MARKETING STRATEGIES USED BY UBER TO ENTER THE KENYAN MARKET

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DECLARATION
This research project is my original work and has not been submitted for any award
in any other institution or university.

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This research project has been submitted for examination with my approval as the
University
Supervisor.

Signature …………………………………………. Date ……………………………

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DEDICATION

This study is dedicated to my family and my dear wife for their love, support, encouragement and prayer which saw me through the entire course.
ABSTRACT

The mode of entry that a company chooses to enter a foreign market is usually a strategic decision that requires adequate research and calculated risks of cost benefit analysis. The strategies usually have a great impact on performance and the success of a company in the foreign markets. The objective of this study was to establish the marketing strategies used by Uber to enter the Kenyan market. The research design was a case study; it was. The study mainly banked on both primary and secondary data, primary data was collected using an interview guide while secondary data was collected on the overall performance of the research from the corporate plans, online journals and publications. Qualitative data was used and therefore content analysis was utilized to analyze the data at hand. The study determined that Uber used the 4p’s of marketing to penetrate the Kenyan market, Uber took advantage of its brand name, technological expertise and know how to transform the Kenyan taxi industry. The study further found that Ubers flexible approach of its operations in Kenya made the company become successful in Kenya. The study recommends a deeper research to be conducted on the challenges uber encountered and a further research on how Taxify entered the Kenyan market.
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Doing business internationally provides opportunities for any company to bring new innovations to the world (Czinkota, 2013), a firm that export faster is more productive and has employees who tend to earn more. Some firms enter new markets gradually, whereas some start from the scratch, to survive in the international market for a long period of time companies must be prepared for all the unexpected activities and adjust to the needs and opportunities of international markets. Market entry into new markets is a way of seeking growth and expansion as well, expanding to foreign markets is a very critical step that ambitious firms always consider, and some of the factors driving firms to expand are economic characteristics of the targeted market, technological advantages and sustainable competitive advantages (Khadka & Akande 2017). companies worldwide gain market as either direct or through an indirect technique, While more complex organizations may incorporate genuinely worldwide activities that may include joint ventures or partnerships.

Before Uber’s entry into the Kenyan taxi industry it was dominated by kenatco taxis a government Parastatal and independent taxi owners since the 1990s (Industrial and Commercial Development Corporation, 2010) these players dictated the taxi prices and controlled the taxi market, the services offered by these players were inefficient and had too much barriers to entry. Uber set up a passage to Kenyan market by taking advantage of its assets, for example, innovation, capital know-how, its trademark to the Kenyan market in which those assets were sold directly to clients using an application that used to hail a taxi from any location.
There are many strategies when an institution chooses to expand to new markets Kotabe and Helsen (2009) has drilled down the primary upsides and
downsides of all the fundamental market entry strategies in a foreign market, the choices expressed by Kotabe and Helsen (2009) are: direct exporting, licensing, indirect exporting, franchising, contract manufacturing, joint venture, acquisition and Greenfield. When an institution builds its own subsidiary from the ground up, it’s referred to as Greenfield strategy. Kotabe & Helsen(2009) this strategy banks on the transfer of the parents company’s brand name, technological expertise, human expertise and suppliers to a subsidiary.

This research will be guided by two theories namely; Coase theory and Transaction costs theory. The Coase theorem was formed by Nobel Laurete Robert Coase and it ideally concentrates on the economic freedom and almost zero costs involved in the transaction of a business Jenk(2015). This theory is relevant to this research because Uber has been using lower costs of operating their business to gain entry into the Kenyan taxi market. The Transaction Costs Theory proposes that an organization can expand as along as it can do so while incurring low costs, This theory applies in this study because Uber’s marketing strategy of introducing the Uber x service and Uber black to the Kenyan taxi market to rival the traditional method of taxi is a perfect example of Transaction Cost Theory at work.

