# STRATEGIC MARKETING PRACTICES ADOPTED BY MICRO AND SMALL BARBER ENTERPRISES IN MASABA NORTH DISTRICT, KENYA

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (MBA) SCHOOL OF BUSINESS,
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## **DECLARATION**

This is my original work and has not been	presented for a study in any University or college.
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#### **DEDICATION**

This project is dedicated to my father Mr. Johnson Ongoto Mogesa, my mother Miss. Agnes Mosomi and my brother Dr. Joel Nyabaga Ongoto for their financial and moral support during the challenging moments of writing the project. I humbly and sincerely appreciate their encouragement and prayers that contributed to the completion of the project within the stipulated timeframe. I also dedicate this project to Lecturers of the University of Nairobi School of Business Administration for their academically guidance in writing and completing the project within the stipulated timeframe.

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I thank the Almighty God for His favour and blessings throughout my studies, and in my entire life. Thank you Lord.

My special gratitude goes to my supervisor Dr. Justus Munyoki who diligently guided me to compile the project. Through his effort, experience, expertise and initiative I acquired knowledge that added value to the compilation of this project.

I would like to acknowledge all the MBA students, colleagues, friends and my family especially for their moral and material support for the completion of this project. Also I acknowledge the material support from my brother Dr. Joel Ongoto whose encouragement, financial support, and guidance enabled me to complete the project successfully.

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#### **ABSTRACT**

The motivation behind this study was the fact that in the face of the current high unemployment and economic hardships small businesses have remained a source of livelihood to citizens in Kenya. Indeed, it is the small business experience that has enabled many big companies to flourish. Studies have established that currently many school leavers have found micro and small businesses a major stepping stone to counter long periods wasted before job acquisition or any further training.

The study aimed at investigating the strategic marketing practices adopted by Micro and Small barber Enterprises in Masaba North District, Kenya. For the purposes of this study, the larger Nyamira County was considered, the study was a survey of strategic marketing practices adopted by Micro and Small barber Enterprises (MSEs) in Masaba North District, Kenya. The data for the study was collected using a structured questionnaire comprising of both open-ended and close-ended questions. The questionnaire was administered through personal interviews to respondents who were operators of Barber businesses in Masaba North district.

The study found that strategic marketing practices were adopted by Micro and Small Barber Enterprises on a small extent in respect to their services without any professional consideration but only through operational experience in the industry. This may have been due to lack of professional training on barber operators and the small nature of these businesses. This study recommended that the Government should put in place legislation aimed at training business entrepreneurs to gain some knowledge on strategic marketing practices in order to improve these small and medium enterprises in Kenya thus social economic developments.

It also established that for any barber to flourish in the business and to be competitive enough, they must have distinct product differentiation in order to remain relevant in the subsector. The study also established that there are a number of Micro and Small barber enterprises in Masaba North district who value Strategic marketing practices regardless the challenges of adopting them. It is recommended that the Government should put in place legislations aimed at providing favourable business environment to micro and small enterprises. Access to credit facilities, subsidized advertising costs, reduced taxes, improved infrastructure, internet connectivity and improved security, small business enterprises will flourish thus social economic developments in Kenya.

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#### CHAPTER ONE: INTRODUCTION

#### 1.1Background of the Study

Strategic marketing practices are a rational series of activities that leads to the setting up the marketing objectives, the formulation of plans to attain them, and the determination of benchmarks against which marketing fulfillment can be judged (McDonald, 1992). Kotler (2003) argues that segmentation, targeting and positioning which all can be effectively performed in companies of high market orientation is the essence of strategic marketing. Mintzberg (1994), suggests that strategic marketing practices is about making plans for the future, based on a set of objectives, policies and plans that, when taken together, define the scope of the enterprise and how it intends to survive and achieve success.

There must be a strategic fit of the many activities that are intertwined to provide competitive advantage and ultimately, sustainability for the organization. This is because as the environment becomes increasingly turbulent, Micro and Small Enterprises (MSEs) need marketing competitive skills in order to survive. Several key strategic marketing practices are needed at every stage in the lifetime of an enterprise whether small or large for competitive edge since many organizations are fast changing to cope with the needs of the dynamic environment (Kotler and Keller, 2009).

However, the focus of their effort is often day to day management and dealing with the current issues or crisis. While many small firms survive and prosper this way, to establish a secure business and develop the capability to grow significantly requires some long term thinking in form of a strategy. The importance of developing strategic marketing practices that is sufficiently proactive to drive a small firm not only to achieve long term success, but to be flexible enough to cope with the continual change in the environment is paramount. Strategy is not a preserve of large organizations that have an expanding customer base and

substantial financial and human resources to manage (Kotler, 2003).

#### 1.1.2 Strategic Marketing Practices

Piercy (2006) argues that strategic marketing practice is a rational series of activities that leads to the setting up the marketing objectives, the formulation of plans to attain them, and the determination of benchmarks against which marketing fulfillment can be judged. Anderson (2004) observes that strategic marketing is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future. Woodward (2004) argues that strategic marketing practice is a process by which one can envision the future and develop the necessary procedures and operations to influence and achieve the future.

Strategic marketing practices has deeply customer-oriented concept focusing on the top management's long-term vision for competitive advantage through product innovation, other functions being fully subservient to this process. While customers are at the core of all thinking, innovation orientation must stem from the company (Vargo, 2004). Understanding competition is central to form of marketing plans and strategy (Anderson, 2004). It can be evidenced that facing recent changes in business environment, such as globalization, increased importance of services, information technology and relationships across company functions and firms, have led to a situation where most industries have to be more and more market-oriented (Walker and Mullins, 2006).

Carter (2006) argues that market orientation practices that stress the importance of using both customer and competitor information should clearly be involved when formulating strategy. Marketing strategy is appropriate for those companies that introduce ground breaking products or services as the key source of differentiation. The first theme is that businesses base their marketing strategies on different goals and definitions of success than traditional

profit centered businesses (Bryson, 2004).

According to Kerin and Peterson (2004), the concept of strategic marketing practices is essential to organizations in that it helps in; defining the organization's business, mission and goals; Identifying and framing organizations growth opportunities; formulating marketing strategies; budgeting, marketing, financial and production resources; and developing reformulation and recovery strategies. Adoption of strategic marketing practices helps Organizations to; formulate effective marketing objectives, formulate effective strategies on products, pricing, promotion, distribution, process and people, enable organizations to understanding their competitors in the industry and respond proactively rather than reactively (Kotler, 2005).

Strategic marketing practices enable organizations to understand the environment thus appropriate strategies that link the organization with customers, enable organizations to understanding the changing consumer needs and satisfying the needs using customer-oriented approach, enable organizations to develop new products based on consumer research, and finally strategic marketing enable organizations to evaluate their marketing objectives and based on the strategies formulated in the marketing plan (Cutler, 2009).

#### 1.1.3 Micro and Small Enterprises in Kenya

Paliwoda (1993) offers the definition for Micro and a small enterprises based on essential characteristics; Has only a small share of its market; Is managed in a personalized way by its owners or part owners and does not have an elaborate management structure; and Is not sufficiently large to have access to the capital market for the public issue or placing of securities. Defining a small business In Kenya, according to Micro and Small Enterprises Baseline Survey of 1999, small-scale enterprises are those that employ 11 to 50 workers.

Practically in every country, Micro and Small Enterprises (MSEs) constitute almost 90% of

all commercial business activity. Due to their crucial importance to the economy, governments and international agencies are constantly working to promote and sustain them in today's highly competitive environment. (World Association of Small and Medium-Sized Enterprises), an international non-governmental organization established in 1980 identified that, Kenya faces constraints with inadequate access to capital, technology and information improper marketing procedures plus hostile regulatory laws. Another problem is that more Micro and Small Enterprises (MSEs) in Kenya are involved in trade rather than manufacturing (Central Bureau of Statistics, 2001).

Today's global economy requires Micro and Small Enterprises (MSEs) to use advanced technology. In Kenya, in many cases technological information remains a challenge to adopt. The situation in Kenya is not different from the rest of the world in as far as the recognition and support of the small business is concerned. However, the emphasis on the sector, which has been recognized as informal, did not take place until after 1972 following the International Labor Organization (ILO) report on the World Employment program. The report laid a lot of emphasis on the possibilities of the informal and small business sector creating employment and generating income for the majority of the Kenyan people (Ruth Seligman, 2003).

As a result of this recognition, the sector was given considerable attention in the subsequent Governments plans. The Session Paper No. I of 1986 and No. 2 of 1992, for instance, highlighted the importance of the sector to strengthen the Kenyan economy through its potential for employment creation and poverty reduction. Micro and Small Enterprises sector need to develop serious strategic marketing practices that will sell them out. Strategic marketing theory development in Micro and Small sized enterprises (MSEs), however, seems to be somewhat limited and qualitative in nature. Strategic Marketing in Micro and Small

sized Enterprises (MSEs) is a contentious issue among both academics and practitioners and has been so for more than 20 years (Chaston, 2002).

Strategic marketing theory development in Micro and Small Enterprises (MSEs) has been somewhat limited and often relies on the applicator of classical marketing models to smaller businesses (Chaston and Mangles, 2002). The development of theories to explain the behaviour of Micro and Small Enterprises (MSEs) towards marketing and the strategic marketing practices they use have generally been qualitative or descriptive and few have been rigorously tested in practice. Research on small businesses and their marketing practices has been largely limited to explanations of certain types of behaviour observed in small businesses (Hannon and Brown, 1999), or on the search for factors that are missing or present barriers in smaller businesses, accounting for their apparent inability to apply or use strategic marketing ideas and concepts that were often developed for larger firms (Chaston, 2002).

Types and features of Micro and Small Enterprises businesses can be identified; Survivalist enterprises are activities by people unable to find a paid job or get into economic sectors of their choice. Income generated from these activities usually fall short of even a minimum income standards with little capital investments, virtually no skills training in a particular field and only limited opportunities for growth into viable business. Poverty and the attempt to survive are the main characteristics of their category of enterprises. Micro-enterprises are very small business, often involving only the owner, some family members are at the most one or two paid employees. They usually lack 'formality' in terms of business licenses, value added tax registration, formal business premises, operating permits and accounting procedures (Ruth Seligman, 2003).

