

**PERCEIVED EFFECT OF MARKETING STRATEGIES ON SALES  
PERFORMANCE AMONG ONLINE TAXI COMPANIES IN KENYA**

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## DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

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This research project has been submitted for examinations with my approval as the university supervisor.

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## **DEDICATION**

I dedicate this work to my family and everyone else who offered me their support towards the completion of this research project.

## **ACKNOWLEDGEMENT**

I take this opportunity to give thanks to the Almighty God for seeing me through the completion of this project. Special thanks to my friend and wife whose emotional and financial support is undoubtedly critical to this study. To undertake this project, key preparation was very essential which needed the input effort of more than one individual. Therefore, to complete this research project, the overall support extended to me by various individuals was very critical. These individuals have been significantly recognized though it is not possible to name all of them. I extend my sincere gratitude to my research supervisor Prof. Munyoki for his advice, professional guidance, and unlimited patience in going thoroughly through my research drafts and guiding me on alternative work, hence, I sincerely appreciate him for that. I also extend my gratitude to all the online tax staffs who dedicated their time to be participate in this research. Without their sincere participation, it would have been extremely impossible for me to accomplish this project. Lastly, I wish to extend my sincere gratitude to all my MBA classmates, supervisors, and the entire fraternity of University of Nairobi for the change in which they have enabled me to be transformed into what I am. Thank you all. May the Almighty God bless you.

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## **LIST OF ABBREVIATION AND ACRONYMS**

**PTB** Planned Behavior Theory

**SPSS** Statistical Package for Social Sciences

## **ABSTRACT**

The research objective aimed to investigate perceived effect that marketing strategy has on sales performance amongst online taxi companies in Kenya. Descriptive research design was adopted during this study. Structured questionnaires were used to source the research information. The questionnaires were distributed to 35 managers in various departments from 7 online taxi companies operating in Kenya. Gathered data was analyzed using SPSS. As per the study results, a significant relationship between strategic marketing and sales performance was established. The F statistic test value of 1.836 was greater than the significance value of 0.185 therefore this indicated that a significant relationship existed between the dependent variable and the predictor variables. Based on the study findings, the study concludes that marketing strategies based on giving discounts and promo codes, flexibility with regards to routes, motivating the sales force, training the sales force, emphasizing on product knowledge, online promotion on popular social media platforms, sales performance improvement due to public relations, sales performance enhancement by tuning referral, offering discounts, having multiple modes of payment and reduction of wait time has resulted in increased sales performance. The following were the recommendations based on the findings and conclusion of the study: The study recommends that for the sales performance to remain on an upwards trend the online taxis should maintain all their marketing strategies since they have proven to bear positive results. Additionally, the taxis should look for a way to reduce the ever-looming price wars among themselves and still remain competitive amongst themselves.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

Marketing strategy is the comprehensive blueprint formulated mainly for realizing the organization's marketing objectives (Prachi, 2018). It is the element of a marketing plan designed once a thorough marketing research is conducted. A marketing strategy enables a firm to direct its resources which are usually scarce on the best possible undertaking so as to enhance their sales. Sales performance is the utilization of data collected from the field based on the number of clients who have been interviewed which is then compared to the actual data possessed. This assist in indicating the loyalty of the customers and the sales manager is able to evaluate strengths and weaknesses after reviewing sales performance (Jonathan, 2017).

The study is directed by a number of theories: Planned Behavior Theory, whose concept is that intentions concerning behaviors can be anticipated with accuracy. Considering attitudes, subjective customs and supposed behavioral control, it is easier to apprehend motivations of people's behaviors. Similarly, it is possible to foresee when someone is likely to deviate from an anticipated behavior. In marketing, planned behavior is a significant concept since it provides an inference on how our target audience normally behave in some situations. This behavior can therefore be encouraged or altered by our messages. Second is the Institutional Theory which is narrowly tied to "organization culture." It states that the business's actions and their outcomes are affected by the knowledge systems, principles, and guidelines that describe the context of the organization. The words and the actions we decide on must directly replicate the image we aim to depict of our business. Lastly is the Game Theory which states that a

successful enterprise should be able to put itself into its competitors' "shoes" and infer from their point of view (Noble & Mokwa, 1999).

This study is based on the taxi industry that uses electronic system with the applications majorly available on Android due to the fact that it is the widely used mobile operating system in Kenya with approximately 90% of Smartphones used by Kenyan operating on Android. Taxi-applications have been growing progressively in Kenya to fill the gap in poor public transport system in Nairobi. Interest has been on online taxi applications since the cab application business in Nairobi has become relatively competitive since January 2015 when Uber the leading market player paved the way for others players. Since then, numerous cab Companies' such as Easy Taxi, Taxify, LittleCab, Mondo Ride, Pewin Cabs and Maramoja have come up seeking to get a piece of the pie in the taxi-application business (Muchemi, 2017). These cab Companies have been striving to enhance their sales performance by working with only committed drivers who take best care of their clients. They similarly ensure that they have the appropriate tools for their Companies.

### **1.1.1 Marketing Strategy**

According to Munuera and Rodriguez (1998), marketing strategy is an approach of analysis which imagines the understanding of customers' needs and the projection of possible alternatives (ours and competitors) so as to achieve a sustainable and defensible long-term competitive edge. According to Bradley (2003), a marketing strategy involves universally combined but visibly dedicated series of choices based on the way firms addresses their customer's perceptions in terms of their operating environment competition.

Marketing methods comprise of online promotion on popular social media platforms for instance, Twitter, Facebook, Instagram and Youtube. These networks can create online communities that are of value to the enterprise since customers are probably in at least one of these social media channels. There should be regular updates of relevant as well as informative content on these channels to boost business's awareness and attract customers. PR and Media also makes the enterprise recognizable and even reaching a wider scope of audience who are eventually converted to company's clients. The business shares its story by way of local publications. Target advertising is another effective method of online promotion which utilizes start advert campaigns in the channels where the target audience hang out. Tuning referral campaign also effectively hack used to boost app installs. This channel is powerful since a most people trust others opinions. Giving discounts and promo codes is also an effective marketing method since it attracts a whole mass of customers leading to increased revenues (Hunt, 2018).

### **1.1.2 Sales Performance**

This is defined as the evaluation of the sales amount that workers are able to make for the firms that have engaged them (McLelland, 2017). Usually, the appraisal of the workers sales performance by their sales managers is very helpful in establishing the weaknesses as well as the strengths that such employees have. Therefore, companies should ensure that sales forces are motivated, trained and also that their working conditions are friendly and this will enable their firms to become very successful.

The key objective that sales performance aims to achieve is to motivate as well as to educate their organization's staffs on the best means to satisfy their clients. This in turn helps in establishing the total sales made which will then be compared to the number of

clients as well as the customers who have come across it. It is important that sales performance objectives are clearly defined for effective sales performance management. Devoid of clearly defined performance objectives, companies are not able to establish if it is the individual or the process that ought to be trained or improved. In this perspective, companies will define the outcome that they require from their sales force, and the activities that they are required to undertake which they must maintain in order to establish the most satisfactory customer-staff relationship (Sallows, 2017).

Taxi Companies strive to enhance their sales performance by emphasizing their knowledge. As they begin engaging with likely prospects they attempt to win their trust at first conversation. Clients' confidence eventually makes them trust their products and services. By demonstrating a clear and in-depth understanding of their business niche as well as the industry in entirety, they are able to win customers trust. They constantly up to date on every current market news. Creating personal for instance the number of monthly prospects, calls per day, as well as emails opened. Putting these numbers behind their efforts gives them a clear understanding of areas of improvement (Madhu, 2017).

### **1.1.3 Online Taxi Companies in Kenya**

Advancements technological have expedited the entry of taxi-applications into the transport industry in Kenya. These applications support; identification of the driver's as well as the passenger's locations, searching for cubs that are available in a given area; enable a passenger to book a cub then the driver accepts the request; and enable the passenger to pay by way of the electronic application. Taxi Companies offer ideal services that are cost friendly and have great comfort due to intensive competition

between rival companies. The top taxi applications in Nairobi, Kenya include: Uber, Easy Taxi, Taxify, Little Cab, Mondo Ride, Pewin Cabs and Maramoja (Muchemi, 2017).

