

**MARKETING STRATEGIES ADOPTED BY SMALL AND MEDIUM
ENTERPRISES IN NAIROBI CENTRAL BUSINESS DISTRICT**

BY

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DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

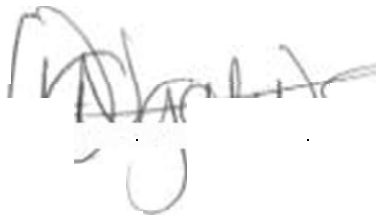
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This research project has been submitted for examination with my approval as University supervisor.

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DEDICATION

This research is dedicated to my loving children Daisy and Bryan who inspired and provided moral support and reason for my hard work. It dedicated to my family who I encourage all to read and expand their knowledge and territories.

ACKNOWLEDGEMENT

The process of this master's project writing has been a wonderful learning experience in my academic life. It was filled with challenges and rewards. The completion of my present study leads to a new beginning and a step forward in my endeavors.

First and foremost I am grateful to God almighty the one above all, who has always been there in my endeavors in life including this study. My profound gratitude to my supervisor Catherine Ngahu for their insightful guidance it's through it that I was able to complete this great task. Am thankful for the corrections they made on my error friendly drafts, their continuous encouragement, support and guidance in writing this project. I am also indebted to my family, my boss at my place of work and friends whom I may not mention in person for their material and moral support which enabled me clear my MBA course successfully.

ABSTRACT

IIIK* marketing concept of building an organization around the profitable satisfaction of customer needs has helped firms to achieve success in high-growth, moderately competitive markets. However, to be successful in markets in which economic growth has leveled and in which there exist many competitors who follow the marketing concept, a well-developed marketing strategy that considers a portfolio of products, takes into account the anticipated moves of competitors in the market and develops effective responses to changing market environments is required.

The purpose of the study was to establish the marketing strategies adopted by SMEs in Nuirobi Central Business District. The research design adopted was descriptive research design and a structured questionnaire was prepared and distributed to all selected respondents and data collected and analyzed using a five point scale based on averages and percentage.

The findings of the study were that SMLis use the marketing mix strategies which comprise of the product, place, promotion, price, persuasion, reading the market and adopting promising ideas, searching for market opportunities, creators of change and the necessary improvements in the market, differentiation, market development, diversification, market penetration, cost leadership and product development. The positioning strategics used by the SMFs were hybrid bases, positioning on benefits, positioning on specific product features, positioning against another product or a competing business, and product class disassociation.

TABLE OF CONTENTS

DECLARATION	u
DEDICATION.....	'»
ACKNOWLEDGEMENT	iv
ABSTRACT.....	V
TABLE OF CONTENTS.....	vi
LIST OF TABLES	«x
LIST OF FIGURES.....	x
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study.....	1
1.1.1 Marketing Strategics.....	3
1.1.2 Small and Medium Enterprises in Kenya.....	5
1.1.3 Nnirobi Central Business District.....	7
I 2 Problem Statement.....	8
1.3 Research Objective.....	10
1.4 Significance of the Study.....	10
CHAPTER TWO: LITERATURE REVIEW	12
2.1 Introduction.....	12
2.2 Marketing Strategy.....	12
2.3 Marketing Strategies Models.....	13
2.3.1 Blockbuster model.....	14

2.3.2 Diversification model.....	15
2.4 Types of Marketing Strategy.....	16
2.4.1 Marketing mix strategies.....	16
2.4.2 Miles and Snow typology of competitive marketing strategies	
2.4.3 Ansoff's product/market matrix.....	22
2.4.4 Porter's Generic Marketing Strategies.....	22
2.5 Conceptual Framework.....	24
CHAPTER THREE: RESEARCH METHODOLOGY.....	25
3.1 Introduction.....	25
3.2 Research Design.....	25
3.3 Population.....	25
3.4 Sampling.....	25
3.5 Data Collection.....	26
3.6 Data Analysis.....	26
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION.....	28
4.1 Introduction.....	28
4.2 Demographic and Respondents profile.....	28
4.2.1 Respondents Gender.....	28
4.2.2 Respondents age bracket.....	29
4.2.3 Length of continuous service with SMF.....	29
4.2.4 Duration of SME existence.....	30
4.2.5 Type of business.....	32
4.2.6 Strategies applied.....	34