Micro and Small Enterprises are generally distinguished by the nature of their production and management, arrangements, trading relations, financial practices, and internal competences among other factors. Typically, the following features in varying degrees characterize them; Small units' usually rural based and family owned, Small independent enterprises standing alone producing for a well defined market and low capital formation. The peculiar character of the Micro and Small Enterprises (MSEs) endows them some special advantages amongst which is rampant across various African countries and it is a potential breeding ground for future entrepreneurs (Ruth Seligman, 2003)

It has been found that Micro and Small Enterprises (MSEs) are a major driving force behind interrelated flow of trade, investment and technology, they are actually active instruments for rural and social development and a source of development of specialized product niche and above all Micro and Small Enterprises (MSEs) are indeed the immediate under the indigenous research findings because they benefit from local research findings (Ruth Seligman, 2003)

#### 1.1.4 Baber Enterprise in Masaba North District

Masaba North District is located in the fertile highlands of Nyanza province in Southwestern Kenya. The Masaba North District is located in Kitutu Masaba Constituency in Nyamira County. It is one of the Districts which is densely populated in Kenya as it covers 899 km and sustains 111 280 people (Central Bureau of Statistics 2001). This population is almost exclusively Kisii by ethnicity and comprises one sixth of Kenya's population (CIA 2007).

The district has a high level of economic dependency {100:109} as nearly 40% of its population fall in school going age. It is generally sparsely populated with average density of 105 persons per km<sup>2</sup>. (Kenya National Bureau of Statistics 2001), underdeveloped markets due to poor infrastructure in the district are issues of major concern to the social economic developments of the population in the district. The rest of households are engaged in self-employment in rural and urban areas of the district that account for 15% and 8% of earnings

in the district.

Over 60% of the population engages in subsistence farming, supplementing with cash-crops. The main food crops, raised on farms between one and four acres, are maize, beans, bananas, sorghum and millet. Cash crops include tea and coffee (Waithaka *et al.* 2000). The average household size is five people (Central Bureau of Statistics 2001). The average monthly income per capita is 2000 KSHs (\$28) and the average monthly expenditure per household is 3250 KSHs (\$46), 86% of which is spent on food (*The Third Welfare Monitoring Survey*, 2002). Masaba North district has one local authority: Keroka town council, the district is divided into three administrative divisions which include; Gesima, Rigoma and Gachuba. Currently Masaba North district is estimated to comprise 111,280 people with 90% settling in the rural areas (Central Bureau of Statistics 2001).

Over 30 % of the total population in Masaba North district engages in Micro and Small Enterprises. Most of the youths attempt to start Barber businesses for economic sustainability after completing their studies and while others start Barber businesses after dropping out of school due to lack of school fees. Barber business are categorized under the Beauty and Personal Care industry which refers to cutting and dressing hair, shaving and trimming beards, and performing related services which include; massage, hair dying and skin care for men. Due to unemployment in Kenya, Masaba North district has the potential of providing employment to Kenyans youths through the Micro and Small Enterprises sector due to untapped opportunities of the rapidly increasing population (Central Bureau of Statistics 2001).

Due to increased poverty rates and changing business environments in the district, adoption of strategic marketing practices by the Micro and Small Enterprises operating Barber businesses would contribute to improved performance of MSEs operating Barber Businesses

thus eradication of poverty in the district through the MSEs Sector. The MSEs Sector has enhanced the livelihoods of many youths in the district (Central Bureau of Statistics 2001).

Arising from related studies carried out on adoption of strategic marketing practices by MSEs, it is evident that MSEs operating Barber would gain competitive edge in the market if they adopt strategic marketing practices in their businesses. Due to dynamic business environment and changing consumer need, it is necessary for large and small organizations to adopt strategic marketing practices to gain competitive edge (Kimani *et al*, 2010).

Therefore, it has been found that Micro and Small Enterprises (MSEs) are a major driving force behind interrelated flow of trade, investment and technology, they are actually active instruments for rural and social-economic development and a source of development of specialized product niche and above all Micro and Small Enterprises (MSEs) are indeed the immediate under the indigenous research findings because they benefit from local research findings.

#### 1.2 Research Problem

The potential of Micro and Small Enterprises (MSEs) in both employment creation and raising incomes for many Kenyan families makes them an important element in the poverty reduction strategy (Ministry of Finance and planning, 2001). Many Micro and Small Enterprises in Kenya does not adopt or use strategic marketing practices as they conduct their businesses (Mugure, 2008)

Related studies carried out in Kenya on adoption of strategic marketing practices by Micro and Small Enterprises operating barber businesses indicate that, MSEs face various challenges during the adoption of strategic marketing practices in their businesses. Kimani *et* 

al (2010) found that various businesses use various strategic marketing applications in their business operation but several challenges to adoption of strategic marketing practices were also established.

A study carried out in Nairobi on Factors affecting the growth of MSEs in rural areas of Kenya, Wanjohi and Mugure (2008), observed that, Micro and Small Enterprises face many challenges when trying to adopt strategic marketing practices. Some of the challenges that were established include; lack of managerial training and experience, inadequate education and skills, lack of credit, national policy and regulatory environment, technological change, poor infrastructure and scanty markets information. However, the study was geared towards the Micro and Small Enterprises (MSEs) in the clothing industry and did not address the MSEs operating Barber business.

Another study carried out in Nairobi on developing a marketing framework for micro and small enterprises in Kenya, Moyi, *et al* (2006), observed that MSEs operating in Kenya face challenges when trying to develop a marketing framework. Poor access to markets and lack of market information are some of the most critical constraints to the growth and competitiveness of MSEs in Kenya. However the study was too general and did not address the strategic marketing practices adopted by micro and small barber enterprises in Masaba North district, Kenya.

Arising from the above studies, it is clear that, there are many areas about strategic marketing practices that have not yet been fully addressed. It is for this reason that the study sought to establish the strategic marketing practices adopted by micro and small barber enterprises in Masaba North district, Kenya. The study was guided by the following research questions:

i. What are the strategic marketing practices adopted by micro and small barber enterprises in Masaba North district, Kenya?

ii. What are the factors that contribute to low adoption of strategic marketing practices among micro and small barber enterprises in Masaba North district, Kenya?

#### 1.3 Research Objectives

- To determine strategic marketing practices adopted by micro and small barber enterprises in Masaba North district, Kenya.
- ii. To establish the factors that contribute to low adoption of strategic marketing practices among micro and small barber enterprises in Masaba North district, Kenya.

#### 1.4 Value of the Study

The study will be useful to various groups which include the following; The government will be able to understand how Micro and Small Enterprises use strategic marketing practices to gain competitive edge due to intense competition from large enterprises and thus their sustainability. It will be in a position to formulate policies that are market oriented to safeguarding the interest of MSEs.

The findings of this study will be valuable to the county Government as they will be able to understand the effectiveness of strategic marketing practices in the Micro and Small Enterprises Sector thus allocating more financial resources to support the entrepreneurs hence improving the living standard of the people and promoting social-economic developments in the county and the district at large. The findings of the study will also be valuable to the Micro and Small Enterprises as they will be able to understand vividly the effectiveness of marketing strategies in the dynamic and competitive business environment.

The development partners who are usually interested at helping the Micro and Small

during the adoption of strategic marketing practices. Equipped with the right information, they will be able to know how best to come in and help the MSEs. The Scholars and

Enterprises prosper will have an understanding of a wide variety of factors that hinder MSEs

researchers who would like to debate or carry out more studies on Micro and Small

Enterprises, will find this study useful as a basis of carrying out more studies in Kenya on the

adoptability of strategic marketing practices by Micro and Small Enterprises.

**CHAPTER TWO: LITERATURE REVIEW** 

2.1 Introduction

This chapter outlines an in-depth analysis of the aspects of the strategy concept, strategic

marketing practices, marketing mix strategies, strategic marketing theories, benefits of

adopting strategic marketing practices by MSEs, and conceptual arguments of strategic

marketing practices as applied in the Micro and Small Enterprise Sector.

2.2 The Concept of Strategy

Scholes and Whittington (2005) argue that strategy is what a company does and how it

actually positions itself commercially and conducts the competitive battle. Any Organization

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cannot operate without a strategy because Strategy formulation is vital to the well-being of an organization. A strategy is needed by any organization that is faced with intelligent opposition that can affect the organizations desired outcome. Most firms operate in environments that are potentially vulnerable to competitive actions and so they need a strategy to determine the way in which they intend to compete in the market place (Hisrich, 2000).

Marketing plays a pivotal role in strategy development. In its strategic role, marketing consists of establishing a match between the firm and its environment. It seeks solutions to problems of deciding; what business the firm is in and what kinds of business it may enter in the future and how the chosen fields of endeavor may be successfully run in a competitive environment by pursuing product, price, promotion, and distribution perspectives to serve target markets (Pearce, 2007).

#### 2.3 Strategic Marketing Practices

Strategic marketing process involves strategic situation analysis, designing marketing strategy, marketing program development, and implementing and managing marketing strategy. Moreover Morgan (1994) uphold that critical to the survival and success of smaller, entrepreneurial companies, is their ability to think and plan strategically, and the last purpose of all strategic marketing efforts is the development of a sustainable competitive advantage for the business (Hisrich, 2000). Strategic marketing practices help organization to cope with increasing environmental turbulence and complexity, more intense competitive pressures, and the pace of technological change It encompasses more than the four Ps namely: Product, Price, Place and Promotion but involves using a market oriented strategy (McDonald,1992).

Kotler (2003) argues that segmentation, targeting and positioning which all can be effectively performed in companies of high market orientation is the essence of strategic marketing.

Mintzberg (1994) suggests that strategic marketing practices is about making plans for the future, based on a set of objectives, policies and plans that, when taken together, define the scope of the enterprise and how it intends to survive and achieve success. There must be a strategic fit of the many activities that are intertwined to provide competitive advantage and ultimately, sustainability for the organization. This is because as the environment becomes increasingly turbulent, Micro and Small Enterprises (MSEs) need marketing competitive skills in order to survive. Several key strategic marketing practices are needed at every stage in the lifetime of an enterprise whether small or large for competitive edge (Kotler and Keller, 2009).

