIC PLANNING**

	Number of branches the supermarket has			Number of years the supermarket has been in operation		
	Pearson Correlation	Sig. (2-tailed)	N	Pearson Correlation	Sig. (2-tailed)	N
Political situation in the country	-.462	.004	38	.455	.004	38
Consumer purchasing power	-.242	.143	38	.292	.075	38
Consumer perceptions	-.292	.075	38	.526**	.001	38
Our competitor's activities	-.269	.103	38	.300	.068	38
Substitute products	-.314	.055	38	.548**	.000	38
Global political trends	-.121	.470	38	.295	.072	38
Global economic trends	.109	.514	38	.180	.280	38
Regulatory activities	-.036	.829	38	-.158	.343	38

Technological advances	-.370*	.022	38	.590**	.000	38
Shifts in consumer shopping modes	.312	.056	38	-.403*	.012	38
Changing needs	.078	.642	38	.042	.804	38
Changing family structures	.093	.580	38	-.192	.248	38
Changes in social structures	.431**	.000	38	-.091	.587	38
Holding the family together	.195	.242	38	-.313	.056	38
Maximizing returns	.132	.429	38	.358*	.027	38
			38			38
Challenges in strategic planning	0.035	0.342	38	-0.096	0.233	38

Correlation is significant at the 0.01 level (2-tailed).\*\*

Correlation is significant at the 0.05 level (2-tailed)\*

## **4.4 Chapter Summary**

This chapter analyzed data presented in the form of questionnaires from the respondents, and out of the 42 questionnaires that were issued out, 38 were satisfactorily reported. The analysis included general information such as position of the respondents in the company, years worked in the firm, number of branches the supermarkets have number of years the organizations had been in operations. The second part of the analysis covered strategy development, and included extraction of information from respondents regarding the vision and mission of the supermarkets, and how the vision and mission are communicated, and whether situational/ environmental analysis is done by the organizations as a means to understanding their strategic position. In addition to that, the objectives of the organizations were also analyzed. And, more importantly, factors influencing strategic planning were descriptively analyzed, as well challenges in strategic planning. The following chapter provide a summary, conclusions and recommendations.

## **CHAPTER FIVE**

# **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

## **5.1 Introduction**

The purpose of the study was to determine the strategic planning within large family owned supermarkets as well as to establish the challenges in strategic planning within large family owned supermarkets in Kenya. This chapter presents the summary of the major findings. The chapter also proposes recommendations, highlights the limitations, and suggests areas for further research.

## **5.2 Summary of the findings**

The study had a 90.50% response rate based on the duly filled and returned questionnaires, which was considered a valid sample for the researcher to proceed with the analysis. The analyses that were done showed that up to 68.40% of those who participated in the study had an experience of over 10 years with the organizations that they were working for, and that enhanced the probability that a sizeable number of participants in the study were likely aware of the strategic planning within their organizations.

Most of the supermarkets had less than 3 branches, although the number of years that majority of them had been in operation ranged between 9 to 12 years. An indication that most of the supermarkets were generally less inclined to risk taking. Although other factors may as well have contributed to the slow growth in the sector.

Strategy development was investigated across a broad range of factors, and the approach taken included understanding whether the supermarkets had a vision and mission statements. At most 63.20% of the participants were aware that their organizations had a vision while 65.80% were similar aware that their organization had a mission, and more importantly, it was found that majority of the supermarkets had developed both their vision and mission statements at least five years earlier from the time the interviews were taken. The preferred means of communicating the mission statement throughout the companies was through meetings with a preference value of 36.80% and closely followed by memorandum, both of which accounted for 65.70% of communication mode preferred.

Situational analysis was considered an important exercise among the supermarkets, and it was further noted that consultants were the preferred service provided, and it was also indicative that most of the employees (76.30%) were not engaged in setting objectives of their respective organizations. The main key themes in organizational objectives were: human resource training and development, communication and consultation, rewards and benefits linked to achieving targets; synchronization of requirements of customers with flow of materials from suppliers in order to effect a balance between high customer service, low inventory investment and low unit cost were viewed as important factors. On the other hand, expanding sales to existing customers, introducing new products, market research and development, and achieving acceptable cash flow, credit worthiness, earnings growth, acceptable returns on investment, dividend growth, and stock price appreciation were viewed as very important objectively.