Taxis play a number of roles that are significant in economic development in the city in the middle of numerous challenges that they encounter. They are able to precisely locate clients' locations and are adaptable in selection. It therefore illustrates that taxi services are flexible with regards to routes of their operation and easy accessibility. These cabs have become essential to our lives, since they use shorter time compared to public means. Moreover, several areas are not well accessible using public transport therefore reaching such areas may call for relatively long walks, making taxis the ideal means of transport. In some places, the alternative of using personal vehicles are impossible as a result of insecurity to individual vehicle owners, need for shared rides (with the driver), lack of parking space and poor road networks. These situations require taxis as means of transport since they provide a reliable option to substitute or compliment or other alternative transport means. These cabs are also socially significant where someone needs privacy in the ride (Rayle et al., 2014).

The objectives of these taxi applications are to keep the service level high. The higher the level of service, the greater will be the customer satisfaction hence translating to higher revenues. They similarly adopt a number of strategies to improve customer experience. They include: having the appropriate tool for the Companies, ensuring that the Companies and the drivers keep in touch, targeting their audience based on their location, offering discounts as well as promotion codes, adding credit card payment as well as online payment methods and lastly working with only drivers who are committed (Madhu, 2017).

Ever since Uber's in the Kenyan market in January 2015, Nairobi has seen increased innovations as well as activities in the in the taxi space. There has been a new entrant into the market such as such as Dubai-based Mondo Ride, and Estonian app Taxify and Safaricom Little Cab. In order to increase or retain their market share, these firms have been seeking out to personalize their products or opt for uncharted territory. Uber for instance has uncharted its territory by offering, the UberCOPTER. Safaricom's Senga, a web-based application similarly came up with an app that enable people to transport goods by conveniently linking up with trucks without the middlemen exploitation. Pewin Cabs, came up with its pricing according to zones instead of the distance and time tariffs. Mondo Ride and Uber also unveiled an advance booking alternative. Little Cab and Mondo Ride similarly introduced a booking platform that did not require the use of smartphone, but by using short code and call centre respectively (Muchemi, 2017).

After Uber taxi first entered the Kenyan market, a lot of uproar was observed particularly from their Nairobi counterparts. They feared losing their business and afterward, a turf war broke out that saw a lot of controversies in Nairobi. Uber survived the storm and similarly managed to up their marketing strategies through introduction of new services to their clients. Months later, and it seems business owners want in on the taxi business. Recently there has been the launch of a number of taxi apps in Kenya, with each and every one yearning for a piece of the pie. This has seen every taxi app firm striving to up their game in fierce taxi Companies market by enhancing their marketing strategies (Kosgei, 2016).

## **1.2 Research Problem**

The present-day globalization market has driven organizations to adopt internationalization of their undertakings so as to continue being competitive. Marketing strategy is a key tool across the globe for businesses aiming to pose favorable competition against their market rivals. Aremu & Lawal (2012), on their part consider strategy to be an outline of decisions upon which allocation of resources are to be made within a firm settings.

The Kenyan transport sector, offered consumers e-taxi application. Uber taxi-application was the first to enter the Kenyan market. This sparked an uproar, especially by the conventional taxi drivers in Nairobi. They feared losing their business and afterward, a turf war broke that saw a number of controversies in Nairobi. However, a number of traditional taxi drivers opted to embrace the technology based cab services by joining online taxi apps. The Kenyan market, saw an influx of other taxi applications such as Easy Taxi, Safaricom-backed application Little Cab, Taxify, Mondo Ride, Pewin Cabs and Maramoja who all wanted to have a piece of the pie (Muchemi, 2017).

Due to the stiff competition in the taxi industry, these online taxi Companies seek to enhance their sales performance by using online promotion tools, for instance Google AdWords to draw more users for their apps. They have similarly launched Facebook and Instagram ads, as well as other social media campaigns to get ready individuals to the app launch. They similarly promote their apps through publicity by way of radio, television and newspapers. They also seek to sway consumers' choices by introducing various marketing strategies for instance free Wi-Fi to passengers, the option to listen to their favorite music, the car type they would like to ride in, as well as their desired driver. This

product experience more influences on consumer choice. According to Edelman and Singer (2015) every day consumers form impressions of brands from referrals, news reports, advertisements, as well as product experiences. This competition in the taxi application to sway consumer purchasing decisions ignited a price war. Uber, for example, lowered its fare prices by 35 per cent in Nairobi as a result of the launch of Little Ride, whereas Pwin Cabs allowed a 20 per cent discount to first-timer users of Dandia app following its re-launch. Entry of other players in the market later sparked protests by previous online taxi drivers who complained of low earnings as a result of brand completion (Munguti, 2017).

Internationally, Pourhosseini and Shahrokh (2013) carried out a research on how marketing strategy influences sales performance with a key aim of finding the restraining impacts of both the macro and micro business environment. The study established a positive and significant relationship exist between marketing strategy and sales performance. Uche and Osumba (2017) in their study sought to establish the impact that marketing strategies have on the organization sales performance among SME's in Nigeria. The findings showed that the promotion strategy, branding strategy and pricing strategy have a strong and positive correlation with the sales growth of selected SMEs. Additionally, Moghareh & Haghghi (2009) undertook a survey on the impact that various selling strategies have on the corresponding sales performance. The findings revealed that managers' perception of the firm's strategies adoption is connected with the adoption of adaptive selling, customer-oriented selling and relational strategy) can lead to a strong and long-term positive link with clients

Locally, numerous studies have also been conducted, for instance, Kasiso (2017) conducted a study that sought to determine the impact that marketing strategies have on sales performance of SME's in Kenya. As per the study results, majority of the SMEs in Nairobi had embraced product development strategies and there was a positive significant connection between SMEs' sales performance and product development strategies. Muthengi (2015) performed a study to establish the impact that various strategies of marketing strategies have on the firms sales performance of commercial banks in Kenya. The survey results established that the suitability of the marketing strategy that is employed by a bank greatly determines how their overall sales performance. However, the extent of such influence was established as not being so much when those marketing strategies were compared with other variables that banks normally employs. Additionally, Lule (2011) investigated how pharmaceutical firms operating in Nairobi effectively uses marketing strategies to increase their sales. The study finding showed that pharmaceutical firms marketing strategies varies based on several adopted market subdivision whereas some choose mass marketing.

According to these studies, it is evident that limited there is very little research that has been undertaken to investigate impact of marketing strategies on sales performance among online taxi Companies in Kenya. Hence, this survey was very critical in trying to fill this research gap by investigating the perceived effects of marketing strategies on sales performance among online taxi Companies in Kenya; Specifically, the survey aimed to answer the following research question; What are the effects of marketing strategies on sales performance of online taxi Companies in Kenya?

### **1.3 Research Objective**

To investigate perceived effect of marketing strategy on sales performance among online taxi Companies in Kenya.

### **1.4 The Value of Study**

Study finding from this survey were very significant since they were utilized in the formulation of effective fiscal policies which are very importance in establishing those influence that online taxi Companies' have in Kenya.

It was beneficial to the state and particularly the Ministry of Transport as they utilized the study findings in establishing various policies especially those aiming to minimize the currently challenges facing the online taxi Companies industry owing to lack of present regulatory policies in the industry. This eventually helped solve various challenges faced by the tax companies. Further, the findings were of importance to it assists the owners of online taxi Companies in the adoption of effective marketing strategies that enhanced their sales performance and increase customer experience in their services and products. This similarly enabled them in pointing out the gaps that exist in the market strategies that they employ which eventually enhanced how they strategically responded and consequently aimed to manage the strategies that they already have more effectively thus enabling them to improve their sales as well as financial performance. Researchers as well as scholars also used survey results to further their research in their own areas of interest in particular those with limited literature in discipline of marketing.. It acted as an impetus for further studies to enhance as well as extend the current study particularly in Kenya.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter sought to conduct a literature review of the studies research objectives. In the first section, the study revealed the theories established to determine the manner in which marketing strategies impact sales performances among the online taxi Companies in Kenya. In the second section, the research sought to determine how marketing strategies affect sales performances in the industry. In this section, the study will reveal the relationship between the services offered by online taxi Companies in Kenya and sales performance, the relationship between the prices of the services provided by the taxi applications and sales performance, and disclosure of the relationship between the places and sales performances. The section additionally, discussed the relationship between price and sales performance, the relationship between place and sales performance and lastly examines the relationship between promotion and sales performance. Last section of this study evaluated the empirical studies conducted on the same subject, efforts that would help in comparing notes.