Market oriented firms gain an understanding of the market and how it is likely to change in the future. This knowledge provides the foundation for designing market driven strategies. Developing this vision about the market requires obtaining information about customers, competitors, and markets (Cravens and Piercy, 2006). This is the basis for strategic marketing. Thus the secret to successful strategic marketing is to understand what the target customer needs, demands and wants are before the competitors can satisfy them better and faster than you (Kotler and Keller, 2009).

Piercy (2006) argues that strategic marketing practices is a rational series of activities that leads to the setting up the marketing objectives, the formulation of plans to attain them, and the determination of benchmarks against which marketing fulfillment can be judged Anderson (2004) observes that strategic marketing is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future.

Woodward (2004) argues that strategic marketing is a process by which one can envision the future and develop the necessary procedures and operations to influence and achieve the

future. Strategic marketing has deeply customer-oriented concept focusing on the top management's long-term vision for competitive advantage through product innovation, other functions being fully subservient to this process. While customers are at the core of all thinking, innovation orientation must stem from the company (Vargo, 2004).

Adoption of strategic marketing practices helps Organizations to; formulate effective marketing objectives, formulate effective strategies on products, pricing, promotion, distribution, process and people, enable organizations to understanding their competitors in the industry and respond proactively rather than reactively (Kotler, 2003).

#### 2.4 Marketing Mix Strategy

The marketing mix elements comprise; the product, price, promotion and place (Kotler and Armstrong, 2006). They are often designed to influence consumer decision-making and lead to profitable exchanges. Each element of the marketing mix can affect consumers in many ways (Peter and Donnelly, 2007). The marketing mix is the set of marketing tools a firm utilizes to pursue its marketing objectives in the target market (Berman, 2004). When a store markets its products, it needs to create a successful mix of the right product, sold at the right price, in the right place and using the most suitable promotion (Kotler, 2007).

#### 2.4.1 Product Strategy

Kotler and Armstrong (2006) argue that consumers buy products frequently with careful planning and by comparing brands based on price, quality and style (Berman, 2004). Ferrell (2005), the product is the core of the marketing mix strategy in which retailers can offer consumers symbolic and experiential attributes to differentiate products from competitors.

Product strategy is about quality, design, features, brand name and sizes. Many attributes of a company's products, including brand name, quality, newness, and complexity, can affect consumer behaviour. The physical appearance of the product, packaging, and labeling

information can also influence whether consumers notice a product in-store, examine it, and purchase it (Berman, 2004).

One of the key tasks of strategic marketers is to differentiate their products from those of their competitors and create consumer perceptions that the product is worth purchasing (Peter and Donnally, 2007). Brand equity reflects consumers' belief that the brand is looking out for them, will do whatever it takes to make them satisfied, and is responsive to their needs (Hess, 2005). The ability of a product to perform its functions includes the product's overall durability, reliability, precision, ease of operation and repair, and other valued attributes (Kotler and Armstrong, 2006). Brand trust is affect-based, referring to a feeling that is the outcome of a communal relationship with a brand.

Duncan (2005) argue that brand trust is created through brand messages that provide the benefits promised. Kim and Jon (2007), report that the affective response overrides the cognitive under all experimental conditions in forming product-trial attitude. Croft (2003), found that control practices and information systems influence consumer motives. Miquel (2002), proposes that individuals show as much interest in the product type as the brand and actively seek out information in their decision-making. Shugan and Ramarao (2001), reveal that rapid changes in technology have a significant effect on consumer purchases.

#### 2.4.2 Pricing Strategy

The price of products and services often influences whether consumers will purchase them at all and, if so, which competitive offering is selected. Penetration pricing strategy is perceived to charge the lowest prices thus attracting many consumers (Miquel, 2002). For some offerings, skimming pricing strategy is applied where higher prices may not deter purchase because consumers believe that the products or services are of higher quality or are more prestigious. However, many of today's value-conscious consumers may buy products more

on the basis of price than other attributes (Peter and Donnely, 2007).

Among retail stores, the pricing strategy has become the pivotal point as they need to compete in terms of pricing to lure more customers. Buyers tend to associate a higher price with a premium quality and thus there are certain circumstances where they might purchase a higher priced product as an indicator and assurance of higher quality (Berman, 2004). Skoras (2005) observed that this association has been investigated extensively through a number of empirical studies that tend to provide mixed results. Wulf *et al* (2005), found that private label products can offer even better quality than national brands but at a lower price.

The domestic competitor reacts to the intensifying price competition by engaging in selective price changes. Francisco (2004), shows that there is no difference in the price and promotional selling variations for non-durable goods. Significant attention has been given to consumer perceptions about the price and quality of private labels since these factors have been identified as two of the important reasons for purchasing private label goods. The dimensions of price are list price, discounts, allowances, payment term and credit terms (Jin, 2005).

#### 2.4.3 Promotion Strategy

Promotion involves sales promotion, advertising, personal selling, public relations and direct marketing (Berman, 2004). According to Duncan (2005), promotion is the key to the market exchange process that communicates with present and potential stakeholders, and the general Public. Every firm or store must cast itself into the role of communicator and promoter. Hakansson (2005), suggests that promotion appears as an issue of how to create an optimal mix of marketing communication tools in order to get a product's message and brand from the producer to the consumer.

Advertising, sales promotions, personal selling and publicity can influence what consumers

think about products, what emotions they experience in purchasing and using them, and what behaviours they perform, including shopping in particular stores and purchasing specific brands. Since consumers receive so much information from marketers and screen out a good deal of it, it is important for marketers to devise communications that; offer consistent messages about their products and are placed in media that consumers in the target market are likely to use. Marketing communications play a critical role in informing consumers about products and services, including where they can be purchased and in creating favourable images and perceptions (Hakansson, 2005).

Promotions pertaining to price offers are important tactics used to influence consumer behaviour in retailing both with regard to retailer and manufacturers' brands. Grunert (2006) argues that several empirical studies have shown that price information is important for the consumer decision making process, and these consumers are very price conscious. Ferle and Steven (2006), find that the effectiveness of product advertisement in television is still doubtful. Gendek and Scott (1999) suggest that in-store price promotions are associated with negative purchase event feedback compared to non-promotion purchases. Promotions such as price discounts and buy one get one free are effective promotional tools for encouraging consumers to buy more (Kotler, 2005). Jules (2001), points out that a successful promotion often comes from a good imagination.

#### 2.4.4 Place Strategy

Kotler and Armstrong (2006), argue that distribution is a set of interdependent organizations involved in the process of making a product available for use or consumption by consumers. Place strategy calls for effective distribution of products among the marketing channels such as the wholesalers or retailers (Berman, 1996). Place strategy in retail stores includes more than the question of how consumers access the stores, it also includes the availability of

products in such stores (Kotler, 2003). A store can position or repositions a product by locating that product within a store. Products with high traffic volume are placed near the payment counters and low-traffic volume products at distant locations.

The dimensions of place are channels, coverage, assortment, location, inventory, and transport .Thus, place or distribution considerations play a major role in influencing consumer motives (Borden, 1984). According to Jules (2001), a marketer's strategy for distributing products can influence consumers in several ways. First, products that are convenient to buy in a variety of stores increase the chances of consumers finding and buying them.

When consumers are seeking low-involvement products, they are unlikely to engage in an extensive search, so ready availability is important. Second, products sold in exclusive outlets may be perceived by consumers as having a higher quality. One of the ways marketers create brand equity that is favourable to consumer perceptions of brands are by selling them in prestigious outlets. Third, offering products by non-store methods, such as on the Internet or in catalogues, can create the consumer perception that the products are innovative, exclusive, or tailored for specific target markets (Kotler, 2003).

2.5 Strategic Marketing Theories and their relationship to Micro and Small Enterprises

The marketing concept advocates starting with customer needs or wants, deciding which
needs to meet, and involving the entire organization in the process of satisfying customers
(Cravens and Piercy, 2006). Unlike the market orientation theory which consists of a process
for delivering customer value, this theory has a functional emphasis. Strategic marketing
begins with an understanding of the market and the customers that form the market.

Achieving a market orientation requires a customer focus, competitor intelligence and
coordination among the marketing mix variables and among business functions (Cravens,

2006).

The customer is at the heart of strategic marketing. The creation of customer value is a

competitive challenge in sustaining successful market driven strategies. Becoming customer

oriented requires finding out what values buyers want to satisfy. Customers' decisions to buy

are based on the attributes and features of the product that offer the best value for the buyers'

use situations. Further, strategic marketing recognizes the importance of firm understanding

its competitors and the changing business environment (Keller, 2009).

Marketers today have recognized the need to have a more complete, cohesive approach that

goes beyond traditional applications of the marketing concept. The holistic marketing concept

is based on the development, design and implementation of marketing programs, processes

and activities that recognizes their breadth and interdependencies (Cravens and Piercy, 2006).

Holistic marketing is thus a marketing approach that recognizes and reconciles the scope and

complexities of marketing activities. Four components of holistic marketing are relationship

marketing, integrated marketing, internal marketing, and social responsibility marketing

(Kotler and Keller, 2006)

CHAPTER THREE: RESEARCH METHODOLOGY

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#### 3.1 Introduction

This chapter outlines the methods, tools and sources of research data, targeted groups and sample from which data was collected in order to attain the objective of the study, which was to investigate the strategic marketing practices adopted by Micro and Small barber Enterprises in Masaba North district, Kenya as the area of study. It further discusses how the data was processed and tools that were used in data analysis and presentation.

#### 3.2 Research Design

This was a descriptive study that took on a cross-sectional survey design aimed at establishing the strategic marketing practices adopted by Micro and Small barber Enterprises in Masaba North district, Kenya as the area of study. A descriptive study is concerned with finding out the what, where and how of a phenomenon and a cross-sectional survey design will be chosen since in cross-sectional surveys, data is collected at one point in time from sample selected to represent a larger population (Mugenda, 2003).