The analysis also focused on finding out the extent indicative factors influence the supermarket strategic planning, and factors that pose challenges in strategic planning. The findings show that to a large extent the indicative factors, which include global political trends, global economic trends, technological advances, consumer perception, substitute products, changing needs, changing family structures, changes in social structures, holding the family together, political situation in the country, consumer purchasing power, our competitor activities, regulatory activities, shifts in consumer shopping modes and maximizing returns all to a large extent influence strategic planning in supermarkets

The study also found that to a large extent, factors that pose challenges to the supermarket strategic planning included changes in political environment, changes in consumer perceptions, lack of competitor information, inadequate environmental assessment, changing needs, changing family roles, changing family structures, changes in social structures and changes in economic structures, changes in consumer purchasing power, lack of knowledge in importance of strategic planning, improper communication to lower levels, interference from family members, lack of resources and maximizing returns.

The analysis through correlation focused on correlation of number of branches the supermarket has and the number of years the supermarket has been in operation with factors influencing strategic planning, and on the other hand correlation of the number of branches the supermarket has and the number of years the supermarket has been in operation with challenges in strategic planning. The result showed there was no correlation between number of branches the supermarket has and the number of years the supermarket has been

in operation with factors influencing strategic planning, similar there was no correlation between the number of branches the supermarket has and the number of years the supermarket has been in operation with challenges in strategic planning. However, based on the analyses, a large fraction of the supermarkets had a vision, mission and objectives, and engaged in situational analysis, and, although there were a number of factors that influenced strategic planning, there at the same time factors that posed challenges to strategic planning.

### **5.3 Conclusions of the Study**

The study examined strategic planning within large family owned supermarkets as well as the challenges in strategic planning within large family owned supermarkets, the analysis focused assessing factors that influence strategic planning, which included political situation in the country, consumer purchasing power, consumer perceptions, our competitor's activities, substitute products, global political trends, global economic trends, regulatory activities, technological advances, shifts in consumer shopping modes, changing needs, changing family structures, changes in social structures, holding the family together, and maximizing returns. The study found that all the factors influenced strategic planning, but to varying extent.

The study also sort understand the challenges in strategic planning, and investigated factors that included changes in political environment, changes in consumer purchasing power, changes in consumer perceptions, lack of competitor information, lack of knowledge in importance of strategic planning, inadequate environmental assessment, improper



communication to lower levels, too much secrecy in the entire process, interference from family members who feel left out of the process, lack of resources, changing needs, changing family roles, changing family structures, changes in social structures, changes in economic structures, and maximizing returns. The study found that these factors also posed challenges to strategic planning in the supermarkets with varying extent.

Further analysis was also undertaken to ascertain the relationship between the number of branches that a supermarket has and the number of years that a supermarket has been in operation, with factors influencing strategic planning and challenges in strategic planning, and there was no significant relationship discovered.

The study found that a number of factors influence strategic planning, and pose challenges in strategic planning in equal measure, and it is the level of control exercised over a multitude of factors both internal and external to an organization that predict the success of strategic planning. the Resource Dependency Theory and the Dynamic Capability View theories also emphasize management of organizational environment, and notes the importance of how resources are integrated and mobilized in strategic planning process.

#### **5.4 Recommendations of the Study**

The study has determined that strategic planning in large family supermarkets is influenced by a number of factors, and equally, there are a set of factors that pose challenges to strategic planning, as such it is important to develop, vision, mission, objectives, values,

supported with appropriate resource to ensure success of strategy formulation and implementation. Just as setting the vision, mission and objectives are important, it is equally important is the execution of communication and situational or environmental analysis in respect of the organization. The study further adds to the body of knowledge about factors influencing strategic planning and factors that pose challenges in strategic planning, such knowledge if used effectively by supermarkets can potentially improve their strategy formulation and implementation, and ultimately their competitiveness. Additionally, such knowledge could also provide the supermarkets a basis for advocating better policies in the sector.

## **5.5 limitations of the Study**

The study investigated a number of factors perceived to influence strategic planning and pose challenges to strategic planning as well, however, those factors that included changes in political environment, changes in consumer purchasing power, changes in consumer perceptions, lack of competitor information, lack of knowledge in importance of strategic planning, inadequate environmental assessment, improper communication to lower levels, too much secrecy in the entire process, interference from family members who feel left out of the process, lack of resources, changing needs, changing family roles, changing family structures, changes in social structures, changes in economic structures, and maximizing returns as perceived factors posing challenges to strategic planning are not exhaustive, similarly for factors that influence strategic planning. This means that consideration of additional factors may present additional insight.

## **5.6 Suggestions for Further Research**

Due to limited resources, and time constraints, the study was not able to study a sample extracted from a population of supermarkets in the entire country, as such the researcher recommends that a follow up study may be undertaken with a broader population of supermarkets in Kenya, which can provide a higher level of confidence to extrapolation of the findings to the supermarket population in Kenya.