### **2.2 Theoretical Review**

Different theories and principles on marketing framework are analyzed in this section. Various marketing frameworks driven towards addressing the established marketing problem. The theories that support this study include: planned behavior theory, institutional theory, as well as the game theory.

#### **2.2.1 Planned Behavior Theory (PTB)**

Psychological ideologies and notions emerged in marketing in the 20th century through Ajzen and Fishbein who were mainly interested in influencing the behaviors and purchasing decisions of masses, an aspect that gave rise to the planned behavior theory.

Ajzen and Fishbein, in this case, made use of the foundations of Freud's psychoanalytic in creating a mass consumer persuasion approach, arguing the people are bound to behave irrationally in the event that products are tied to their emotional feelings and desires. This was evident through a marketing campaign that primarily encouraged women into the act of smoking. TPB differentiates three types of beliefs including normative, control as well as behavioral. It is based on six key concepts jointly embody an individual's actual control over the (Ajzen, 2002).

The model is therefore, based on the premise that consumers make reasoned and logical decisions especially in engaging in particular behaviors through the evaluation of information at their disposal. The performance of a behavior as adduced in the views of Saeed, Lodhi, Rauf, Rana, Mahmood & Ahmed (2013), Tandoh & Sarpong (2015), Vorhies, Morgan, & Autry, (2009) is mainly determined by an individual's intent to engage in its, an aspect that is proverbially influenced by the value placed on a behavior as well as the ease of performing such behaviors under the believe that they are in full control.

The PTB theory was modified through the inclusion and combination of two constructs of trust and satisfaction. On this page, it is essential to note that further attempts were made with the intent of rendering the PTB model valuable by firstly establishing measures aimed at realizing and determining the relationship between the two constructs and antecedents. The relevance of the modified PTB model lies in the fact that it is easier to establish the relationship between the belief constructs and its precursors, and secondly, the theory can be used in understanding behavioral factors that may need to be

applied in various marketing scenarios. According to Tandoh & Sarpong (2015), in as much as the findings of the study support the robustness of this theory by providing overviews on the benefits of the theory, there is an indication that the theory is only applicable in specified markets that are primarily characterized by precise formulated behavioral patterns.

### **2.2.2 Institutional Theory**

An institutional environment as viewed by Chaney & Ben (2014) exerts extreme pressures on organizational strategies, behaviors, structures, processes, and governance. To ensure that an organization gains its competitive advantage in the market, several marketing managers strive to achieve their legitimacy in the market while on the other hand, maintaining efficiency. The institutional theory, in this case, has developed as influential organizational theory, hinging its focus on diffused cognitive schemas and the role of shaped behaviors and actors in dictating corporate practices (Wawira, 2016). The basis to this theory lies in the idea that companies engage in specified behaviors not only for efficiency but because these behaviors are perceived as measures driven towards achieving social legitimacy. These social practices therefore, exist since they are imbued within organizations as efficient and appropriate in a cultural and social environment.

Based on this theory, Déjean, Gond & Leca (2004) develops a political, economic framework that aids in understanding exchanges of different types. According to the views of Ketchen & Hult (2011), the institutional theory inhibits different kinds of exchanges that include the public enterprise, households, private firms, and government institutions. Three primary forms of exchanges exist within and between the institutions mentioned above which include the redistributive exchange, market exchange, and

reciprocal exchange. It is therefore, alleged that the resource profiles of these institutions, the nature, and strength of their control systems, as well as the prevailing norms of legitimacy, determine the outcomes of exchanges. This approach is therefore, beneficial in understating social, strategic, and global macro-marketing procedures within the marketing context.

The recent modifications of the institutional theory in the domain of marketing provide avenues that explain the manner in which marketing procedures may be challenged. According to DiMaggio & Powell (Eds.) (1991) & Dolbec & Fischer (2015), the modified theory helps marketers understand how consumption behaviors are deeply embedded and rooted in cultural and cognitive schemas that are mainly constructed by several factors. In other words, consumption occurs if macro institutional conditions that ensure they are possible are established. The institutional theory, in this case, points to the role and functions of several key players in ensuring that consumption practices are legitimized. Within the context of this study, the institutional theory indicates how companies and organizations are viewed as active agents within a market, with this contributing to the social construction of markets and the manner in which products are perceived as desirable and legitimate by consumers. The limitations of this theory lie in its incapacity to engage institutions in attempts to create, establish, maintain or disrupt a cognitive practice such as consumption practices in a market.

### **2.2.3 Game Theory**

The theory was advocated by Brandenburger and Nalebuff (1997) and it involves situations where individuals make decisions on the basis of other individuals' decisions to enhance the results. Some competitors concentrate on winning smaller encounters to

safeguard an edge in the game while others concentrate on forming groupings. Others decisively cheat their way to become top. Ultimately, each individual is competing to have the ideal payoff. Given this, it is crucial to underpin that management decisions in regards to marketing mix may need to be drawn in cases where competition is rampant in the market to achieve variability within the business environment, efforts driven towards eliminating price wars.

On to matters modification of this theory, it is crucial to note that literature does not provide some of the recent modifications of this theorem. However, the relevance of this theory can be established in the manner in which it is used in marketing in gaining a conceptual understanding of decision making within a competitive environment (Ebitu, 2016). The outcomes of this would help in devising marketing strategies that represent game matrices to establish solutions to marketing issues through an analysis of some behavioral assumptions (Zeithaml, Bitner, & Gremler, 2009). For instance, the game theory was widely applied in matters making advertising decisions and pricing. Given the fact that the theory mainly denotes the need for arriving at assumptions about the player's behavioral intentions, organizations remain in a position of construing counterstrategies when the results of the game-matrix are incorporated in the understanding industrial behavior, hence yielding solutions into marketing challenges.

This theory remains relevant to this study because among the online taxi players, it is like a game whereby each individual tries to make decisions on the basis of other individuals' decisions to enhance their outcome. Some concentrate on winning smaller encounters to safeguard an edge in the game whereas others concentrate on forming groupings. Ultimately, each individual is competing to have the optimal payoff (Brandenburger &

Nalebuff, 1997). UBER entered into the Kenyan space, a move that saw several taxi companies follow suit. On the other hand, this move spurred the rebranding and purchasing of a taxi company-Easy Taxis by Safaricom who later expanded to Little Cabs-one of the leading taxi service providers in the market, forming a population sample for this study. The entry of UBER, therefore, had an impact on the competitiveness of the industry, forcing organizations to establish strategies aimed at differentiating their services. The institutional theory, therefore, remains vital in determining how legislative and social environments in Nairobi impact the competitive strategies developed in the market. The concept requires a selection of a set of decision variables that set a possible outcome as well as an assumed objective of an organizations strategy (Abiodium & Paul, 2011). Despite the efficacy of this theory, there are limitations in this theory such as the need for the application of data science as well as shrewd observational procedures in establishing a stronger case in understanding how emotionally drive customers to behave.

### **2.3 Marketing Strategies and Sales Performance**

According to Armstrong and Kotler (2013), a product is anything that is offered in the market to capture the attention of consumers, efforts aimed at meeting their needs. Kotler (2013) adduces that services and products are a marketing mix approach that allows organizations to offer the consumers experiential attributes. Chang, Eckman & Yan (2011) expounds that the inclusion of marketing strategies remains an approach driven towards increasing the sales performance of an organization. The integration of app-based taxi dispatch applications in this era is not only beneficial in meeting the technological needs of taxi Companies but is considered as an approach driven towards enhancing the productivity of the companies as well as their sales performances. The introduction of taxi applications has immense benefits since this approach has resulted in

the growth of intelligent transport systems as established in the views of Chang, Eckman & Yan (2011).