#### 3.3 Target Population

The target population in this study consisted of 120 (one hundred and twenty) Micro and Small barber Enterprises in Masaba North district, Kenya that are registered by the Keroka town council. Such a data was made available through the list of annual payment for trading licenses

#### 3.4 Sample and Sampling Procedure

The study used stratified sampling technique by coming up with a sample of 33% of the total population. 40 Micro and Small barber Enterprises in Masaba North district were used as a sample of the entire population (see appendix iii). The respondents of the study were operators and owners of barber businesses in Masaba North district. The target population was grouped into three Administrative divisions which included; Gesima, Rigoma and

Gachuba. 26 micro and small barber enterprises were selected from two administrative divisions and 14 micro and small barber enterprises from one administrative division. Stratified sampling technique was chosen because it provided the opportunity of focusing on important subpopulations and ignored irrelevant ones; it allowed the use of different sampling techniques for different subpopulations and improves the accuracy of estimation.

#### 3.5 Data Collection

The study relied mostly on primary data sources. Primary data was collected using semistructured questionnaires with both close-ended and open-ended questions. Barber business operators and owners were the respondents of the study. It must be noted at this point that those respondents (Barber business operators) who were illiterate were assisted especially in reading English phrased questions and also writing the questionnaires were administered through drop and pick-later method to the sampled population.

#### 3.6 Validity and Reliability of Research Instrument

To establish the validity of research instrument the researcher sought opinions of experts in the field of study especially the researcher's supervisor and lecturers in the department of Business Management in the University of Nairobi. This facilitated the necessary revision of the research instrument.

Reliability of the research instrument was enhanced through a pilot study that was done on 2 MSEs operating Barber businesses within Kisii North district. The pilot data was not included in the actual study. The pilot study allowed for pre-testing of the research instrument. The pilot study enabled the researcher to be familiar with the research and its administration procedure as well as identifying items that required modification. The result helped the researcher to correct inconsistencies that arose from the instrument.

#### 3.7 Data Analysis

Before processing the responses, the completed questionnaires were edited for completeness and consistency. Descriptive analysis and content analysis were employed. The content analysis was used to analyze the respondents on strategic marketing practices adopted by micro and small barber enterprises. The data collected was summarized, edited, coded and classified into various categories according to the answers given by the respondents. Descriptive statistics was used to determine measures of central tendency such as mean and measures of dispersion such as variance and standard deviation. Cross tabulation was done to relate the various factors under analysis. The data collected and analyzed was presented in the form of tables, frequencies and percentages.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the analysis of the data collected from the Respondent and discusses the

research findings on the strategic marketing practices adopted by Micro and Small

Enterprises (MSEs) operating Barber businesses in Masaba North District, Kenya. All

completed questionnaires were edited for accuracy, uniformity, consistency and

completeness.

The response rate of 33% (40 Micro and Small barber Enterprises) was achieved from the

total target population of 120 (one hundred and twenty) Micro and Small barber enterprises in

Masaba North district. This response was considered ideal since it gave the researcher the

desired results. The good response was attributed to the fact that quite a good number of the

respondents were assisted to fill the questionnaires due to the problem of illiteracy.

Summaries of data findings together with their possible interpretations were presented in

form of tables. Mean score, Percentages, Frequencies, Variances and Standard deviation

were used to measure the strategic marketing practices adopted by micro and small barber

enterprises in Masaba North district, Kenya.

4.2 Demographic profile of the respondents

The respondents of the study were asked to indicate their age and the following were the

findings as shown in Table 4.1:

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Table 4.1 Age of the Respondents.

Age(Years)	Frequency	Percentage (%)
Below 20 years	9	20
21-30 years	15	40
31-40 years	9	20
41-50 years	2	8
51 and above years	5	12
Total	40	100.0

Source: Research data.

As indicated in Table 4.1, 20% of respondents were aged below 20 years. 40% of them were aged between 21-30 years and they operated Barber businesses. 20% of them were aged between 31-40 years. 8% of them were aged between 41-50% and 12% of them were 51 years and above but owners of barber businesses.

The respondents of the study were asked to indicate their marital status and the following were the findings as shown in Table 4.2:

**Table 4.2 Marital Status of the Respondents** 

Marital Status	Frequency	Percentage (%)
Married	11	21
Single	24	66
Widowed	5	17
Total	40	100.0

Source: Research data.

As shown in Table 4.2, 66% of the respondents were single who Male operated barber businesses in Masaba North district. 21% of them were married Male and Female respondents while 17% of them were Widowed.

The respondents of the study were asked to indicate their Education Background and the following were the findings as shown in Table 4.3:

**Table 4.3: Educational Profile of the Respondents** 

Academic Level	Frequency	Percentage (%)
Never attended school	4	8
Primary Level	3	12
O-Level	17	38
A-Level	4	8
Diploma	7	21
Degree	4	8
Post-graduate	1	4
Total	40	100.0

Source: Research data.

As shown in Table 4.3, 38% of the respondents had attained the O-level of education. 21% of them were diplomas holders and quite a substantial number of them had engaged in this kind of business to supplement their income from formal employment. 13% of the respondents had acquired primary level of education only and they relied on barber businesses to survive. 8% of them had attained the A-level of education. 8% of the respondents never attended school but they operated barber businesses. 8% of the respondents were degrees holders and 4% of the respondents were owners who had created employment opportunities in the district by investing in barber businesses.

The respondents of the study were asked to indicate the period they had operated their businesses and the following were the findings as shown in Table 4.4:

**Table 4.4 Period of Operation** 

Period of operating Business	Frequency	Percentage (%)
Below 1 year	11	29
2-5 years	13	38
6-10 years	7	17
11-15 years	2	4
16-19 years	5	8
20 and above years	2	4
Total	40	100.0

Source: Research data.

As shown in Table 4.4, 29% of the respondents interviewed had been operating their businesses below 1 year. 38% of the respondents had been in the business between 2-5 years due to low costs of operation. 17% of the respondents had been in the business between 11-15 years due to strategic location to their customers. 8% of the respondents had been in the business between 16-19 years due to customized services and 4% of them had been in the business for over 20 years respectively due to accommodative rental costs.

## 4.3 Understanding Strategic Marketing Practices

The respondents of the study were interviewed concerning their understanding of strategic marketing practices and 67% of the respondents interviewed indicated that they did not have a clear understanding of strategic marketing practices due to inadequate trainings on strategic marketing on barber businesses while 33% of the respondents had a clear understanding of strategic marketing practices due to the trainings they have acquired in higher institutions of learning.

Table 4.5 Possession of a Marketing Plan

Possession of a Marketing plan	Frequency	Percentage (%)
Yes	37	81
No	3	19
Total	40	100.0

**Source: Research data** 

As shown in Table 4.5, 81% of the respondents indicated that their businesses did not have a marketing plan due to inadequate knowledge on the benefits of a marketing plan as applied to their business. 19% of them indicated that they had a marketing plan that guided their operations even though there were challenges of implementing various marketing strategies.

The respondents of the study were asked to indicate the functions performed by strategic marketing practices and the following were the findings as shown in Table 4.6:

**Table 4.6 Functions of Strategic Marketing Practices** 

Functions of strategic marketing	Frequency	Percentage (%)
Increasing sales	11	29
Facing competition	8	21
Analyzing new markets	6	13
Customer satisfaction	6	13
New product development	3	8
Developing brand equity	3	8
Communication	3	8
Total	40	100.0

As shown in Table 4.6, 29% of the respondents indicated that strategic marketing practices played a major role in increasing their sales since they focused on customer satisfaction. 21% of the respondents indicated that strategic marketing practices enabled them to face their competitors in the industry through differentiation. 13% of the them indicated that strategic marketing practices enabled them to analyze new opportunities in the market and satisfied their customers thus loyalty and long term relationships. 8% of the them indicated that strategic marketing practices enhanced communication, promoted new product development and enhanced brand equity.

The respondents of the study were asked to indicate the competitiveness of their business in the industry and the following were the findings as shown in Table 4.7:

Table 4.7 Competitiveness of the firm in the industry

<b>Competitiveness of your</b>		
firm in the industry	Frequency	Percentage (%)
Not competitive	18	44
Less competitive	13	36
Very competitive	4	8
Extremely competitive	4	8
Competitive	1	4
Total	40	100.0

Source: Research data

As shown in Table 4.7, 44% of the respondents indicated that barber industry was not competitive due to inadequate support from the Government hence unfavorable business environment. 36% of the them indicated that barber industry was less competitive due to lack of Government support and increased rates of renewing licenses. 8% of the them indicated that the barber industry was extremely and very competitive due to customers' needs and wants and 4% of the respondents indicated that the barber industry was competitive respectively.

### 4.3.1 Marketing strategies used to respond to competitor reaction

The respondents of the study were asked to indicate Marketing Strategies that they used to respond to competitor reaction and the following were the findings as shown in Table 4.8:

**Table 4.8 Marketing Strategies** 

Marketing strategies used to		
respond to competitor reactions	Frequency	Percentage (%)
Pricing strategies	18	42
Distribution strategies	11	30
Product strategies	7	20
Promotion strategies	4	8
Total	40	100.0

Source: Research data

As shown in Table 4.8, 42% of the respondents indicated that pricing strategies were used to discourage competition entry in the market. 30% of them indicated that distribution strategies were the key strength in confronting competitor reaction in the market. 20% of the respondents indicated that product strategies were used to respond to competitor reactions like improving existing services and developing new services. 8% of them indicated that promotional strategies were used to counter competitor reactions.

The respondents of the study were asked to indicate means that they used to collecting market intelligence and the following were the findings as shown in Table 4.9:

**Table 4.9 Mean of Collecting Market Intelligence** 

Mean used to collecting Market		
Intelligence	Frequency	Percentage (%)
Barbers	18	42
Through Customers	11	30
Internet	7	20
Through print media (Newspapers)	4	8
Total	40	100.0

As shown in Table 4.9, 42% of the respondents indicated that they collected marketing intelligence through personal observation and their own intelligence thus improving their service to meet customer changing needs. 30% of the respondents indicated that they carried out marketing intelligence through customers. 20% of them indicated that they carried out marketing intelligence through internet and 8% of them indicated that they carried out market intelligence through newspapers.