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## **APPENDICES**

### **Appendix I: questionnaire**

#### **GENERAL INFORMATION**

- a) What is your position in the company?.....
- b) How many years have you worked for the firm?
  - Less than 5
  - 5- 10 years
  - 10-15 years
  - Over 15 years
- c) Number of Branches
  - Less than 3
  - 3- 6
  - 6-9
  - 9-12
  - Above 12
- d) Number of years in Operation
  - Less than 3
  - 3-6 years
  - 6-9 years
  - 9-12 years
  - Above 12 years

#### **Part B: Strategy Development**

1. Does your supermarket have a vision statement?

Yes

No

2. If so when was it developed? \_\_\_\_\_

3 Please indicate whether your supermarket has a mission statement?

Yes

No

4. If so when was it developed? \_\_\_\_\_

5. Who is responsible for developing the Vision and Mission statements in the supermarket?

-----

6. Is everyone in the company/family aware of the supermarket mission?

Yes

No

7. Please indicate how the mission statement is communicated throughout the company/family.

(a)  Newsletter-----

Memorandum-----

Meetings -----

Work discussion-----

other (specify) \_\_\_\_\_

9. Do you carry out situational/environmental analysis to understand the strategic position of your institution? -----

10. If yes above who conducts such analysis?

Selected members of the company

Management of the company

External consultant

A group composed on both internal and external members

11. Do you set objectives for the company?

Yes

No

12. Rate the importance of the following key themes in organizational objectives in respect of your organization on a scale of 5- most important, 1- least Important

Objective	1	2	3	4	5
Human resource training and development, communication and consultation, rewards and benefits linked to achieving targets					
Synchronizing requirements of customers with flow of materials from suppliers in order to effect a balance between high customer service, low inventory investment and low unit cost.					
Expanding sales to existing customers, introducing new products, market research and development					
Achieving acceptable cash flow, credit worthiness, earnings growth, acceptable returns on investment, dividend growth, and stock price appreciation					

13. To what extent do you believe the following factors influence your strategic planning? Rate them on a scale of 1= Not to a very large extent, 2= not to a large extent, 3= neutral, 4= to a large extent, 5= to a very large extent

Factor	1	2	3	4	5
Political situation in the country					
Consumer purchasing power					
Consumer perceptions					
Our competitor's activities					
substitute products					

Global political trends					
Global economic trends					
Regulatory activities					
Technological advances					
Shifts in consumer shopping modes					
Changing needs					
Changing family roles					
Changing family structures					
Changes in social structures					
Changes in economic structures					
Holding the family together					
Maximizing returns					

#### 14.Challenges in strategic planning

To what extent do you believe the following pose challenges in your strategic planning?  
Rate them on a scale of 1=Not at all important, 2=somewhat important, 3= neutral,  
4=important, 5= very important

<b>Factor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Changes in political environment					
Changes in Consumer purchasing power					
Changes in Consumer perceptions					
Lack of competitor information					
Lack of knowledge in importance of strategic planning					
Inadequate environmental assessment					
Improper communication to lower levels					
Too much secrecy in the entire process					
Interference from family members who feel left out of the					
Lack of resources					
Changing needs					

Changing family roles					
Changing family structures					
Changes in social structures					
Changes in economic structures					
Holding the family together					
Maximizing returns					

## **Appendix II: List of Family Owned Supermarkets within Nairobi County**

1. Ukwala supermarkets
2. Wayaki way supermarkets
3. Top people supermarkets
4. Homechoice supermarkets
5. Horyal supermarket
6. Eastmatt supermarket
7. Jawa supermarkets
8. Ibrahim supermarkets
9. Happy valley supermarket
10. Vantage Supermarket Ltd
11. Venture Mini Supermarket
12. Whitestar Supermarket
13. Esajo Supermarket
14. Fair Mart Supermarket
15. Fairlane Supermarkets Ltd
16. Fairrose Supermarket Ltd
17. Galmart Supermarket
18. Green Forest Supermarkets Ltd
19. Mustard Supermarket
20. Naivas Supermarket

21. Naks Supermarkets Ltd
22. Neibas Supermarket
23. Nova Supermarkets
24. Nuru Supermarket Ltd
25. Park &shop supermarket ltd
26. Raken Supermarket Ltd
27. Ridgeways Supermarket
28. Right Supermarkets Ltd
29. Rikana Supermarkets
30. Rosjam Supermarket
31. Sakim supermarket
32. Saltes Supermarket
33. Starehe Supermarket
34. Lumar Supermarket
35. .Seraben Supermarket
36. Tuskys Supermarket
37. Acacia Supermarket Ltd
38. Aflose Supermarket Ltd
39. Horyal supermarket
40. Alliance Supermarket Ltd
41. Amal Supermarket Ltd
42. Amana Eastleigh Supermarket
43. Banshi Supermarket
44. Bei Poa Supermarket
45. Wananchi supermarket

(Source: Retail Trade Association, 2017)