As an approach aimed at differentiating services from different competitors in the market, several companies mainly focus on product branding as an approach driven towards increasing their sales performances. Brand recognition, as well as the reputation of online taxi Companies, remain vital in improving the sales performances of organizations as viewed in a study conducted by Adewale, Adesola, & Oyewale (2013) in a study that was established with the intent of revealing the impact of brand recognition and reputation on the performance of a restaurant in the U.S, albeit acknowledging that brand reputation positively influenced the value performance as well as sales performance of online taxi Companies. Uber was initially launched in San Francisco, with the proverbially motivating factor of this organization lying in need to introduce a class on its rides.

Since the firms were introduced in the country, they have realized that the reduction of wait time as an approach towards enhancing its service delivery would add value in its services, efforts that would increase the sales performance of Uber. The general findings also revealed that several taxi-apps offered competitive services as well as prices with the intent of attracting more customers, thus citing a planned behavioral approach that would push the clients to pay well for the services rendered (Adewale et al., 2013). As an approach driven towards enhancing the manner in which services are delivered to consumers, taxi companies in Kenya have established databases that take record of their clients as well as preferred drivers, taking into consideration that working schedules,

zoning prices and areas of operation, rates, and telephone contacts, features that are considered as vital in enabling the clients reach their preferred taxi Companies.

Distributive channels are regarded as interdependent procedures and processes employed by organizations in making their products, as well as services, are known to the consumers. Distribution, on the other hand, infers to established procedures aimed at establishing a product or service available for consumption or use within the industry. Schoviah (2012) in a research inquiry aimed at revealing the effects marketing distribution approaches on an organization's performance, with the Commercial Bank of Kenya used as a casing point revealed marketing distribution strategies have the capacity of increasing the sales, profits as well as marketing shares of an organization.

On the other hand, in a research study aimed at revealing how marketing strategies influence the performance of a firm alleges that promotion, distribution, pricing, as well as the standardization of products through an adaptation process, impact the sales, financial and customer performance of a firm (Ballantine, Jack, & Parsons, 2010). Ferri, Mohd, Radia and Hamidreza (2012) in research on the impact of distribution channels on the performances of Small and Medium entities established that innovation, transportation, the sharing of information, and coordination had significant and positive relationships with the performance of an entity in regards to sales and customer satisfaction. Lastly, an assessment of the efficiency of distribution channels in the sales performance of an entity revealed significant truths on the impact of distribution methods on the sales, suggesting (Dzisi & Oforu, 2014). The study mainly comprised of a sample of 90 participants who were taken through interviews to document their views through a

data collection method. It was established that distributive channels absolutely influenced the sales performances of firms.

Bingqun, Kejia & Tingjui (2016) established that price entails the costs accrued in the production, delivery, and promotion of products. On the other hand, the authors of the study allege that pricing mechanisms establish procedures under which organizations determine the revenues they are bound to receive in return for the products delivered within the market, an aspect that factors in the element of marketplace, manufacturing costs, market conditions, competition, and the quality of products and services. Bingqun et al. (2016) additionally emphasize that pricing strategy such as the inclusion of value pricing, premium pricing, penetration pricing, value pricing, price skimming, competitive pricing, segmented pricing, geographical pricing, product mix pricing remains effective in increasing the sales performance.

Odhiambo (2013) in a research study on the impact of pricing as one of the competitive strategies on the performances of the organization regarding sales in pharmaceutical entities established that strategies of pricing significantly impact organization sales performance hence establishing that strategies of pricing and firm's performance have a positive significant relationship. As such, online taxi Companies in Kenya opt to offer discounts to attract more customers thereby increasing their sales. This is evident in the fact that organizations choose to reduce the prices of their products with the intent of attracting more customers to the market and maintaining price leadership. Subsequently, an increase in price discounts may result in the reduction of customers as well as their repeat rates. In a study driven towards establishing the effects of pricing on sales within

organizations, it was revealed that the reduction in prices would lead to an increase in customers and sales within an organization.

Promotional strategies involve the use of sales promotional methods, advertisements, personal selling's, public relations, as well as various direct marketing strategies in the promotion of an entities products. Advertising as adduced in the views of Chiang, Chhaged, & Hess (2003) is a straightforward approach that allows organizations to communicate about their products as well as services to their targeted customers. According to Cooper & Schindler (2014), promotional activities are primarily undertaken with the sole objective of communicating and promoting an organizations products and services to a targeted market.

Kamba (2010) in research aimed at revealing the effectiveness and impact of promotional mix approaches in the sales of local pharmaceutical products in Kenya revealed that marketing managers primarily incorporate promotional mix methods in enhancing their promotional programs, efforts that increase sales performances of organizations. Another study conducted by Kariithi (2015) to reveal the effect of various strategies of marketing on the exponential growth of businesses within the Air Travel Industry in Kenya revealed that there are positive relationships between the inclusion of promotional approaches and the performances of the Air Travel organizations. Contrarily, a study by Oyewale (2013) on the significance of marketing strategies on the performances of businesses revealed that promotion has not a positive relationship with the sales performances of companies.

#### **2.4 Empirical Reviews**

Ferri, Mohd, Radia and Hamidreza (2012) conducted a research to determine the influence of channels of distribution on performances of SME's. Study made use of a

descriptive research design with a population sample of 60 small and medium entities sampled over a period of two months. Structured questionnaires were utilized to collect most of the data and it was eventually analyzed using the chi-square method. Results of the study showed that innovation, transportation, the sharing of information, and coordination had significant and positive relationships with the performance of an entity in regards to sales and customer satisfaction. This is an indicator that their marketing strategies heavily relied on other triggers such as innovation and transportation in effecting the sales performance of small and medium entities, hence supporting the study's objective.

Secondly, Kamba (2013) aimed at revealing the effectiveness and impact of promotional mix approaches in the sales of local pharmaceutical products in Kenya revealed that marketing managers primarily incorporate promotional mix methods in enhancing their promotional programs, efforts that increase sales performances of organizations. The sample population of this study that comprised of 120 respondents were employees within local pharmaceutical companies in Kenya. Questionnaires as well as documentary reviews were distributed in an effort to collect data. The study revealed that brand equity, brand awareness, and well as loyalty had a significant impact on organizational performance. In light of these findings, organizations tend to focus on branding as a marketing approach that influences their sales performances, hence supporting the claims lodged in this study.

Odhiambo (2013) conducted a research on the effects of pricing as a competitive strategy on sales performance of pharmaceutical enterprises. The study population comprised 15 enterprises. Data was collected through structured interviews. Survey found out that

pricing strategies significantly influence organization sales performance. The manner in which organizations price their products in the market, in full consideration of several aspects that determine the pricing methods is very essential in evaluating the total sales a business makes. Price leadership as a marketing strategy significantly impacts the performance of organizations.

Lastly, Schoviah (2014) in a research inquiry aimed at explaining the influence of marketing distribution strategies on an organizations performance, with the Commercial Bank of Kenya used as a casing point revealed that marketing distribution strategies have the capacity of increasing the sales, profits as well as marketing shares of an organization. The study relied on literatures and interviews that were conducted with a senior manager at the Commercial Bank of Kenya. A descriptive survey design was used. The findings of the study revealed that location as well as marketing distribution approaches within the industry influences the profits, sales, and marketing shares of banking institutions. Geographical location in this regard significantly influences the success and profit margin of an organization.

## **2.5 Summary of Literature**

This chapter has reviewed literature from various empirical studies on the link between marketing strategies and sales performance. From the above empirical studies, marketing strategies adopted by various enterprises evidently have a significant influence in their sales performance. However, these empirical studies are grounded on various concepts, contexts as well as methodologies. As a result the present study goes deeper to evaluate the relationship between the concept of marketing strategies and sales performance in the context of online taxis such as Uber, Taxify, Little Cab, Mondo Ride and Maramoja that

are operating in Kenya with an aim of establishing how the services they offer, promotions strategies they use, prices of the services as well as their place of operation influence their sales performance. Because of the knowledge gaps that exist from the previous empirical studies, this study seeks to fill these gaps and contribute a body of knowledge by exploring the effect of marketing strategies on sales performance of online taxis operating in Kenya.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter described the research methodology that was employed in the study. It illustrated the geographical area where the research was carried out, the study design and the population. It similarly outlines the instruments that was used to collect the data, including methods implemented to maintain validity and reliability of the instrument.