#### 4.3.2 Service Differentiation

The respondents of the study were asked to indicate how they differentiated their services in the market and the following were the findings as shown in Table 4.10:

**Table 4.10 Service Differentiation** 

Service differentiation	Frequency	Percentage (%)
By branding	13	25
By close relationship	6	17
By cost	7	17
By providing quick services	3	8
By entertainment	3	8
By flexibility of operating hours	3	8
By providing value-added services	3	8
By shop design	1	4
By high standards of hygiene	1	4
Total	24	100.0

Source: Research data

As shown in Table 4.10, 25% of the respondents indicated that their services were

differentiated through branding and association of their brand with quality. 17% of them indicated that they differentiated their services through keeping close relationship with their customers and minimal costs of operation. 8% of the respondents also indicated that they differentiate their services through quick service delivery, entertainment, flexible operating hours and value-added services. Finally 4% of the respondents indicated that they differentiated their services through shop design and maintaining high standards of hygiene.

#### **4.3.3 Promotion Activities**

After interviewing respondents of the study concerning promotional activities that they carried out to promote their services, 83% of the respondents indicated that they did not carry out promotional activities due to high costs of promotion and unfavourable policies by the Government to support the business. 17% of the respondents also indicated that they carried out promotional activities through personal selling, discounting and price cuts during festive seasons.

The respondents of the study were asked to indicate Promotion Activities they carried out to promote their services and the following were the findings as shown in Table 4.11:

**Table 4.11 Promotion Activities** 

<b>Promotion Activities</b>	Frequency	Percentage (%)
Discounting	13	37
Price Cuts	9	29
Personal Selling	8	13
Free Sample	8	13
Advertisement	2	8
Total	40	100.0

**Source: Research data** 

As shown in Table 4.11, 37% of the respondents indicated that they carried out promotional activities by giving discounts to their customers hence attraction and retention. 29% of the

them indicated that they carried out promotional activities by reducing their prices hence attracting more customers. 13% of them indicated that they carried out promotional activities through free samples and personal selling thus retention of their customers in the long term. 8% of them also indicated that they promoted their services through advertising using posters which seem to be cheaper compared to other mean.

#### 4.3.4 Medium of advertising

The respondents of the study were asked to indicate the Medium of advertising they used to create awareness of their barber services and the following were the findings as shown in Table 4.12:

**Table 4.12 Medium of Advertising** 

Medium of advertising	Frequency	Percentage (%)
Internet	20	50
Posters	15	40
Radio [Local FM]	5	10
Magazines	0	0
Journals	0	0
Newspapers	0	0
Billboards	0	0
Television	0	0
Total	40	100.0

Source: Research data

As shown in Table 4.12, 50% of the respondents indicated that they used internet as a medium of advertisement due to less costs associated. 40% of them indicated that they used posters due to favourable costs. 10% of them indicated that they used radio since it was relatively cheap compared to other means which tend to be more expensive like print. None of the respondents used magazines, journals, newspapers, billboards and television as a medium of advertising due to high end costs associated with the channels.

#### 4.4 Marketing Strategies used by the Firm

Respondents were asked to rate the extent to which they used marketing strategies in the MSE Sector. They rated them on a scale of 1 to 5 with 5- very great extent, 4-great extent, 3-moderate extent, 2-little extent and 1- no extent.

The respondents of the study were asked to rate the extent to which they used product strategy and the following were the findings as shown in Table 4.13:

**Table 4.13 Extent of using Product Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	19	46
Great extent [4]	2	8
Moderate extent [3]	8	17
Little extent [2]	3	13
No extent [1]	8	17
Total	40	100.0

Source: Research data

As shown in Table 4.13, 46% of the respondents used product/service standardization strategy at a great extent due customer changing needs in the beauty and personal care industry. 17% of them used the strategy at a moderate extent due to high costs experienced to standardize the service and 17% did not use the strategy due to high cost associated. 13% of the respondents used the strategy at a little extent due to inadequate technological skills. 8% of them used the strategy to attract customers.

The respondents of the study were asked to rate the extent to which they used brand based strategy and the following were the findings as shown in Table 4.14:

**Table 4.14 Brand Based Product Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	2	8
Great extent [4]	1	4
Moderate extent [3]	1	4
Little extent [2]	3	13
No extent [1]	17	72
Total	24	100.0

As shown in Table 4.14, 72% of the respondents did not use brand based product strategy due high costs associated with branding. 13% of the respondents also applied brand based product strategy due to customer loyalty associated with strong brands.9% of the respondents used brand based strategy since it was the only way to stand out of competitors and offer differentiated services. 4% of the respondents applied the strategy at a great and moderate extent due to brand equity benefits associated to their brand with customers.

The respondents of the study were asked to rate the extent to which they used multiple product strategy and the following were the findings as shown in Table 4.15:

**Table 4.15 Multiple Product Offering Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	13	29
Great extent [4]	20	46
Moderate extent [3]	4	13
Little extent [2]	1	4
No extent [1]	2	8
Total	40	100.0

Source: Research data

As shown in Table 4.15, 46% of the respondents used the strategy on a great extent since customers tend to be attracted by a variety of offerings compared to a single offering. 29% of the respondents used multiple product offering strategy due to increased volume of sales. 13% of them used the strategy on a moderate extent due to the ability to attract customers.

8% of the respondents did not use the strategy due to high costs associated with introducing multiple product offerings and 4% used the strategy on a little extent due to little gains on the use of the strategy based on costs.

The respondents of the study were asked to rate the extent to which they used new product development strategy and the following were the findings as shown in Table 4.16:

**Table 4.16 Product Development Approach** 

Extent	Frequency	Percentage (%)
Very great extent [5]	12	30
Great extent [4]	18	32
Moderate extent [3]	4	13
Little extent [2]	6	17
No extent [1]	0	8
Total	40	100.0

**Source: Research data** 

As shown in Table 4.16 32% of the respondents indicated that they used new product development strategy on a great extent due to increased demand and change of consumer needs and wants in the beauty and personal care industry. 30% of them indicated that they applied the strategy on a very great extent due to high chances of increasing customer base and loyalty within the industry. 17% of the respondents also indicated that they used the strategy on a little extent due to high costs associated with new product development. 13% of them used the strategy on a moderate extent due to high costs associated to new product development. While 8% of the respondents did not use the strategy due to technological challenges and inadequate knowledge to develop new products.

The respondents of the study were asked to rate the extent to which they used customized product strategy and the following were the findings as shown in Table 4.17:

**Table 4.17 Customized Product Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	22	58
Great extent [4]	9	21
Moderate extent [3]	1	4
Little extent [2]	1	4
No extent [1]	7	13
Total	40	100.0

As shown in Table 4.17, 58% of the respondents suggested that they used customized product strategy on a very great extent due to individuals' needs. 21% of them also used the strategy on a great extent due to high chances of attracting and retaining customers. 13% of the respondents did not use the strategy due high costs of operation. 4% of the respondents used the strategy on a moderate and little extent due to high chances of not realizing profits after adoption of the strategy.

The respondents of the study were asked to rate the extent to which they used repositioning product-based strategy and the following were the findings as shown in Table 4.18:

**Table 4.18 Repositioning Based Product Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	7	17
Great extent [4]	5	12
Moderate extent [3]	16	41
Little extent [2]	7	17
No extent [1]	5	13
Total	40	100.0

Source: Research data

As shown in Table 4.18, 41% of the respondents used repositioning based product strategy on a moderate extent due to changing customer tastes and preferences in the beauty and personal care industry. 17% of the respondents suggested that they used repositioning based strategy on a very great extent due to changing marketing practices in the market. 17% of the

them used the strategy on a little extent due to costs associated. 12% of the respondents suggested that they used the strategy on the great extent in order to survive in the dynamic market environment. 13% of them indicated that they did not use the strategy due to inadequate information on market changes.

The respondents of the study were asked to rate the extent to which they used product /service modification strategy and the following were the findings as shown in Table 4.19:

**Table 4.19 Product/Service Modification Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	6	17
Great extent [4]	10	25
Moderate extent [3]	13	28
Little extent [2]	6	17
No extent [1]	5	13
Total	40	100.0

**Source: Research data** 

As shown in Table 4.19, 28% of the respondents indicated that the used product /service modification strategy on a moderate extent in order to attract customers and meet the changing market needs and wants of customers in the beauty and personal care industry. 25% of the respondents indicated that they used the strategy on a great extent due to changing customer tastes and preferences in the beauty and personal care industry. 17% of them suggested that they used the strategy on a great extent due to individual attention. 17% of them indicated that they used the strategy on a little extent due to high costs associated and expertise knowledge. While 13% did not use the strategy due to costs associated.

The respondents of the study were asked to rate the extent to which they used market penetration pricing strategy and the following were the findings as shown in Table 4.20:

**Table 4.20 Market Penetration Pricing Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	14	42
Great extent [4]	4	12
Moderate extent [3]	4	12
Little extent [2]	10	21
No extent [1]	8	13
Total	40	100.0

As shown in Table 4.20, 42% of the respondents indicated that they used market penetration pricing strategy on a very great extent in order to attract customers. 21% of them indicated that they used the strategy on a little due to operational costs. 12% of them indicated that they used the strategy on a great and moderate extent due to income level of the customers. While 13% did not apply the strategy due to inadequate knowledge about the industry.

The respondents of the study were asked to rate the extent to which they used market skimming pricing strategy and the following were the findings as shown in Table 4.21:

**Table 4.21 Market Skimming Pricing Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	4	8
Great extent [4]	9	13
No extent [1]	27	79
Little extent [2]	0	0
Moderate extent [3]	0	0
Total	40	100.0

Source: Research data

As shown in Table 4.21, 79% of the respondents indicated that they did not use the market skimming pricing strategy due to the social class of target customers. 13% of them indicated that they applied the strategy on a great extent in order to meet operational costs. 8% of them also suggested that they used the strategy on a very great extent in order to meet operational costs. None of the respondents used the strategy on the a moderate extent of little extent

respectively.