1.1.1 Marketing Strategy
Strategy is defined in many ways and from different perspectives and it does not have definition and it can be misleading to define it in a single concept Pearce and Robinson (2011) contend that Strategy is an array of choices and activities that outcome in the detailing of plans intended to accomplish an organization's objectives. As indicated by Kotler (2000) marketing strategy from a marketing perspective, is the demonstration of an organization's contributions and picture to involve a particular place in the target market's mind. Kotler argues that marketing strategy is defined as the design and implementation of a retail mix to create image in the retailers’ mind relative to its competitors and it is a Strategy which is an incorporated activity
comprising of customer service, environment, and commodity and customer communication decisions.

Kalafatis Tsogas and Blankson (2000) argues that marketing is the concept of strategy that covers the organization as whole, both tangible and intangible elements of a company. They argued that marketing strategy can be seen from two perspectives, the authors defined marketing strategy as the act of controlling to alter unambiguous qualities and the irrelevant view of attractive contributions in connection to rivalry and included that it is the way towards characterizing, adjusting and actualizing buyer impression of attractive items. According to the author’s, marketing strategy can arise from competitors, companies and consumers. Marketing strategy can be explained differently as we have seen above, it can be useful in developing a competitive edge in the market over other competitors.

Companies can develop marketing strategy in different levels (business level corporate level) in the organization, (Johnson et al 2008). They can develop Marketing strategy at business level, fundamentally focusing on price and differentiation of products and services. It is also possible for organizations to develop marketing strategy in the corporate level, at this level, decisions are related to scope or breadth of an organization, and diversification decisions are also made at the corporate level of the company. International diversification is also a form of diversification in different geographical locations. Innovation is also another possibility for companies to develop marketing strategy by innovating new ideas, technologies and system.

Referral marketing is a way of endorsing products or services to clients through referrals and by word of mouth. Khadka and Akande (2018) Referrals may ensue instinctively but firms can stimulate this with the appropriate marketing strategies. Institutions may use incentives to entice early adopters with bonuses and promotions Işıl Dalaman and Akin Maşap
Some organizations use the strategy of introducing risk free trials which on which will make a client become a repeat customer. Viral / Referral Marketing is applied as marketing strategies for customer acquisition. As indicated by Everett M. Rogers' Diffusion of Innovations (1962) an early adopter forms the third group of the adopters they give guidance of a given innovation, Adopters are highly respected in given community bequeathed by their superior Assimilation, they do possess a high level of opinion guidance with other community members who look for advice and facts from them regarding an innovation in question Rodgers (1995). An innovative institution that takes into account about this group’s characteristics will definitely increase the uptake of its products and services by consumers (Rodgers,1995).

1.1.2 Market entry

Neil Borden states that marketing mix as is a blend of components helpful in seeking after a specific market reaction. Neil Borden was the brains behind the concept and it has been used since then. The Four P’s classification (product, price, place and promotion) which have been used around the world by companies was coined by McCarthy in 1960. The 4P’s framework may well be known as the conventional grouping of showcasing marketing Waterschoot &Van Den Bulte, (1992). Creating attention is a key component in marketing strategy. Product strategy is one of the key elements of a marketing mix that companies use to gain entry into a given market, (Singh 2016) describes a product as a physical item or a service that a willing buyer is willing to pay for. Product strategy include use of technology in product delivery as well as the production of a product. A unique product has advantage over other competitors and acts as a benchmark for others. Ramanuj (2006) states that image quality are important as a market faces competition and they increase the quality and reliability of a product offered, a firm with a superior product and branding can have an edge over the other competitors in a foreign market.
Price is another element of marketing mix and it’s the value placed on goods and services that buyers are prepared to pay for Rapert Linch, and Suter, (2008). Cravens (2006) states that the role of price in marketing strategy varies on the kind of product the market and strategies used in distribution. Pricing strategy development should be based on considering factors such as competitors pricing, demand, and cost effectiveness. Pricing strategies provide dependable panaches for companies as they come up with pricing of their products. The third element is Distribution of products and it refers to giving a customer the accessibility of a product on a timely basis Ian (2005). This strategy is critical because it solves the problem of availing the products on a timely basis and also enhances the likelihood of a partnership between main distribution channels and informal channels to create a robust, network of the flow of goods and services.