### **3.2 Research Design**

Research design ensured that the obtained data is sufficient in undertaking of this survey. (Mugenda, 2010). As Kothari (2004), posit, a suitable research design aims at providing as much information as possible regarding the problem that the study aims to address. Therefore, research design provides the context as well as the nature upon which a research will be undertaken in the most suitable way so as to facilitate undertaking of a further research. The idea of fitness against which the study is being undertaken usually controls the research design through the definition and recognition of the methodology of the study. As such, this study utilized descriptive research design to collect information relating to the existing status of the phenomena to describe "what exists" pertaining to variables or state of affairs in the situation. According to Mitchell and Jolley (2012) a descriptive research design refers to one in which information is obtained without changing the situation i.e. nothing was manipulated.

It was justified for the study to adopt a descriptive research design as the subjects or participants was observed in a natural as well as unchanged environment. Similarly, descriptive research was a pre-cursor to future studies since it was valuable in identifying variables that could possibly be measure. The research employed a census to collect complete information from all participants in the population, this comprised all online

taxi applications in Nairobi i.e. Uber, Taxify, Little Cab, Mondo Ride, Pewin Cabs, Easy Taxi and Maramoja. It was justified to use census method since it provided a true measure of the population as there was no sampling error and the benchmark data was sourced for future researches (Farooq, 2013).

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

Sekaran, (2005) defines study population as being the entire group of events, individuals, or even other significant objects that the study specifically aims to explore. Population is also considered as the entire collection of units or cases or units upon which the person conducting the study aims to explore. A key stage in creating a research design is to explain the population in line with the research objectives.

Population of this study comprised of the seven online taxi companies in Nairobi i.e. Uber, Taxify, Little Cab, Mondo Ride, Pewin Cabs, Easy Taxi and Maramoja sales managers, operations managers, human resource managers, marketing and customer relations managers.

### **3.4 Data Collection**

Utilization of numerous methods and triangulation is essential in trying to obtain a comprehensive understanding of the phenomenon being investigated. This approach enhances rigor, breadth, and depth to the research offers corroborative evidence of the data collected (Creswell, 1998; Denzin & Lincoln, 2000). Primary data was used in this research. This helped in describing qualitative marketing aspects.

The primary data was sourced using structured questionnaire. Copies of the questionnaire was administered to sales manager, operations manager, human resource manager, marketing and customer relations manager or equivalent each of the 7 online taxi

Companies in Nairobi i.e. Uber, Taxify, Little Cab, Mondo Ride, Pewin Cabs, Easy Taxi and Maramoja. The questionnaires was to administered to sales managers and customer relations managers in each online taxi firm through drop and pick later approach.

### **3.5 Data Analysis**

According to Sekaran (2005), data analysis, comprises various closely interrelated actions carried out by summarizing data collected and consolidating so as to addresses the research question. Data was of edited, coded, classified and tabulated prior to analysis. It similarly involved, ordering, grouping, summarizing and manipulating data, so as to answers to the research question (Mugenda & Mugenda, 2003).

Statistical Package for Social Sciences (SPSS) was used to analyze data. To describe and summarize data for suitable meaningful, descriptive statistics were used so that pattern was able to be developed from the data. Descriptive statistics was also be utilized in summarizing the group of data with the aid of graphical description such as tables and graphs. The study similarly employed a simple linear regression analysis as a statistical model to determine the relationship between the independents and dependent variables. The following linear regression equation was used:

$$Y = a + bX + e$$

Where:

Y= Dependent variable i.e. Sales performance

X= Independent variable i.e. Marketing strategies

a= Alpha, a constant

b= Beta, the coefficient of X

e=Error term

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter covers the data analysis, presentation and interpretation of the findings of the data collected for the study. The study sought to establish the effect of marketing strategy on sales performance among online taxi Companies in Kenya. As result help formulate positive fiscal policies which was relevant as well as sensitive to the forces influencing the online taxi Companies' performance in Kenya. In addition, the study also hopes to give owners of online taxi Companies' insight in the adoption of effective marketing strategies that will enhance their sales performance and increase customer experience in their services and products.

The target population for the study comprised of the seven online taxi companies managers ie sales managers, operations managers, human resource managers, marketing and customer relations managers or equivalent in Kenya.

To get a true perceptive on the problem at hand the research questionnaire gathered information on a variety of sections that were broadly classified as background information, market strategies used and market strategy on sales performance. The study results were presented using graphs, pie charts and tables. Inferential statistics is also presented in the form of regression model.

## **4.2 Presentation of Results**

One of the important aspects that the research sought to gather information on was the background information. This section was broadly categorized into response rate and respondents profile. All categories were analyzed and findings from the data presented.

### **4.2.1 Response Rate**

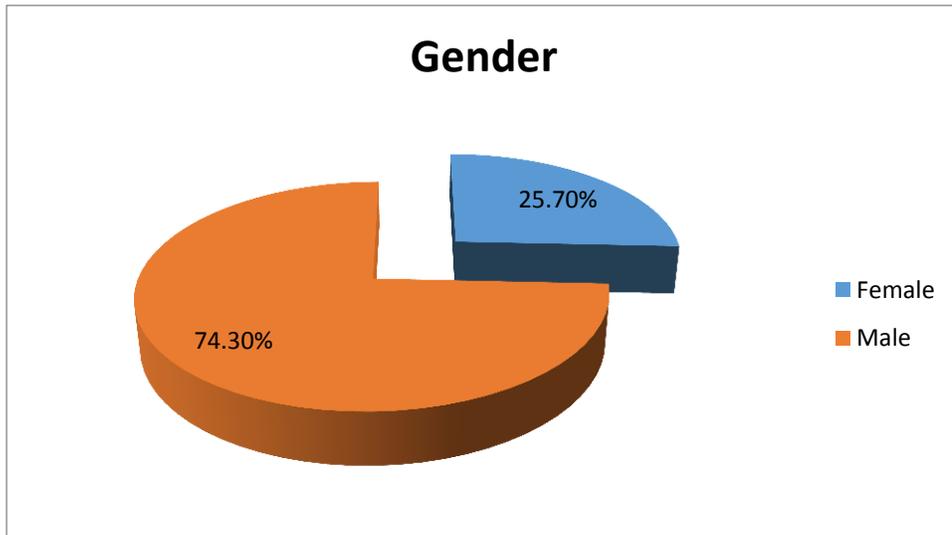
35 questionnaires were given to sales manager, operations manager, human resource manager, marketing and customer relations manager or equivalent each of the 7 online taxi Companies in Nairobi i.e. Uber, Taxify, Little Cab, Mondo Ride, Pewin Cabs, Easy Taxi and Maramoja. All the questionnaires issued were dully filled. This represented 100% percent of the entire study population. As Mugenda & Mugenda (1999) a sample size that of 50 percent of the target population is good enough since it takes into account the maximum variability in a population and thus also excellent to draw inference. The findings are as shown in table 4.1.

### **4.2.2 Respondents Profile**

The overall intention of this section was to get the information on the respondents' profile. In order to do so data from the respondents was collected on various aspects of the respondents.

#### 4.2.2.1 Gender of the Respondents

The researcher requested the participants to indicate their gender. The study results are as presented in the figure below 4.1.