The respondents of the study were asked to rate the extent to which they used time-based pricing strategy and the following were the findings as shown in Table 4.22:

**Table 4.22 Time-based Pricing Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	12	25
Great extent [4]	16	38
Moderate extent [3]	6	21
Little extent [2]	1	4
No extent [1]	5	12
Total	40	100.0

Source: Research data

As shown in Table 4.22, 38% of the respondents indicated that they used time-based pricing strategy on a great extent due high profits experienced during festive seasons. 25% indicated that they used the strategy on a very great extent to maximize profits and minimize losses. 21% of them used the strategy on a moderate extent in order to balance input and output results from their businesses. 4% of the respondents indicated that they used the strategy on a little extent due to minimal costs of operation. While 12% did not use the strategy due to inadequate market information.

The respondents of the study were asked to rate the extent to which they used location focused strategy and the following were the findings as shown in Table 4.23:

**Table 4.23 Location Focused Pricing Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	12	25
Great extent [4]	16	38
Moderate extent [3]	6	21
Little extent [2]	1	4
No extent [1]	5	12
Total	40	100.0

Source: Research data

As shown in Table 4.23, 38% of the respondents suggested that they used location focused pricing strategy on a very great extent due to convenience of customers. 25% of them indicated that they used the strategy on a very great extent in order to maximize profits and minimize losses. 21% of them indicated that they used the strategy on a moderate extent in order to balance input and output results from their businesses. 12% of them indicated that they did not use the strategy due to stiff competition. 4% indicated that they used the strategy on a little extent to get many customers.

The respondents of the study were asked to rate the extent to which they used discount pricing strategy and the following were the findings as shown in Table 4.24:

**Table 4.24 Discount Pricing Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	23	50
Great extent [4]	9	21
Moderate extent [3]	4	12
Little extent [2]	2	8
No extent [1]	2	8
Total	40	100.0

Source: Research data

As shown in Table 4.24, 50% of the respondents suggested that they used discount pricing strategy on a very great extent in order to attract and retain customers. 21% of them indicated that they used the strategy on a great extent to attract customers. 12% of them indicated that they used the strategy on a moderate extent due to high costs experienced. 8% of the them also used the strategy on a little extent due to extra costs associated and 8% of them did not use the strategy at all.

The respondents of the study were asked to rate the extent to which they used customary pricing strategy and the following were the findings as shown in Table 4.25:

**Table 4.25 Customary Pricing Strategy** 

Extent	Frequency	Percentage (%)
Very great extent [5]	19	46
Great extent [4]	13	38
Moderate extent [3]	2	4
Little extent [2]	2	4
No extent [1]	4	8
Total	40	100.0

As shown in Table 4.25, 46% of the respondents indicated that they used customary pricing strategy on a very great extent due to close relationship with their customers. 38% of them suggested that they used the strategy on a great extent due to high profits realized. 4% of them used the strategy on a moderate and little extent in order to survive in the market. While 8% did not use the strategy at all.

The respondents of the study were asked to rate the extent to which they used telephone as a promotion strategy and the following were the findings as shown in Table 4.26:

**Table 4.26 Promotion through Telephone handling** 

Extent	Frequency	Percentage (%)
Moderate extent [3]	4	4
Little extent [2]	14	38
No extent [1]	22	58
Very great extent [5]	0	0
Great extent [4]	0	0
Total	40	100.0

Source: Research data

As shown in Table 4.26, 58% of the respondents indicated that they did not use the telemarketing strategy at all due to high costs. 38% of them indicated that they used the strategy on a little extent in order maintain close contact with their customers. 4% of them

indicated that they used the strategy on a moderate extent in order to attract and retain existing customers. None of the respondents used the strategy on a very great and great extent.

The respondents of the study were asked to rate the extent to which they used personal selling strategy and the following were the findings as shown in Table 4.27:

**Table 4.27 Promotion through Personal Selling** 

Extent	Frequency	Percentage (%)
Very great extent [5]	13	36
Great extent [4]	9	17
Moderate extent [3]	4	13
Little extent [2]	10	21
No extent [1]	4	13
Total	40	100.0

Source: Research data

As shown in Table 4.27, 36% of the respondents indicated that they used personal selling on a very great extent as a promotional strategy due to close relationships with their customer. 21% responded that they used the strategy on a little extent to maintain long term relations with customers. 17% of the respondents suggested that they applied the strategy on a great extent in order to maintain customer loyalty. 13% of the respondents said that they used the strategy on a moderate extent to retain customers while 13% of them indicated that they did not use the strategy at all due to fear of credit terms from customers.

The respondents of the study were asked to rate the extent to which they used flyers and brochures as a promotion strategy and the following were the findings as shown in Table 4.28:

**Table 4.28 Promotion through flyers and brochures** 

Extent	Frequency	Percentage (%)
Very great extent [5]	8	8
Great extent [4]	1	4
Little extent [2]	1	4
No extent [1]	30	84
Total	40	100.0

As shown in Table 4.28, 83% of the respondents indicated that they did not promote their business through flyers and brochures due to high costs of producing the materials. 8% of them suggested that they used the strategy for the purpose of reaching a larger number of customers in the area. 4% of them also indicated that they used the strategy on a great for the purpose of reminding customers of their existence in the market. None of the respondents used the strategy on a moderate extent.

The respondents of the study were asked to rate the extent to which they used office setting as a promotion strategy and the following were the findings as shown in Table 4.29:

**Table 4.29 Promotion through office setting** 

Extent	Frequency	Percentage (%)
Very great extent [5]	4	17
Great extent [4]	9	21
Moderate extent [3]	3	13
Little extent [1]	9	21
No extent [1]	15	28
Total	40	100.0

Source: Research data

As shown in Table 4.29, 28% of the respondents indicated that they did not use the office setting as a promotional strategy due to customers perceptions. 21% of them indicated that they used the strategy on a great extent to enhance customer confidence to the service. 21% of them said that the used the strategy on a little extent to attract customers. 17% of them used the strategy on a very great extent to assure customers of quality services. 13% of them

also suggested that they used the strategy on a moderate extent to differentiate their services from competitors.

The respondents of the study were asked to rate the extent to which they used radio as a promotion strategy and the following were the findings as shown in Table 4.30:

Table 4.30 Promotion through radio

Extent	Frequency	Percentage (%)
Very great extent [5]	3	5
Great extent [4]	3	5
Moderate extent [3]	7	20
Little extent [2]	7	20
No extent [1]	20	50
Total	40	100.0

Source: Research data

As shown in Table 4.30, 50% of the respondents indicated that they did not use radio as a promotion strategy due to high costs of advertisements. 20% of them indicated that they used the strategy on a little and moderate extent to reach many customers in the region. While 5% of them indicated that they used the strategy on a very great and great extent to attract customers in the long term.

The respondents of the study were asked to rate the extent to which they used television as a promotion strategy and the following were the findings as shown in Table 4.31:

**Table 4.31 Promotion through television** 

Extent	Frequency	Percentage (%)
Very great extent [5]	5	8
Moderate extent [3]	5	8
Little extent [2]	5	8
No extent [1]	25	75
Total	40	100.0

Source: Research data

As shown in Table 4.31, 75% of the respondents interviewed indicated that they did not use

televisions to promote their services due to high costs which they cannot afford. 8% of them suggested that they used the strategy on a little extent to increase awareness of their services. 8% of them said that they used the strategy on a moderate and very great extent to access high class people. None of the respondents interviewed used the strategy on a very great extent.

The respondents of the study were asked to rate the extent to which they used newspapers as a promotion strategy and the following were the findings as shown in Table 4.32:

**Table 4.32 Promotion through Newspapers** 

Extent	Frequency	Percentage (%)
Very great extent [5]	2	4
Great extent [4]	2	4
Moderate extent [3]	5	8
Little extent [2]	7	13
No extent [1]	24	71
Total	40	100.0

Source: Research data

As shown in Table 4.32, 71% of the respondents indicated that they did not promote their services through newspapers due to high costs of advertisement in the print media. 13% of them indicated that they used the strategy on a little extent to reach the mass market. 8% of them suggested that they used the strategy on a moderate extent to create awareness of their services. 4% of them indicated that they used the strategy on a very great and great extent to target both local and foreign customers.

The respondents of the study were asked to rate the extent to which they used billboards as a promotion strategy and the following were the findings as shown in Table 4.33:

**Table 4.33 Promotion through Billboards** 

Extent	Frequency	Percentage (%)
Very great extent [5]	5	8
Great extent [4]	2	4
Moderate extent [3]	2	4
Little extent [2]	9	12
No extent [1]	22	70
Total	40	100.0

As shown in Table 4.33, 70% of the respondents indicated that they did not use billboards as a promotion strategy due to high costs fixed by the town council. 12% of them indicated that they used the strategy on a little extent to attract customers. 8% of them suggested that they used the strategy on a very great extent to create awareness of their services to customers. While 4% of the respondents indicated that they used the strategy to discourage competitors in the market.

The respondents of the study were asked to rate the extent to which they used sponsorships as a promotion strategy and the following were the findings as shown in Table 4.34:

**Table 4.34 Promotion through sponsorships** 

Extent	Frequency	Percentage (%)	
Very great extent [5]	0	0	
Great extent [4]	0	0	
Moderate extent [3]	0	0	
Little extent [2]	0	0	
No extent [1]	0	0	
Total	40	100.0	

Source: Research data

As shown in Table 4.34, all the respondents indicated that they did not use sponsorship strategy to promote their services due to high costs associated and inadequate support by the Government and other well established companies.

The respondents of the study were asked to rate the extent to which they used websites as a promotion strategy and the following were the findings as shown in Table 4.35:

**Table 4.35 Promotion through website** 

Extent	Frequency	Percentage (%)
Very great extent [5]	1	4
Great extent [4]	3	13
Moderate extent [3]	1	4
Little extent [2]	7	29
No extent [1]	12	50
Total	40	100.0

**Source: Research data** 

As shown in Table 4.35, 50% of the respondents indicated that they did not promote their services through websites since it was expensive to develop and maintain websites. 29% of them suggested that they used the strategy on a little extent to reach the young people. 13% of them indicated that they used the strategy on a great extent due to changing marketing trends. While 4% of them indicated that they used the strategy on a moderate and very great extent to market their services beyond the local market.