The last element of marketing mix is Promotion strategy and it involves providing the consumer with information regarding a firm’s product as well as influencing the consumer, attitudes, perception, and behaviour towards a product and what it has to offer Keegan (2000). It’s a persuasive and informative forma of communication. To be effective, the promotional strategy must be guided by focusing on the needs of a consumer and integrating all the activities to satisfy them.

1.1.3 The Taxi Business in Kenya

There are no accurate records of the taxi industry in Kenya, in Nairobi there are two types of taxis in traditional taxis and the technology based taxis. Before the entry of the technology based taxis into the Kenyan market there was no organized regulations and there existed numerous cartels which fought for the control of the taxi market. The various county governments have had a challenge in trying to regulate the industry The standard (2015), Nairobi County tried to regulate the taxi operators by mandating the taxi
drivers to wear uniform, issue receipts and also have the vehicles pass through inspections, these rules and regulations never came into effect, and only specific taxi operators operated by companies that have a fleet of vehicles that abide by these rules and regulations.

Taxis play a critical role in the economic growth of a city, they have to locate a customer at specific places and a client has the option of choosing the preferred driver. (Veloso et al., 2011) The traditional taxis don’t have fixed charges nor taxi meters, drivers estimate the fare to be charged. However with the introduction of Uber in Kenya in 2015 things changed, riders started hailing taxis using their smartphones and customers would get efficient timely and cost effective Taxis. In the Kenyan taxi market competition and the thriving market made new entrants into the market to start similar services like Uber, Taxify, Little Ride and Mondo Ride. In Kenya Uber has the second largest market in Africa it has 363,000 active users, (BusinessDailyAfrica, 2018)

1.1.4 Uber Technologies

In 2009 UBER was founded as a result of an ineffective and an inefficient taxi market and as a result it rapidly grew to become one of the leading companies in the taxi industry. (Geoffrey, David Tim 2015) Uber is a rider sharing app that customers can use to hail a taxi, Uber has transformed the traditional taxi market and has literally rendered it obsolete. Innovation has led Uber a taxi hailing app to achieve global expansion because of being a disruptive innovator by outsmarting government regulators, competition and regulators. (Geoffrey et al, 2015) Uber has been operational in 58 nations around the globe and is esteemed at around $41 billion. Uber has encountered extraordinary achievement and has been extending both universally and inside the United States. Uber’s achievement has additionally experienced difficulties as control, social, legitimate, and specialized obstructions. The normal taxi industry, for example, is contending that Uber has an uncalled for preferred standpoint since it doesn't follow the standard procedures as them.
Uber has been blamed for not screening their drivers and in this manner presenting riders to dangerous circumstances, (Laila et al, 2015).

1.2 Research Problem

A market entry strategy is a process of how an organization uses to tap into a new market or a foreign market that is currently untapped or has lots of opportunities to take advantage of so as to benefit and make profits. Filippov and Iljashenka (2000) indicate that it’s always important to do a cost benefit analysis before making any decisions on market penetration. The importance of marketing strategies has been proven by direct relation with the performance and profitability of firms Brooksbank (1994) firms that produce and able to offer products as per the customers’ needs and develop marketing strategies based on their competence and unique resources can stay competitive and profitable in the market. Kotler (2000) argues that marketing strategy is one of the major concepts of management that enables companies to be competitive and become profitable in the market.

Various studies have been done in this context; Tram(2016) carried out a study on how Uber adopted a partnership strategy to gain entry into the Vietnamese market, the researcher addressed how Uber used partnerships as a market entry point and failed to address the other strategies used, moreover, Das et al(2017) did a research on how urban transportation transformed from the unregulated and chaotic environment in India to a digital environment driven by technology and Uber at the forefront. The study however did not cover the marketing strategies in depth used by Uber’s entry into the Kenyan taxi market. Kollem (2016) conducted a research on the institutional analysis of Uber x and Uber black services across the globe , the author highlights how Uber’s market entry is driven by favorable institution context , the study does not focus on the marketing strategies as a whole.