4.2.7 Strategies used to market products.....	36
4.2.8 Marketing position strategies.....	37
4.2.9 Pricing strategies.....	38
5.1 Introduction.....	40
5.2 Summary of findings.....	40
5.3 Conclusion.....	42
5.4 Recommendations.....	43
5.5 Recommendations for further research.....	43
5.6 (imitation of the study.....	44
REFERENCES	45
APPENDICES.....	49
Appendix I: Introduction letter.....	49
Appendix U : Questionnaire.....	50
LIST OF SMF's IN CENTRAL BUSINESS DISTRICT.....	59

LIST OF TABLES

Table 4.1: Respondents age bracket.	
Table 4.2: Length of continuous service with SMF.	
Table 4.3: Duration of SMH existence.....	30
Table 4.4: Marketing mix strategies.....	33
Table 4.5: Strategics applied.....	34
Table 4.6: Marketing strategies.....	3 j
Table 4.7: Strategies used to market products.....	36
Table 4.8: Marketing positioning.....	37
2Table 4.9: Pricing strategies.....	^g

LIST OF FIGURES

Figure 4.1: Respondents Gender.....	29
Figure 4.2: Number of employees in SML.....	31
Figure 4.3: Type of business.....	32
Figure 4.4: Existence of documented marketing strategy.....	32

CHAPTER ONE: INTRODUCTION

I.I Background of the Study

Companies aspiring to meet the challenges of today's rapidly changing markets and increasing global competition require management decisions to be founded on well conceived strategies. Clearly defined strategies and plans are vital if the firm is to achieve its objectives while optimizing the use of its limited resources. One important strategic direction that a firm may undertake is to be more market orientated (Kotler and Armstrong, 2006). Indeed, one of the prime concerns for strategic management as a field of inquiry is the phenomenon of strategic adaptation of firms, i.e.. how firms achieve a proper 'fit' with the environment through changes in strategy. According to Kotler (2003), change is inevitable and yesterday's determinants of success can be today's and tomorrow's determinants of failure. Therefore, organizations must respond appropriately to the changes in their environment in order to survive and to achieve their strategic objectives. (Arnold 1996). As Charles and Gareth (1998) noted, changes may be technological, legal, social, economic and political, these emerging challenges affect all organizations whether private, public; non- governmental or non- profit making organizations.

A marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. (Blumberg and Perronc 2001). As a result, an organizations marketing strategy should be centered on the key concept that customer satisfaction is the main goal.

Marketing strategy is a method of focusing an organization's energies and resources on a course of action which can lead to increased sales and dominance of a targeted market niche. A marketing strategy combines product development, promotion, distribution, pricing, relationship management and other elements. These strategies identify the firm's marketing goals, and explain how they will be achieved, ideally within a stated timeframe. Marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources. It is most effective when it is an integral component of overall firm strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena.

The small and medium-sized enterprises (SMEs) are vital components of any country economy. As a result, how such SMEs compete in today's economy is of significant importance and deserves greater attention from all stakeholders. SMEs operate in an entirely different manner unlike large organizations and cannot hope to perform the same level of marketing that is prescribed theoretically compared with the larger players in the market. This is because they have limited resources, limited expertise, and limited impact on their environment (Bennett, 2005). The Kenyan SME sector is a mixture of self-employment outlets and dynamic enterprises involved in an array of activities that are concentrated in urban areas but are also evident in rural Kenya. Due to their ownership structure as well as their limited capital, the Kenyan SMEs face a number of challenges including the marketing of their products and services. According to Kimuyu and Omiti (2000) for these SMEs to effectively compete especially with imported products, they need to employ effective marketing strategies that will be able to attract and retain its customers especially with cheap imported products that are brought into the country.

1.1.1 Marketing Strategies

•\ strategy is a pattern or plan that integrates an organizations major goal, policies and action sequences into a cohesive whole (Porter, 1980). The Kenyan firms, just like any other firms in the world, exist in a complex environment that needs to be assessed and responded to appropriately. Thomson and Strickerland (2003) observe that strategies are at ends and these ends concern the purpose and objectives of the organization. They are tlic things that organizations do. the paths they follow and the decisions they take in order to reach certain points or level of success. Mintzberg (1994) portrays strategy as a plan, a direction, a guide or course of action into the future and as a pattern, that is. consistency in behavior over time. Most organizations began their strategic planning cycle by updating and revising their business objectives in relation to performance reviews in key areas (such as people, standards and business development), achieved results and development priorities, (Tcaref/ ai, 1992).

The two dominant typologies that have emerged in the business strategy field are the Miles and Snow's (1978) typology (i.e. prospector, defender, analyzer, and reactor) and Porter's (1980) typology (i.e. cost leadership, differentiation, and focus). However, according to Mol's et al., (2009), he observes that Porter's (1980) typology has been used extensively in marketing strategy literature probably because it captures the way in which firms create value (i.e. differentiation or low cost) and defines their scope of market coverage (i.e. focused or market-wide). They further posit that, in the marketing strategy literature, with the exception of Slater and Oslo (2001). there is a lack of comprehensive marketing strategy classification schemes.