The respondents of the study were asked to rate the extent to which they used distribution strategies and the following were the findings as shown in Table 4.36:

**Table 4.36 Distribution Strategies** 

Distribution Strategies	N	Mean	<b>Std Deviation</b>
Extent of using strategic location of the shop	40	4.50	1.063
Extent of personal selling	40	4.50	1.063
extent of using Retailing	40	4.50	1.063
Extent of using mail order	40	4.33	1.103
Extent of using telemarketing	40	4.12	1.090
Total	40	21.95	

Source: Research data

As shown in Table 4.36, the most commonly used distribution strategies included; strategic location of the barber shop, personal selling and retailing which had the highest mean of

(4.50) to discourage competitors. This meant that these strategies were mostly applicable in micro and small barber enterprises. Distribution through mail order was ranked fourth with a mean of (4.33) to reach customers cost effectively. Thus distribution through telemarketing was ranked fifth with a mean of (4.12) which was commonly used in maintaining customer relations.

The respondents of the study were required to indicate the factors that contributed to low adoption of strategic marketing practices and the following were the findings as shown in Table 4.37:

Table 4.37 Factors that contributed to low adoption of strategic marketing practices by SMEs

Factors	Frequency	Percentage (%)
High costs of operation	15	34
Inadequate capital	10	30
Difficulty to enter new markets	2	4
Inadequate market opportunities	2	4
Unattractive premises	2	4
Poor location/store layout	2	4
Low bargaining power on prices	2	4
Inadequate information on consumer	5	16
needs		
Total	40	100.0

Source: Research data

As shown in Table 4.37, 34% of the respondents indicated that high costs of operations contributed to low adoption of strategic marketing practices. 30% of them indicated that inadequate capital contributed to low adoption of strategic marketing practices. 16% of them indicated that inadequate information on consumer need was a factor that contributed to low adoption of strategic marketing practices. 4% of them indicated that difficulty to enter new markets, inadequate market opportunities, unattractive premises, poor location and layouts of the barber shops and low bargaining power were factors that contributed to low adoption of strategic marketing practices among micro and small barber enterprises.

#### CHAPTER FIVE: SUMMARY, DISCUSSIONS, CONCLUSIONS AND

#### RECOMMENDATIONS

#### 5.1Introduction

This chapter summarizes the major findings of this study. The study sought to find out strategic marketing practices adopted by Micro and Small Enterprises (MSEs) operating Barber businesses in Masaba North district, Kenya. The chapter also indicates the factors that have contributed to low adoption of strategic marketing practices among MSEs operating Barber businesses.

Questionnaires were used to gather primary data. The questionnaires comprised of both closed and open-ended questions and were strictly administered by the researcher owing to the anticipated problem of high levels of illiteracy amongst the respondents in the area. In addition, this chapter gives some recommendations for policy making by the relevant government authorities to overcome the problem of low adoption of strategic marketing practices among micro and small barber enterprises in Kenaya Therefore, it provides a direction for further studies in the future.

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

The study sought to establish the major strategic marketing practices adopted by Micro and Small Enterprises (MSEs) operating Barber businesses in Masaba North district, Kenya. Strategic marketing practices are crucial for every business for it to survive the current economic turbulent and environmental challenges. It is through these practices that the objectives of merchandising are achieved.

Such objectives include profit maximization, offsetting costs of operations, business survival and gaining competitive advantage in the market through branding, segmentation and product/service positioning thus emphasizing on the marketing mix strategies which include;

product strategy, pricing strategy, promotion strategy and distribution strategy. The importance of (MSEs) is evident in job creation, poverty reduction and the wider industry survival. Masaba North district has not remained behind as far as micro business endeavors are concerned. Majority engage in Micro and Small Enterprises (MSEs) operating Barber businesses as a means of earning a livelihood.

The study specifically endeavored to determine the major strategic marketing practices adopted by SMEs in relation to; product strategy, pricing strategy, promotion strategy and distribution strategy of their products/services of trade. Indeed there must be challenges faced by operators of Barber businesses when trying to adopt strategic marketing practices I their businesses. The study established that quite a good number of the Barber business operators understand and uphold the importance of strategic marketing with regard to profit maximization. It also established that for any trader to flourish in the business and to be competitive enough they must have distinct Product differentiation in order to remain relevant in the sub-sector.

The study also established that there are a number of micro and small barber enterprises who value the purpose of strategic marketing practices for competitive edge in the market. It was also evident from this study that many are the challenges faced by these SMEs ranging from low capital base, poor credit facilities, illiteracy, and poor infrastructure to insecurity and poor government legislations which hamper or derail the faster development of this subsector.

#### **5.3 Discussions**

Adoption of strategic marketing practices by micro and small barber enterprises would enhance gain competitive edge in the market. Due to dynamic business environment and changing consumer need, it is necessary for large and small organizations to adopt strategic marketing practices to gain competitive edge in the changing business environment (Kimani *et al*, 2010).

It is evident that strategic marketing practices help organization to cope with increasing environmental turbulence and complexity, more intense competitive pressures, and the pace of technological change strategic marketing practices like Product, Price, Place and Promotion need to be understood for long term survival of the firm It should focuse more on customers rather than products and services (McDonald,1992).

The creation of customer value is a competitive challenge in sustaining successful market driven strategies. Becoming customer oriented requires finding out what values buyers want to satisfy. Customers' decisions to buy are based on the attributes and features of the product that offer the best value for the buyers' use situations. Further, strategic marketing recognizes the importance of firm understanding its competitors and the changing business environment thus positioning itself strategically in the global market (Keller, 2009).

Due to increased poverty rates and changing business environments in the district, adoption of strategic marketing practices by the Micro and Small Enterprises operating Barber businesses would contribute to improved performance of MSEs operating Barber Businesses thus eradication of poverty in the district through the MSEs Sector. The MSEs Sector has enhanced the livelihoods of many entrepreneurs (Central Bureau of Statistics 2001). Adoption of strategic marketing practices by MSEs promote competitive edge among SMEs thus increased profits and customer loyalty(Kotler, 2007).

Therefore, it has been found that Micro and Small Enterprises (MSEs) are a major driving force behind interrelated flow of trade, investment and technology, they are actually active instruments for rural and social-economic development and a source of development of specialized product niche and above all Micro and Small Enterprises (MSEs) are indeed the

immediate under the indigenous research findings because they benefit from local research findings.

#### **5.4 Conclusions**

The findings indicate that Micro and Small Enterprises (SMEs) adopt at least some strategic marketing practices in their endeavor to achieve some competitive advantage over their competitors in such a stormy environment. These entrepreneurs also have little knowledge concerning strategic marketing practices. Product differentiation although was carried out ignorantly as a means of survival and competitiveness especially to promote customer royalty. Factors that led to low adoption of strategic marketing practices included; high costs of operation, inadequate capital, difficulty to enter new markets, inadequate market opportunities, unattractive premises, poor location/store layout, low bargaining power on prices and inadequate information on consumer needs

It can be concluded that the level of adoption of strategic marketing practices among SMEs operating barber businesses still remain an uphill task due to inadequate support by the Government, increased operational costs and inadequate trainings on entrepreneurs on strategic marketing practices. Despite the importance of strategic marketing practices in any business, these practices have not yet been embraced amongst the operators of Barber businesses as expected.

Accessibility to a viable and affordable financial backup was also deemed as a major source of drawback to adoption to the strategic marketing practice among the MSEs operating Barber businesses operating in Masaba North district. Source of capital will enable any business to build a strong base and consequently invert in training of the personnel. Technological challenges serve as a drawback to Micro and Small Enterprises sub-sector due to less efforts of the Government policies to support E-business of the sub-sector and training

of barber operators.

It is concluded that if a proper mechanism is put in place with regard to training, capital advancement and in reasonable terms, good business operating environment and good infrastructure will go a long way in enhancing the adoption of strategic marketing practices in the area and consequently improve the livelihoods of many people in the rural areas thus social economic development.

#### 5.5 Recommendations

The study found out that strategic marketing practices were adopted on a small extent by micro and small barber enterprises due many challenges that included; inadequate capital, high operational costs and inadequate training among barber operators in the district. Therefore, the researcher recommended various policies that would be implemented to minimize the problem of low adoption of strategic marketing practices among micro and small barber enterprises in Kenya.

#### **5.5.1 Recommendations with Policy Implications**

This study found out that strategic marketing practices were adopted on a small extent due to high costs associated with strategic marketing practices and inadequate trainings among barber operators on strategic marketing practices. Therefore, it is recommended that the government recognizes the importance of this sub-sector and initiates legislation for mandatory professional training on strategic marketing practices to all entrepreneurs before the establishment of any small business to impart basic business principles to the entrepreneurs in coordination with the Ministry of Youth Affairs.

The study found out that quite a good number of Barber business operators did not use print media due to high costs associated. Therefore, the study recommends that the Government to intervene and subsidize advertisement rates of micro and small barber enterprises thus encourage more entrepreneurs in the sector. It is important that the government also puts in place legislation that enables small business owners' access affordable credit facilities to start and support these businesses in promotions thus creation of awareness to target markets.

The study found out that small and micro barber enterprises were operated without marketing plans that would have provided strategic direction to SMEs in the dynamic and competitive business environment. It is therefore recommended that the micro and small barber enterprises to be provided with training by the Ministry of trade in order to understand how to develop marketing plans for their businesses in the long term. The study found out that the business environment is driven by technology and micro and small barber enterprises adopted it at a small extent.

Therefore, it is recommended that the Government in collaboration with the Communication Commission of Kenya, should come up with policies to enhance Information and Communication Technology among SMEs in Kenya thus promoting small scale businesses in the domestic and international markets. The advent of recent internet interconnectivity through the undersea cables which has enabled faster internet services through fiber optic cable among major towns in Kenya will boost the sub-sector thus job creation in Kenya.