Several local studies have been carried out about Uber but in different contexts; Mutai(2017) carried out the study on the dynamic capabilities, the
research established that a predictable business model operation in a more regulated environment is Uber’s biggest challenge the study did not focus on the marketing strategies used by Uber’s entry into Kenya as in this case. Angasa (2017) carried out a research on competitive strategies. The findings revealed that the three companies used three competitive strategies namely; product differentiation, cost leadership and focus strategies, the study did not focus on the marketing strategies Uber used to enter the Kenyan market.

Hussein (2016) carried out a research on the service quality practices and customer satisfaction and according to the research the author established that a significant number of clients are fulfilled and therefore are faithful to the taxi organization administrations they are acquainted with and this may be because of value administrations offered by these taxi companies. The research did not address the marketing strategies used by Uber’s entry and thus my concentration on this study.

Uber is the market leader in Kenya In the taxi hailing market, however there is limited research done in this context and therefore there exists a need to direct an investigation to comprehend the marketing strategies embraced in Uber’s entry into the Kenyan market to fill this gap. This study therefore seeks to answer the following research question: What are the marketing strategies employed by Uber to enter the Kenyan market?

1.3 Research Objective
The objectives of the study were to;
(i) explore the marketing strategies used by Uber to enter the Kenyan market.
(ii) explore the extent to which the strategies affected performance of Uber in Kenya.

1.4 Value of the Study
The research will increase the value of the administration of Uber Kenya as it will illustrate the key marketing strategies in Uber’s penetration into the taxi market, along these lines the organization will have the capacity to guide
more assets to reinforce the strategies. This will help Uber in positioning itself in the market as it faces rivalry from existing organizations. The discoveries of the study will profit the business players who might use Uber as a yardstick. Organizations that have never completed any exploration on advertising methodologies and difficulties in the business will discover this research exceptionally valuable as they will utilize it to benchmark themselves with Uber Kenya. To the scholars and academicians, the investigation will advance the current database of studies. Scholars and researchers will be able to have a clear picture of marketing strategies and fill the research gap as well.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This study begins with a theoretical assessment of marketing strategies used by Uber Nairobi, this is followed by the concept of marketing strategies and the different approaches used in gaining entry into the Kenyan market.

2.2 Theoretical Foundation

This study is based on Transactions cost theory and Coase theory as discussed below. Ideally Coase theory concentrates on the economic freedom and almost zero costs involved in the transaction of a business. This theory is relevant to this research because Uber has been using lower cost of operating their business to gain entry into the Kenyan taxi market. The Transactions theory proposes that an organizations can expand as long as it can do so while incurring low cost. This theory applies in this study because Uber’s marketing strategy of introducing the Uber x service and Uber black to the Kenyan taxi market to rival the traditional method of taxi is a perfect example transactions theory at work.

2.2.1 Transactions Cost Theory

The transaction cost was theory postulated by Ronald Coase and it indicates the costs associated with the provision of goods and services to a market rather than being provided by a firm are known as Transaction Costs. This theory proposes that an organization can expand as long as it’s incurring low costs Coase (1937).
Previous research on Transaction Cost Theory by Coase never concentrated on the in-house operations of an organization, however Williamson (1981) expounded this theory by showcasing the presence of other forms of firms based on their competence on reaction to a collection of environmental factors. Anderson expounded further on the transactions theory in a marketing perspective, she argues that organizations can expand to new markets by either exporting their current goods or services or by innovating new products in the new markets. Anderson’s investigations found out that a new market segment needs to be approached differently and with new marketing strategies (Gatington 2010). This theory further proposes that introducing a new product or service requires an institution to observe the market entry mode, the strategic decisions and the marketing mix decisions. Anderson and Gatigon (2015) this theory is relevant in this study because it showcases how institutions made decisions to gain access to certain foreign markets.