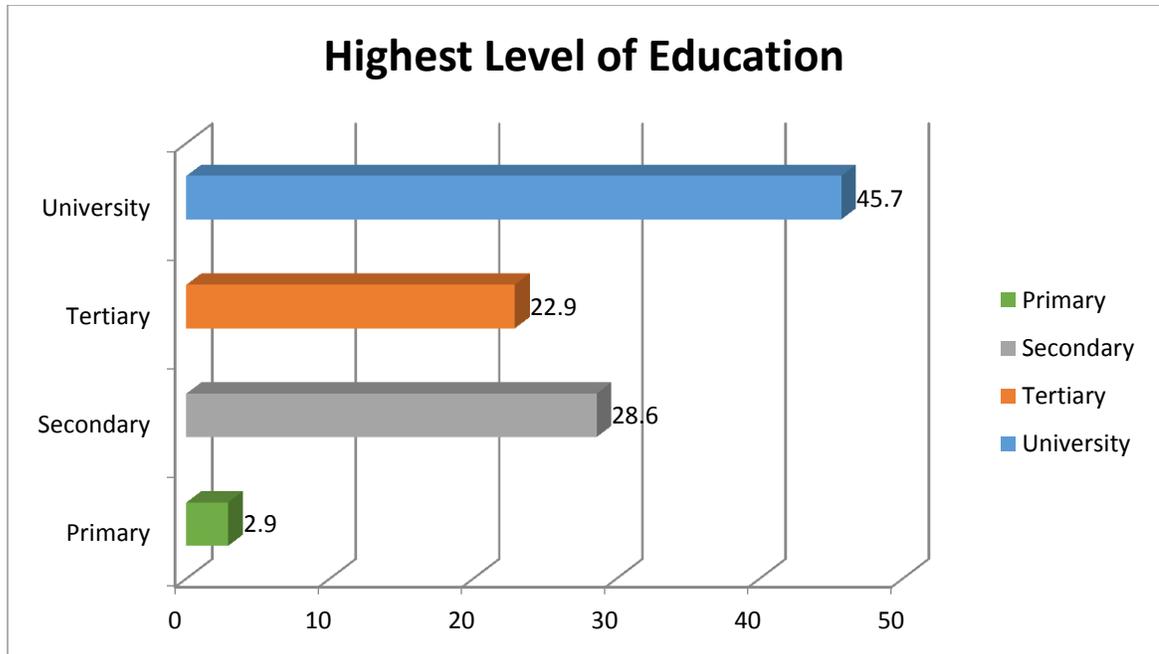
**Figure 4. 1: Gender of Respondents**

Source: Primary Data, 2018)

In regards to gender, the findings indicate that 74.3% of the respondents were male while 25.7% were female. Thus the male gender recorded 48.6% higher participation in the industry than their female counterparts. This performance is a dismay in accordance to the constitution of Kenya that promotes affirmative action of the female gender representation in all industries.

#### 4.2.2.2 Highest Level of Education

In order to ascertain the highest education level of the study participants, the study divided the education category into four categories: primary, secondary, tertiary and university. The findings from the data are as presented in figure 4.2.



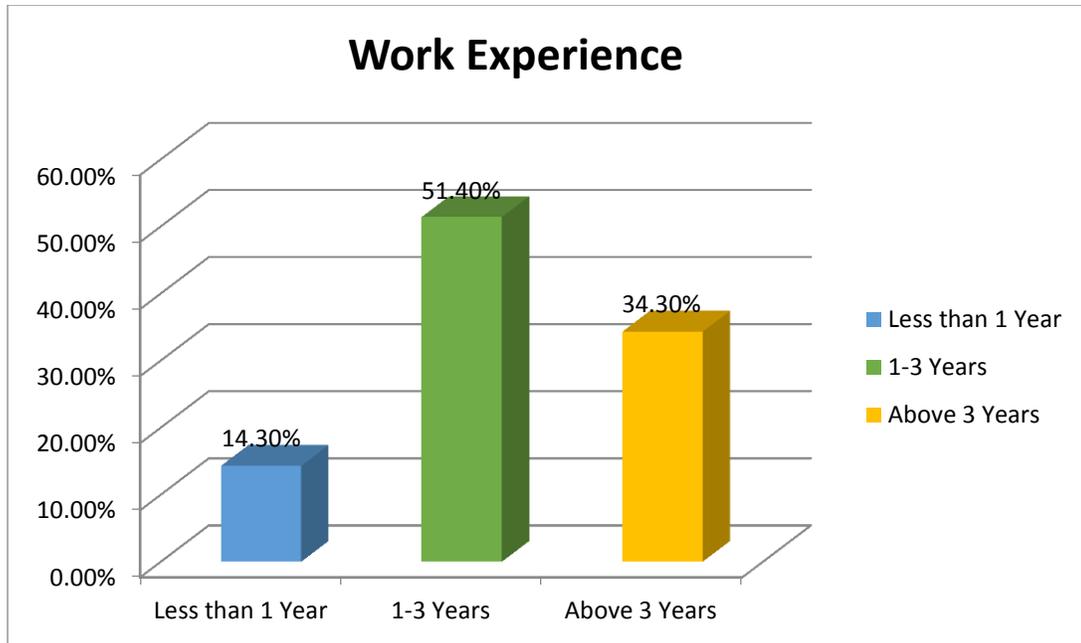
**Figure 4.2: Highest Level of Education**

Source: (Primary Data, 2018)

From the figure 4.2 there is a clear indication that 45.7% of the respondents had acquired university education. This group was followed by those that had acquired secondary level of education representing 28.6% of the respondents. 22.9% of the respondents had tertiary level of education. Respondents with primary level education were the least and represented 2.9% of the total participants.

#### **4.2.2.3 Work Experience**

To determine the respondents work experience, the study broadly classified the working experience into three categories: Less than a year, 1-3 years and above 3 years. The findings are as presented in figure 4.3.



**Figure 4.3: Work Experience**

Source: (Primary Data, 2018)

The study found that the respondents had different levels of experience which was quite enriching. This consisted of those with few months of experience to those who had more than three years of experience in the online taxi industry.

Those with 1-3 years of experience were the majority and represented 51.4% of the respondents. Those with working experience above 3 years accounted for 34.3% of the respondents while only 14.3% of the respondents had less than a year working experience. It would therefore be true to infer that 85.7% of the respondents have more than a year of working experience and thus conversant with the day to day marketing strategies of the online taxi operations and their effect on sale performance.

### 4.3 Marketing Strategies Used

This section established the marketing strategies used by the online taxi firms. The various marketing strategies captured included: online promotion on popular social media platforms, target advertising which utilizes start advert campaigns, Tuning referral campaign, Public relations through hiring a public relations manager and/ outsourcing a PR firm, Print media and Advertising on Television and radio stations.

#### 4.3.1 Marketing Strategies

With the aim of determining the various marketing employed in the online taxi operations the study employed the use of a Likert scale to rate respondents feelings towards already pre identified marketing strategies used. The Likert scale was divided into five points where; 1= No Extent, 2 Little Extent, 3=Moderately, Extent, 4= Great Extent, 5= Very Great Extent. The findings from the data are as presented in the table 4.2.

**Table 4.2: Marketing Strategies**

<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Online promotion on popular social media platforms for instance, Twitter, Facebook, Instagram and YouTube	35	4.03	0.707
Target advertising which utilizes start advert campaigns in the channels where the target audience hang out.	35	3.57	0.739
Tuning referral campaign also effectively hack used to boost app installs	35	3.57	0.948
Public relations through hiring a public relations manager and/ outsourcing a PR firm	35	3.2	0.833
Print media such as daily newspaper and magazines	35	3.03	0.923
Advertising on Television and radio stations	35	2.86	0.733

**Source: Primary data, 2017**

The respondents were asked to rate some of the marketing strategies that were used in the online taxi operation. The various means indicate the respondents feeling towards each individual strategy that is being used. Means that tend to 1 indicate that the strategy is used to no extent. Means that tend towards 2 indicate that the strategy is used to a little extent. Means that tend towards 3 indicate the strategy is used to a moderate extent. Means that tend towards 4 indicate the feeling that the strategy is used to a great extent while means towards 5 indicate that the strategy is used to a very great extent.

The table 4.2 indicates that the respondents attest to a great extent ( $3.57 < \text{mean} < 4.03$ ) that online promotion on popular social media platforms for instance, Twitter, Facebook, Instagram and YouTube with a mean score of 4.03 and standard deviation 0.707, target advertising which utilizes start advert campaigns in the channels where the target audience hang out with a mean of 3.57 and standard deviation of 0.739 and tuning referral campaign also effectively hack used to boost app installs with a mean of 3.57 and standard deviation of 0.948 were some of the marketing strategies that the online taxi's use.

Respondents also acknowledged to a moderate extent ( $2.86 < \text{mean} < 3.2$ ) that Public relations through hiring a public relations manager and/ outsourcing a PR firm with a mean of 3.2 and standard deviation of 0.833, print media such as daily newspaper and magazines with a mean 3.03 and standard deviation of 0.923 and advertising on Television and radio stations with a mean of 2.86 and standard deviation of 0.733 were the other marketing strategies that the online taxis' used.