Therefore, it is recommended that, the government should come up with proper regulatory policies that are small enterprises friendly since many of what we have in Kenya, frustrates every effort of a junior entrepreneur. It is recommended that the government to adopt the system of devolved funds to support all sectors and especially that improves the living standard of the local people.

#### **5.6 Limitations of the study**

The respondents of the study (barber operators) were usually very busy and therefore they required a lot of time in order to fill in the questionnaires. The challenge was overcome by giving the respondents the questionnaires by using drop and pick later method. Inadequate financial resources affected the results of the study. Accommodation and stationary costs delayed the exercise but early preparation and support from well-wishers was sought by the researcher.

Getting accurate information from the respondents was one of the major challenges since some of the workers were threatened that the information may be used against them by the owners of the business. The challenge was minimized by assuring the respondents of confidentiality of the information they gave. Most of the respondents were unwilling to give the information due to negative perception of the study. The challenge was minimized by giving incentives to respondents in order to get positive response and accurate information.

The location in distance and terrain while trespassing Kisii County proved to be a bone of contention coupled with muddy and dusty grounds which posed a danger to personal health as far as common colds are concerned.

## **5.7 Suggestions for Further Research**

The study found out that low adoption of strategic marketing practices among micro and small barber enterprises in Masaba North district still remains a major challenge. It is therefore recommended that Future studies should attempt to explore the reasons behind the low adoption of strategic marketing Practices in this sub-sector. Researchers should go ahead and establish the reasons behind the failure of Micro and Small Enterprises (MSEs) to jump-start despite the fact that some are offered credit facilities by micro-financial institutions operating in the rural areas.

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**APPENDICES** 

**Appendix I: Introductory Letter** 

Ongoto Kegoro Henry,

c/o University of Nairobi,

P.O Box 30197-00100,

Nairobi.

Kenya.

TO WHOM IT MAY CONCERN

Dear Respondent,

**REF: MBA RESEARCH STUDY** 

I am a student pursuing a Masters degree in Business Administration at the University of Nairobi. In partial fulfillment of the requirements to the award of the Masters degree, I am

required to carry out a study on "Strategic marketing practices adopted by Micro and Small

Barber Enterprises in Masaba North District, Kenya"

I kindly request your assistance by availing time to respond to the questionnaire. Any

documentations, reports or journals that you may have that are relevant to this topic of study

may be availed to me at your discretion.

Please rest assured that any information given will be treated in strict confidence and will be

used for academic purposes only. A copy of the final report will be made available to you at

your request. Your assistance will be highly appreciated.

Thanks in advance.

**STUDENT** 

**SUPERVISOR** 

**Ongoto Kegoro Henry** 

Dr. Justus M. Munyoki

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# **Appendix II: Questionnaire**

# SECTION: A DEMOGRAPHIC PROFILE OF RESPONDENTS

Please supply the required data by filling in the blanks where space is provided or by ticking  $\lceil \sqrt{\rceil}$  against the most appropriate answer.

Ir	espo	ndents name	[Optional]
1.	Aş	ge.	
	a)	Below 20 years	[]
	b)	21-30 years	[]
	c)	31-40 years	[ ]
	d)	41-50 years	[]
	e)	51 and above years	[ ]
2.	Ge	nder.	
	a)	Male	[]
	b)	Female	[]
3.	Ma	arital Status.	
	a)	Married	[]
	b)	Single	[]
	c)	Widowed	[ ]
4.	Ac	ademic level.	
	a)	Never attended school	[]
	b)	Primary level	[]
	c)	0-Level	[]
	d)	A-Level	[]
	e)	Diploma	[]
	f)	Degree	[]
	g)	Postgraduate	[ ]
5.	Ho	w long have you been operating your business?	
	a)	Below 1year	[]
	b)	2-5 years	[]
	c)	6-10 years	[]
	d)	11-15 years	[]
	e)	16-19 years	[]
	f)	20 and above years	[]

# SECTION: B STRATEGIC MARKETING PRACTICES

6. Do you understand what Strategic marketing practices are?												
		Yes	[]		No	[]						
7.	W	hich a	re the main fun	ctions	perfo	rmed	by st	rategi	c market	ting pr	actices	in your
	bu	siness	?									
	a.	Increa	asing sales						[]			
	b.	Satisf	ying customers						[]			
	c.	Comn	nunicating						[]			
	d.	Devel	oping brand equi	ty					[]			
	e.	Devel	oping new produ	ct					[]			
	f.	Analy	zing new market	s					[]			
	g.	Facing	g competition						[]			
8.	Do	es you	r business have	a marl	keting	plan?						
		Yes	[]		No	[]						
9.	Ho	How competitive is your firm in relation to other players in the industry?										
	a.	Extre	mely competitive						[]			
	b.	Very	competitive						[]			
	c.	Comp	etitive						[]			
	d.	Less o	competitive						[]			
	e.	Not co	ompetitive						[]			
10.	<b>W</b>	What are the marketing strategies you use to respond to competitor reactions?										
	a)	Produ	ct strategies						[]			
	b)	Pricin	g strategies						[]			
	c)	Promo	otional strategies						[]			
	d)	Distri	bution strategies						[]			
11.	Do	es you	r business carry	out ai	ny mai	rket re	esear	ch?				
		Yes	[]		No	[]						
12.	Do	you c	arry out market	ing int	elliger	ice?						
	Y	es	[]			No	[]					
13.	. <b>W</b> I	hat are	e the means that	VOII 119	se to c	ollect	mark	et inte	elligence?	,		
	a)		igh customers	J			[ ]		9			

b)	By yourself			
c)	Through print media		[]	
d)	Internet		[]	
14. H	ow are your services diffe	rentiated?		
a.	By close relationship			[]
b.	By providing quick service	ees		[]
c.	By shop design			[]
d.	By entertainment			[]
e.	By high standard of hygie	ene		[]
f.	By flexibility of opening l	hours		[]
g.	By cost			[]
h.	By branding			[]
i.	By providing value-added	l services		[ ]
15. D	o you carry out promotion	nal activities	for your business?	,
	Yes []	No	[]	
16. W	hat promotional activities	s do vou carı	ry out?	
a.	Advertising	•	•	[]
b.	Discounts			[]
c.	Price cuts			[]
d.	Free samples			[]
a.	Personal selling			[]
17. W	hich medium do you use t	to advertise?		
1.	Electronic media:-			
a.	Radio [Local FM stations]	]		[]
b.	TV [Citizen,KBC,NTV,K	TN,K24]		[]
c.	Internet(websites)			[]
2.	Print media:-			
a.	Newspapers			[]
b.	Magazines			[]
c.	Journals			[]
3.	Outdoor publicity:-			
a.	Posters			f 1

b.	Billboard	[]
c.	I do not advertise	[]

# **SECTION: C MARKETING STATEGIES**

# 18. To what extent does your business uses the following marketing strategies?

Marketing Strategies	Very Great	Great	Moderate	Little	No
	Extent [5]	Extent [4]	Extent [3]	Extent [2]	Extent [1]
PRODUCT STRATEGIES			1.7		
THROUGH:					
Product/service standardization					
strategy					
Brand based product strategy					
Offering multiple product choices					
New product development					
approach					
Customized product strategy					
Repositioning based strategy					
Modifying existing					
products/services					
PRICING STRATEGIES THROUGH:					
Market penetration pricing					
Market skimming pricing					
Time based pricing					
Location focused pricing					
Discount pricing					
Customary pricing					
PROMOTIONSTRATEGIES THROUGH;					
Demonstration					
Telephone handling					
personal selling					
Promotion through flyer and brochure					
Promotion through Office setting					
Radio					

Television			
Newspapers			
Billboards			
Sponsorships			
Websites			
DISTRIBUTIONSTRATEGIES THROUGH:			
Strategic location of sales shop			
Personal selling			
Retailing			
Mail order			
Telemarketing			

# SECTION D: FACTORS CONTRIBUTING TO LOW ADOPTION OF STRATEGIC MARKETIG PRACTICES AMONG SMEs

19. Indicate the extent to which you Agree or Disagree on the factors that have contributed to low adoption of strategic marketing practices?

<b>Factors Contributing to Low Adoption of Strategic</b>	Strongly	Completely
<b>Marketing Practices Among SMEs</b>	Agree	Disagree
High costs of operation		
Inadequate capital		
Difficulty to enter new markets		
Inadequate market opportunities		
Unattractive premises		
Poor location/store layout		
Low bargaining power on prices		
Inadequate information on consumer needs		

Thank you for your Cooperation

## Appendix III: A list of Micro and Small Barber Enterprises in Masaba North District,

## Kenya

- 1. Classic Barbers
- 2. Jamaica styles
- 3. Small city Kinyozi
- 4. Vision 2030 Kinyozi
- 5. Stage Kinyozi
- 6. Jaribu Tena Boutique
- 7. Sir Henry Barbers
- 8. Diplomatic Hair Cuts
- 9. John's Kinyozi
- 10. Dolly fashions
- 11. Downways Kinyozi
- 12. Four Ways Kinyozi
- 13. Chaguo Lako Kinyozi
- 14. Tom Kinyozi
- 15. Mandela Hair Shop
- 16. Uncle Ben's Kinyozi
- 17. Brothers Kinyozi
- 18. Glory Kinyozi
- 19. Stings Kinyozi
- 20. Sharp Hair Managers Kinyozi
- 21. Back Street Kinyozi
- 22. Modern Kinyozi
- 23. World Class Kinyozi
- 24. Mama Lucy boutique

- 25. Tyson Kinyozi
- 26. Corner Boutique
- 27. American Hair dressers
- 28. Jamaican Hair Stylists
- 29. Kosovo Barber Clinic
- 30. Four Sisters Boutique
- 31. Stage Market Kinyozi
- 32. Uncle Tom Kinyozi
- 33. Street Boys Kinyozi
- 34. Rastas Kinyozi
- 35. KAP Kinyozi
- 36. Jemos Hair Clinic
- 37. Phonix Hair Cut
- 38. Youngsters Kinyozi
- 39. Kongo Kinyozi
- 40. Tyson Kinyozi

Source: (Keroka Town Council Registered Traders Report 2012)