2.2.2 Coase Theory

The Coase theorem was coined by Nobel Laurete Robert Coase and it focuses on two fundamental thoughts in a perfect world, opportunity of decision making and zero exchange costs (where purchasing and offering is involved). Coase theorem has been drawn from the discussions in theory of the firm (1960) and the social cost problem (1960). This theory proposes that it doesn’t matter who owns what or who owned what initially rather in the event of a disagreement between two parties they can solve a problem by mutually agreeing and benefiting with no costs involved. Many countries in the world have a strictly regulated taxi environment where licenses and permits are issued by the local authorities, however with the advancement of technology, some firms have had these barriers to entry reduced and we see Coase theory at work. (Jenk, 2015)
This study will be supported by this theory because it helps in explaining the cost benefit that digital firms will have over the traditional taxi (where exchange costs are moving toward zero) over the customary firms. The structure of firms is also explained as well. This theory has three features: decreasing transaction costs, improving social utility, and altering the nature of participating firms. The ongoing transformation of the regulated taxi industry by the arrival of new entrants using app based model is another classic example of Coase theory at work (Jenk, 2015).

2.3 Empirical studies and The Knowledge Gap

An academician from India did a research on how urban transportation transformed in India from the unregulated and chaotic environment in India to a digital environment driven by technology and Uber at the forefront Das et al (2017) this author expounded on the effect of marketing strategies and innovation by Uber Technologies for its development from a modest starting point to a giant multinational. A research by kollem (2016) expounded how Uber chooses its location by taking advantage of its own technological and manpower capabilities, the author highlights how Uber’s market entry is driven by favorable environmental conditions as how it adapts. (Juma ,2016) carried out a research to establish the adoption of taxi hailing companies by drivers and the effect in competitiveness of these companies, the research established that easy communication between a client and the taxi provider, efficiency, and a fast journey time were among the key drivers of e hailing adoption in Kenya.

Angasa(2017) carried out a research on competitive strategies. The findings revealed that the three companies used three competitive strategies namely; product differentiation, cost leadership and focus strategies. The research further revealed that focus strategies such as service availability and accuracy in billing communication between clients and contractors had a stronger impact on competition. Hussein (2016) carried out a research on the service
quality practices and customer satisfaction and according to the research the author established that a significant number of clients are fulfilled and therefore are faithful to the taxi organization administrations they are acquainted with and this may be because of value administrations offered to them. According to my research there is limited literature regarding the context of my study and thus there is the need to fill this research gap.

2.3.1 Summary of the empirical studies

<table>
<thead>
<tr>
<th>Author and years</th>
<th>Topic of study</th>
<th>Area of study</th>
<th>Research gap</th>
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<tr>
<td>Das (2017)</td>
<td>transformation of urban transportation - strategic perspective a case of uber technologies inc</td>
<td>Strategy</td>
<td>The study did not address the marketing strategies in Ubers entry into the Kenyan market</td>
</tr>
<tr>
<td>Kollem (2016)</td>
<td>The introduction of Uber: An institutional analysis of UberBlack and UberX services across the globe</td>
<td>Institution analysis</td>
<td>The study did not address the marketing strategies in Ubers entry into the Kenyan market</td>
</tr>
<tr>
<td>Mutai (2017)</td>
<td>the effect of dynamic capabilities on organizational competitive advantage; A case of Uber taxi Kenya</td>
<td>Dynamic capabilities</td>
<td>The study did not address the marketing strategies in Ubers entry into the Kenyan market</td>
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<td>Hussein (2016)</td>
<td>the service quality practices and customer satisfaction in taxi companies in Nairobi</td>
<td>Service quality practice and customer satisfaction</td>
<td>The study did not address the marketing strategies in Uber’s entry into the Kenyan market</td>
</tr>
<tr>
<td>Angasa (2017)</td>
<td>the effect of competitive strategies adopted by rider hailing companies in Nairobi, Kenya to sustain competitive advantages in the taxi industry</td>
<td>Competitive strategies</td>
<td>The study did not address the marketing strategies in Uber’s entry into the Kenyan market</td>
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CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This section is about the different advances that encouraged the investigation to fulfill its objectives. It examines the research design, data collection and data analysis that was used.