#### 4.4 Marketing Strategy on Sales Performance

This section sought to determine the effect of marketing strategies on sale performance. The various aspects that were captured included: Giving discounts and promo codes, flexibility with regards to routes, motivating the sales force, training the sales force, emphasizing on product knowledge, online promotion on popular social media platforms, sales performance improvement due to public relations, sales performance enhancement by tuning referral, offering discounts, having multiple modes of payment and reduction of wait time.

##### 4.4.1 Effect of Marketing Strategy on Sale Performance

In order to establish the effect of marketing strategies on sale performance the study employed the use of a Likert scale to rate respondents' feelings towards some of the effects marketing strategies had on sales performance. The findings are presented in the table 4.3.

**Table 4.3: Effect of Marketing Strategy on Sale Performance**

<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Training the sales force improves sales performance	35	4.69	0.53
Having multiple modes of payment such as use of cash, mobile money, credit card payment as well as online payment methods increase sales	35	4.43	0.558
Motivating the sales force improves sales performance	35	4.34	0.802
Giving discounts and promo codes is also an effective marketing method since it attracts a whole mass of customers leading to increased revenues	35	4.29	0.667

Offering discounts as well as promotion codes increase sales revenue	35	4.17	0.514
Emphasizing on product knowledge enhance sales performance	35	4.11	0.676
Flexibility with regards to routes of their operation and easy accessibility enhance sales performance	35	4.11	0.583
The reduction of wait time as an approach towards enhancing service delivery would add value in its services, efforts that would increase the sales performance	35	4.09	0.612
Sales performance is improved via public relations and Media by making the enterprise recognizable and even reaching a wider scope of audience who are eventually converted to company's clients	35	3.74	0.741
Online promotion on popular social media platforms for instance, Twitter, Facebook, Instagram and YouTube enhance sales performance	35	3.66	0.591
Sales performance is enhanced by Tuning referral campaign also effectively used to boost app installs	35	3.6	0.651

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Source: (Primary Data, 2018)

When asked to rate the effect of marketing strategy. The respondents also acknowledged to a great extent (3.6 < mean < 4.43) that having multiple modes of payment such as use of cash, mobile money, credit card payment as well as online payment methods increase sales with a mean of 4.43 and standard deviation of 0.558, motivating the sales force improves sales performance with a mean of 4.43 and standard deviation of 0.802, giving discounts and promo codes is also an effective marketing method since it attracts a whole mass of customers leading to increased revenues with a mean of 4.29 and standard deviation of 0.667, offering discounts as well as promotion codes increase sales revenue with a mean of 4.17 and standard deviation of 0.514, emphasizing on product knowledge enhance sales performance with a mean of 4.11 and standard deviation of 0.676, flexibility with regards to routes of their operation and easy accessibility enhance sales

performance with a mean of 4.11 and standard deviation of 0.583, the reduction of wait time as an approach towards enhancing service delivery would add value in its services, efforts that would increase the sales performance with a mean of 4.09 and standard deviation of 0.612.

In addition, sales performance is improved via public relations and Media by making the enterprise recognizable and even reaching a wider scope of audience who are eventually converted to company's clients with a mean of 3.74 and standard deviation of 0.741, online promotion on popular social media platforms for instance, Twitter, Facebook, Instagram and YouTube enhance sales performance with a mean of 3.66 and standard deviation of 0.591 and sales performance is enhanced by Tuning referral campaign also effectively used to boost app installs with a mean of 3.6 and standard deviation of 0.651 were the other major ways in which marketing strategies had an effect on sales performance.

#### **4.5 Regression Model**

The study conducted a regression analysis to help establish whether marketing strategy had an effect on sales performance. The tables of model summary, Anova and Regression Output present the findings from the data.

**Table 4.4: Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.230 <sup>a</sup>	0.053	0.024	0.23266

a. Predictors: (Constant), Marketing Strategy

Source: (Primary Data, 2018)

The model summary table shows R square to be 0.053 implying that 5.3% of the total variation in sales performance is explained by changes in marketing strategy. This also implies that 94.7% of the variation in sales performance is attributed to the measurements of error and other factors that could have had an effect on sales performance but not captured in the study.

**Table 4.5: ANOVA**

<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	0.099	1	0.099	1.836	.185 <sup>b</sup>
Residual	1.786	33	0.054		
Total	1.886	34			

a. Dependent Variable: Sales Performance

b. Predictors: (Constant), Marketing Strategy

Source: (Primary Data, 2018 )

The F statistic test value of 1.836 is greater than the significance value of 0.185 therefore this indicates that there is a significant relationship between the dependent variable and

the predictor variables. Thus the model with marketing strategy as a predictor is fit for predicting sales performance.

To investigate the relationship between sales performance and the extent to which marketing strategies have an effect on it a simple linear regression model was fit to the data. It adopted the form;

$$Y = \alpha + \beta_1 X_1 + \epsilon$$

Where; Y= the dependent variable (sales Performance)

$\alpha$  – is a constant; it explains the level of sales performance given and it's the Y value when predictor value X1 is zero.

$\beta_1$ - is a regression coefficient constant.

X1= Marketing Strategy

The regression output is as shown in table 4.4.

**Table 4.6: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.781	0.247		15.29	0
Marketing Strategy	0.098	0.072	0.23	1.355	0.185

a. Dependent Variable: Sales Performance

Source: Primary Data, 2018

The regression output in table 4.6 estimates the model for predicting the dependent variable given the value of the independent variable can be written as below;

$$Y=3.781+0.23X_1$$

The estimated model illustrates that the average value of sales performance when other factors are held constant is 3.781. The findings further show that marketing strategies had a positive effect on sales performance. The effect is statistically insignificant at 5% level of significance given probability value of the coefficient of marketing strategy is less than 5% (p value=0.181). Consequently, this implies that for a unit increase in marketing strategy will result to a 0.098 unit increases in sales performance.

#### **4.7 Discussion of the Findings**

This section provides discussion of the study findings based on the descriptive and inferential statistics. The study sought to establish the effect of marketing strategy on sales performance among online taxi Companies in Kenya. The results revealed that to a great extent that some of the marketing strategies that were used in the online taxi operations included: online promotion on popular social media platforms for instance, Twitter, Facebook, Instagram and YouTube, target advertising which utilizes start advert campaigns in the channels where the target audience hang out and tuning referral campaign also effectively hack used to boost app installs.

The findings also illustrate that marketing strategies have a positive influence in improving the sales performance of the online taxis'. Some of the marketing strategies that were found to be particularly effective included: having multiple modes of payment such as use of cash, mobile money, credit card payment as well as online payment methods increase sales, motivating the sales force, giving discounts and promo codes, offering discounts as well as promotion codes, emphasizing on product knowledge , flexibility with regards to routes of their operation and easy accessibility, the reduction of wait time as an approach towards enhancing service delivery, sales performance

improved via public relations and Media by making the enterprise recognizable, online promotion on popular social media platforms for instance, Twitter, Facebook, Instagram and YouTube and sales performance is enhanced by tuning referral campaign. These findings are in agreement with Chang, Eckman and Yan (2011) who allude that the inclusion of marketing strategies remains an effective approach driven towards increasing the sales performance of an organization.

The findings are also consistent with those of Bingqun, Kejia and Tingjui (2016) who assert that pricing strategies mechanisms such as giving discounts and promotion codes results to competitive pricing which is very effective in increasing sales of any organizations. These findings on prices are further cemented by Odhiambo (2013) who in his research study found out that pricing strategy increases the sales performance of any organization and thus revealing a positive relationship between pricing strategies and the performances of firms.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

The section addressed summary of the study, study conclusion, recommendations made as well as the areas recommended for further studies. In addition, it also gives limitations of the study and the recommendations for further research. The findings are summarized in line with the research objectives.

The summary is given based on the various aspects covered in the questionnaire that included the respondents profile which established the gender, highest level of education and working experience of the respondents. The other aspects in the questionnaire were marketing strategies used and the effect of marketing strategies on sales performance.

### **5.2 Summary of the Findings**

The objective of the study was to establish the effect of marketing strategy on sales performance among online taxi Companies in Kenya. In order to give insight to the objective data was collected in using questionnaires. Thirty-five questionnaires were administered to sales managers and customer relations managers in each online taxi firm operating in Kenya namely: Uber, Taxify, Little Cab, Mondo Ride and Maramoja. All the questionnaires administered were duly filled and thus representing 100% response rate.