3.2 Research design

As a research design is essentially the system, plan and structure of leading the exploration venture (Carriger, 2000). A research design ensures that the evidence obtained enables the researcher to solve the initial problem as unambiguously as possible. This study adopted a case study research design. A case study is detail oriented and guides in understanding of a certain situation or event. Different kinds of research techniques, tests, studies have restricted conceivable outcomes to manage setting consequently, contextual analyses are suited to circumstances where setting matters (Denscombe, 2003).

3.3 Data Collection

Data that is collected first hand by a researcher is known as primary data while data that has been collected and is available at libraries, online journals or other publications is known as secondary data (Mesly, 2015). Data was collected using both the primary and secondary information. An interview guide is a list of questions that an interviewer uses to mine for data from interviewees (Cooper and Schindler, 2006). Primary data was collected through a face to face interview with use of an interview guide (Appendix 1) to determine market entry strategies used to enter the Kenyan market, this guaranteed that the market strategies used to enter the Kenyan market was explored extensively. The interviewees consisted of ten respondents namely,
six supervisors, operations manager, Business Development Manager, and the marketing manager.
3.4 Data Analysis

Content analysis was used to explain the findings against the market entry strategies used by Uber to enter the Kenyan market. It was advantageous in examining and understanding the grouping of texts, it also assisted the researcher to data mine through large volumes of data with much ease. It will enabled the researcher to determine and define the emphasis of an individual, group, organizational, or social attention (Weber, 1990).

Content analysis involves the interpretation of findings against the research objective, thus it is useful in analyzing and understanding collections of text. It helps researchers to sift through large volumes of data with relative ease. It can be a useful technique for allowing researchers to discover and define the focus of individual, group, institutional, or social attention (Weber, 1990).
CHAPTER FOUR: DATA ANALYSIS AND DISCUSSIONS

4.1 Introduction
The Objective of this study was to find out the marketing strategies Uber used to enter the Kenyan market and how the marketing strategies affected Uber’s performance in Kenya. The researcher was able to interview managers and supervisors in Uber Kenya who gave their views on this subject. This chapter will present a summary of the findings, the conclusions drawn from the study and the recommendations based on the findings of the study as well as suggestions for further research.

4.2 Background Information
This section presents the respondents response with regards to their department where they work, their designation, how long they have worked for and their roles in different levels of decision making in their organization. These data was collected so as to depict the appropriateness of the respondents to answer study questions. The researcher found out that the respondents held middle level to strategic level positions and worked in different departments from the company, this clearly showed that they were in a position to give accurate information about the company. The researcher found out that Uber offered taxi services according to different segment, for instance Uber x was introduced for the low end and Uber black for the high end customers.

4.3 Market Entry Strategies
The study established that Uber started its Kenyan operations in 2015 by setting its operations just like it had done in various cities in the world. Uber’s entry into the Kenyan market adopted several strategies so as to conquer the Kenyan market. This is according to one respondent, the respondent further elaborated that some factors that shaped Uber’s strategies were social, technological and economical in nature, for instance Kenya had a smart phone penetration of 60% and this was considered to be a key driver of Ubers growth. Moreover, in technological aspect Kenya had a cashless
system which was the Mpesa payment system that had literally transformed businesses in Kenya.

Another respondent said that Uber observed the classical 4ps of marketing, ie product price place and promotion for instance they launched a marketing strategy known as buzz marketing, whereby they offered free rides and coupons during a restaurant week function. This attracted many youths who recommended Uber to their friends. The respondents also stated that Uber used the price penetration strategy to enter the Kenyan market whereby they introduced their products to the market at a lower price compared to their competitors. This allowed them to gain a bigger market share and also create awareness of their services, the respondent further added that they provided innovation only previously enjoyed in the developing markets at much cheaper price point compared to the traditional taxis. This allowed them to be unique and distinguished them from other competitors. Another senior respondent stated that Uber took advantage of its superior name and buzz that had been created all over the world to launch its operations in Nairobi.

The respondents were further asked why the company chose these strategies and they said that these strategies had worked in other cities and that these cities had similar attributes to Nairobi, other respondents said that these strategies were used to create awareness, gain market share and maintain the market. Other respondents further added that Nairobi was a favorite destination of multinational companies to launch services and their products, because of the favorable political, legal environment in Kenya.

4.3.1 Factors that motivated the use of the market entry strategies
The respondents were tasked to state the factors that made the company to use the mentioned strategies, one respondent stated that the parent company was very ambitious in Nairobi and that it was fully supporting Uber Nairobi., this responded further added that the parent company had done a lot of
research in the Kenyan taxi industry and the parent company would also ride on the disruption they would make in the taxi industry. These strategies enabled them to gain significant market share with relative ease. Some respondents stated that Kenya’s stance as the leading east African destination for foreign investments pushed Uber to start its operations in Kenya.

One of the respondents stated that Kenya was a preferred destination for many multinationals and many of them had become successful as well. Another respondent stated that the technical know-how and the buzz created by Uber elsewhere in other cities prompted the company to venture to Nairobi, he further added that the company’s superior app was a key driver in venturing into the Kenyan market. Another respondent added that initially Uber expanded into the Kenyan market because of the high number of expatriates who were stationed in Kenya.

One respondent stated that Uber’s unique application, technical expertise was the key driver of expanding to Kenya.

4.3.2 Challenges Faced by the Company

The biggest challenge Uber faced according to one respondent was the strikes caused by their drivers after the lowering of their commissions. It was noted that Uber came to a halt at one point because of the numerous strikes, another respondent noted that Uber initially had high charges and thus drivers would make a lot of commissions and lowering their commissions prompted them to strike. It was noted that Uber had a challenge with the traditional taxi drivers who used to burn Uber driver’s vehicles, this respondent further elaborated that some drivers were nearly burnt to death or beaten to death, it was noted that some traditional taxi owners held demonstrations and also gave the government ultimatums to ban the san Francisco based company from Kenya..
Another respondent noted that an emerging trend of rogue drivers tampered with Uber’s global positioning system, to falsely charge the drivers, it was noted that riders had reported cases whereby bogus applications started clocking journeys earlier than the actual trip, and thus ending with an inflated billing. The respondent further added that initially Uber encountered challenges when they tried to use credit cards to bills, the cards didn’t work and this greatly impacted on the expansion programme in Kenya. The respondents were further asked about the challenges they faced in the Kenyan taxi industry and one respondent stated that competition was a major problem because several traditional taxis combined together and formed a similar company that copied its business model.

The respondents were further asked to state how they countered the challenges in Kenya one of the respondents noted that they held numerous meetings with the drivers and they amicably sorted their outstanding disagreements. Another responded noted that the company introduced incentives and this really boosted their morale and motivation to continue partnering with Uber. Another respondent added that Uber increased the higher rates after the strikes prompted them to agree to a new deal that would see drivers earn higher commissions.

It was noted from one of the respondent that the Kenyan government supported Uber in its Kenyan operations by investigating and prosecuting drivers who burned Uber’s Taxi operators. With the assistance of the government the rogue drivers were nabbed and held responsible for their actions, this enabled Uber drivers to operate smoothly, according to one respondent one rogue Uber driver elaborated that their strong IT team has been able to bar and track several rogue drivers, moreover one respondent stated that they’ve urged riders to be careful when being billed and always report any suspicious billings. A senior respondent stated that Uber had to change their mode of payment to accept Mpesa payments and cash payments
so as to stay relevant in the Kenyan market. According to the respondents, Uber introduced several services to counter the stiff competition, they introduced Uber eats where they would partner with restaurants and deliver foods to the clients who ordered foods, Uber x was launched a cheaper alternative form of transport.