From the findings on respondents' profile, the larger number of respondents was male accounting for 74.3% of the respondents while the females accounted for 25.7%. 45.7% of the respondents had university level of education. This group was followed by those with secondary school education at 28.6%. 22.9% of the respondents had tertiary level of

education while 2.9% had primary level of education. A majority of the respondents 51.4% had between 1-3 years working experience in the online taxi operations. 34.3% had over 3 years working experience while those with less than 1 year of experience were 14.3% of the respondents.

From findings on marketing strategies respondents agreed to a great extent (3.57<mean<4.03) that online promotion on popular social media platforms for instance, Twitter, Facebook, Instagram and YouTube with a mean of 4.03 and standard deviation 0.707, target advertising which utilizes start advert campaigns in the channels where the target audience hang out with a mean of 3.57 and standard deviation of 0.739 and tuning referral campaign also effectively hack used to boost app installs with a mean of 3.57 and standard deviation of 0.948 were some of the marketing strategies that the online taxi's use.

Respondents also attested to a moderate extent (2.86< mean< 3.2) that Public relations through hiring a public relations manager and/ outsourcing a PR firm with a mean of 3.2 and standard deviation of 0.833, print media such as daily newspaper and magazines with a mean 3.03 and standard deviation of 0.923 and advertising on Television and radio stations with a mean of 2.86 and standard deviation of 0.733 were the other marketing strategies that the online taxis' used.

From the findings on effect of marketing strategy on sales performance respondents agreed to a very great extent that training the sales force improves sales performance with a mean of 4.69 and standard deviation of 0.53 was one of the significant ways in which marketing strategies had an effect on sale performance.

The respondents also acknowledged to a great extent (3.6 < mean < 4.43) that having multiple modes of payment such as use of cash, mobile money, credit card payment as well as online payment methods increase sales with a mean of 4.43 and standard deviation of 0.558, motivating the sales force improves sales performance with a mean of 4.43 and standard deviation of 0.802, giving discounts and promo codes is also an effective marketing method since it attracts a whole mass of customers leading to increased revenues with a mean of 4.29 and standard deviation of 0.667, offering discounts as well as promotion codes increase sales revenue with a mean of 4.17 and standard deviation of 0.514, emphasizing on product knowledge enhance sales performance with a mean of 4.11 and standard deviation of 0.676.

In addition, flexibility with regards to routes of their operation and easy accessibility enhance sales performance with a mean of 4.11 and standard deviation of 0.583, the reduction of wait time as an approach towards enhancing service delivery would add value in its services, efforts that would increase the sales performance with a mean of 4.09 and standard deviation of 0.612, sales performance is improved via public relations and Media by making the enterprise recognizable and even reaching a wider scope of audience who are eventually converted to company's clients with a mean of 3.74 and standard deviation of 0.741, online promotion on popular social media platforms for instance, Twitter, Facebook, Instagram and YouTube enhance sales performance with a mean of 3.66 and standard deviation of 0.591 and sales performance is enhanced by Tuning referral campaign also effectively used to boost app installs with a mean of 3.6 and standard deviation of 0.651 were the other major ways in which marketing strategies had an effect on sales performance.

### **5.3 Conclusions**

The conclusion provides judgments based on the research objectives and recommendations are based on the study outcome.

The study has shown that marketing strategies based on giving discounts and promo codes, flexibility with regards to routes, motivating the sales force, training the sales force, emphasizing on product knowledge, online promotion on popular social media platforms, sales performance improvement due to public relations, sales performance enhancement by tuning referral, offering discounts, having multiple modes of payment and reduction of wait time has resulted in increased sales performance.

To attest to these strategies is the daily operations of the online taxis' operations that among other things allow their users to pay with varied methods of payment such as Mpesa, cash or cooperate billings. In addition, if one downloads one of the online taxi apps and uses it for the first time they get to get a discount on their first ride as well as a promo code which they can share with their friends to get discounts as well. The taxi's apps are available to its consumers on a 24 hrs. basis and offer a varied flexibility on the routes that they take to suit customers' request.

### **5.4 Recommendations**

The following were the recommendations drawn based on the findings of the study: The study recommended that for the sales performance to remain on an upwards trend the online taxis should maintain all their marketing strategies since they have proven to bear positive results. Additionally, the taxis should look for a way to reduce the ever-looming price wars among themselves and still remain competitive amongst themselves.

### **5.5 Limitation of the Study**

Despite many challenges, the time and respondents bias were out of researcher's control. The time set aside was not enough for the researcher to investigate the research problem and to measure change or stability over time of the research problem. Despite the researcher having required permission to seek relevant information, the respondents were reluctant to give out the information.

### **5.6 Suggestion for Further Research**

The study aimed to investigate the perceived effect of marketing strategy on sales performance among online taxi companies in Kenya. Therefore, there is a need for further studies to be done in regards to other factors that affect sales performance which could be used alongside marketing strategies that could contribute to even more sales performance amongst online taxi companies. Additionally, since this study investigated the perceived effects of marketing strategy on sales performance among online taxi companies, further research should be undertaken on the effect of marketing strategy on sales performance among other players within the transport sector.

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**APPENDIX I: Questionnaire**

The questionnaire will help to collect information on the effect of marketing strategy on sales performance among online taxi Companies in Kenya. Kindly answer the questions by writing a brief statement or ticking in the boxes provided as applicable. The information provided will be treated as strictly confidential and at no instance will your name be mentioned in this research. This research is intended for an academic purpose only.

**SECTION A: BACKGROUND INFORMATION**

1. Name of taxi operator ? .....

2. Indicate your Gender? Male [ ] Female [ ]

3. What is your highest educational qualification? (Tick one)

Primary [ ] Secondary [ ] Tertiary [ ] University

4. How long have you been employed at Uber?

Less than 1 Year [ ] 1-3 Years [ ] Above 3 Years [ ]

**SECTION B: MARKETING STRATEGIES USED**

Below are several statements on the marketing strategy used. Please indicate the extent to which you agree with each of the statement. where; 1= No Extent, 2 Little Extent, 3=Moderately, Extent, 4= Great Extent, 5= Very Great Extent.

<b>EFFECT OF MARKETING USED</b>	1	2	3	4	5
online promotion on popular social media platforms for instance, Twitter, Facebook, Instagram and Youtube.					
Target advertising which utilizes start advert campaigns in the channels where the target audience hang out.					
Tuning referral campaign also effectively hack used to boost app installs.					
Print media such as daily newspaper and magazines					
Public relations through hiring a public relations manager and/ outsourcing a PR firm					
Advertising on Television and radio stations					

### **SECTION C: MARKETING STRATEGY ON SALES PERFORMANCE**

Below are several statements on the effect of marketing strategy on sales performance.

Please indicate the extent to which you agree with each of the statement. Use a scale of 1-

5 where; 1= No Extent, 2 Little Extent, 3=Moderately, Extent, 4= Great Extent, 5= Very

Great Extent.

<b>EFFECT OF MARKETING STRATEGY ON SALES PERFORMANCE</b>	1	2	3	4	5
Giving discounts and promo codes is also an effective marketing method since it attracts a whole mass of customers leading to increased revenues					
Flexibility with regards to routes of their operation and easy accessibility enhance sales performance					
Motivating the salesforce improves sales performance					
Training the salesforce improves sales performance					
Emphasizing on product knowledge enhance sales performance					
Online promotion on popular social media platforms for instance, Twitter, Facebook, Instagram and Youtube enhance sales performance					
Sales performance is improved via public relations and Media by making the enterprise recognizable and even reaching a wider scope of audience who are eventually converted to company's clients					
Sales performance is enhanced by Tuning referral campaign also effectively used to boost app installs.					
Offering discounts as well as promotion codes increase sales revenue					
Having multiple modes of payment such as use of cash, mobile money, credit card payment as well as online payment methods increase sales					
The reduction of wait time as an approach towards enhancing service delivery would add value in its services, efforts that would increase the sales performance					

Mention any other effects of marketing strategies on sales performance online taxi applications in Kenya

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