4.3.3 The Future of the Company

According to the respondents, it has been noted that the company expanded in Kenya and gained significant market share in Kenya owing to the market strategies employed by the company. The respondents further stated, The Company is now the market leader in the taxi industry. Uber has become a trend setter in Kenya, for instance it recently launched a taxi service known as Uber chap chap, which offered an affordable comfortable form of transport within Nairobi City.
CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
The discussions, conclusions and recommendations were made from the analysis of the data collected. The responses were based on the objective of the study where the researcher sought to determine the market entry strategies Uber used to enter the Kenyan market.

5.2 Summary
The main objective of the study was to find out the strategies Uber used to enter the Kenyan market. According to the responses given by the respondents it’s quite evident that Uber carefully observed the 4p’s of marketing namely product, price, place and promotion, this translated to gaining of a sizeable market share built from the scratch which was enabled by transferring its unique innovation, brand name, technological expertise, manpower to the Kenyan market.

From the respondents feedback, it was noted that the key challenges encountered by Uber was use of credit cards and the Kenyan market was not friendly to them, Uber however responded by accepting cash and Mpesa payments, this greatly impacted on Uber’s performance in Kenya. Moreover according to a respondent, Uber encountered backlash from traditional drivers who burnt Uber’s taxi operator’s vehicles, the government supported Uber by apprehending the culprits and prosecuting them. Moreover, another respondent stated that competition was also a major challenge and the company countered this by introducing Uber chap chap and Uber eats to stay relevant in the Kenyan market.
5.3 Conclusions

According to the research findings it was in order to conclude that Uber used innovative and various marketing strategies to penetrate the Kenyan market and to gain customers and increase its market share. Uber observed the 4 p’s of marketing and rode on the buzz created by riders in other cities around the world. The main challenges observed were initial use of credit cards, driver strikes, resistance by traditional taxi operators, and competition. Another possible conclusion noted was the adoption of Mpesa and cash payments and also the support from the Government of Kenya. Moreover it was noted that the company adjusted its products to the needs of the Kenyan environment after encountering initial challenges.

5.4 Limitations of the Study

The accuracy of the research findings was limited to the feedback provided by the respondents, the kind of data that the researcher was seeking was sensitive and the probability of getting the intended information was not assured. Moreover accessing the respondents was so hard owing to the fact that they were senior managers and moreover had commitments and tight schedules as well. Another limiting factor was the lack of enough time to conduct the face to face interviews.

The study findings accuracy was limited to the extent which the respondents were honest in responding to the questions. Given the sensitive nature of the data collected, there was a high possibility that the respondents did not reveal detailed information regarding the company despite the fact that the researcher assured the respondents that the information would be used for academic purposes only. In addition the respondents were also hard to access owing to the fact that they are all heads of departments and hence very busy to offer enough time to carry out a detailed interview. In addition, the findings may not be generalized to all photographic firms since they all use different strategies and are faced by different challenges. From the current
conclusions it is therefore difficult for the study to give concrete standpoint that all photographic industries use similar market entry strategies to gain access to the Kenyan market.

5.5 Recommendations for Further Research

From the above findings the study recommends a thorough research should be carried out to determine the major challenges Uber encountered while gaining entry into the Kenyan market. Moreover a further research should be done to determine how Taxify gained entry into the Kenyan market and emerge as Uber’s main competitor.
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Appendix 1: Interview Guide

Appendix 1: Interview Guide
Section A: Background details
1. Department

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2. Designation

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3. How long have you worked at Uber?

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4. What decisions are you involved in?
   i. Strategic
   ii. Middle
   iii. Operational

5. What are the major services offered by Uber in Kenya?

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Section B: Choice of strategies
6. How long has your company been operational in Kenya?

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7. What market entry strategies did Uber use to establish its presence in the Kenyan market?

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i. Why did the company use the strategies named above?
8. What factors motivated the company management to use the strategies mentioned above?

9. What is the current performance of the company since it gained entry into Kenya?

10. In what ways has technology influenced performance of the company in Kenya?

11. Would you attribute the company’s performance to changing technology or the entry strategies used?

12. What are the major challenges faced by Uber in Kenya?

13. What strategies have the company put in place to counter the challenges faced?
14. What is the future of the company in the Taxi industry in Kenya?

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