Murphy and Enis (1986) framework classify products (i.e. convenience, preference, shopping and specialty products) and integrate the remaining marketing mix elements (price promotion, and distribution) into this framework. On the other hand Slater and Olson's (2001) typology of marketing strategy includes aggressive marketers, mass marketers, marketing minimizers, and value marketers. The two authors found similarities between aggressive marketers and prospectors, mass marketers and analyzers, low cost defenders and marketing minimizers, and between differentiated defenders and value marketers. Slater and Olson (2001) also suggest that there is congruence between their marketing strategy typology and the typology proposed by Murphy and Enis (1986), e.g. the aggressive marketers resemble specialty product marketers; mass marketers offer broad product range, use intensive distribution, and charge low price; marketing minimizers put the lowest emphasis on marketing; while value marketers prefer to lower prices while offering high customer service.

Marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage, (Blumberg and Perrone 2001). A marketing strategy should be centered on the key concept that customer satisfaction is the main goal. Marketing strategy is a method of focusing an organization's energies and resources on a course of action which can lead to increased sales and dominance of a targeted market niche. This strategy combines product development, promotion, distribution, pricing, relationship management and other elements. It identifies the firm's marketing goals, and explains how they will be achieved, ideally within a stated timeframe.

It also determines the choice of target market segments, positioning, marketing mix. and allocation of resources. It is most effective when it is an integral component of overall firm strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena.

1.1.2 Small and Medium Enterprises in Kenya

The term SMF covers a wide range of definitions and measures, varying from country to country and between the sources reporting SMF. statistics. Although there is no universally agreed definition of SMF. some of the commonly used criteria are the number of employees, value of assets, value of sales and size of capital as well as turnover. Among them the most common definitional basis used is employees because of the comparatively ease of collecting information and here again there is variation in defining the upper and lower size limit of an SML. In developing countries the number of employees and size of assets or turnover for SMF. tend to be much smaller compared to their counterparts in developed countries due to their relative size of business entities and economies.

In the Kenyan scenario, a study conducted by Kimuyu & Omiti (2000) defined a small enterprise as one with employment ranging between five (5) and about fifty (50). The enterprises will usually be owner-managed or directly controlled by the owner-community and are mostly family owned. They are likely to operate from business or industrial premises, be tax-registered and meet other formal registration requirements. However, they observed that classification in terms of assets and turnover is difficult, given the wide differences in various business sectors like retailing, manufacturing, professional services and construction.

Medium enterprises constitute a category difficult to demarcate vis-A-vis the "small" and "big" business categories. It is still viewed as basically owner/manager-controlled, though the shareholding or community control base could be more complex. It is characterized by the employment of more than 200 employees and capital assets of a substantial amount of about Ksh. 2million -excluding property (Kirnuyu & Omiti. 2000).

The Kenyan SME sector is mixture of self-employment outlets and dynamic enterprises involved in an array of activities that are concentrated in urban areas but are also evident in rural Kenya. There are about 1.3 million establishments employing 2.3 million individuals and generating as much as 14% of the country's GDP (Mullci & Bokea. 1999). A majority of these small enterprises are sole proprietorships; a third of the enterprises operate from homes; and one half are female-owned. According to recent research, female-owned small enterprises are more likely to be informal, usually start smaller, use less start-up capital, grow slower if at all. have more limited access to credit and more often operate from less permanent premises and homes (Kimuyu and Omiti 2000).

Through the small enterprise sector, unskilled rural migrants acquire skills needed for survival in the more challenging urban environment. The sector also attracts skilled persons retrenched from formal sector jobs, and is often regarded as a second-best option for those unable to find or to sustain employment in the modern sector. The size of an SME's total labour force varies widely across business establishments and activities. However, the two key components of the labour force are entrepreneurs and apprentices. Informal garages absorb appreciably more apprentices and workers than the formal service sector that is dominated by proprietors. In the recent past, employment growth in

Kenya's small enterprise sector has far outpaced growth in the larger modern sector (Aboagyc. 1986). However, many MSEs still require workers with skills that school leaver* often lack, and therefore the small enterprise sector is not likely to solve Kenya's daunting unemployment problem on its own (Ongile and McCormick. 1996).

1.13 Nairobi Central Business District

The Nairobi Central Business District is defined by the Nairobi Central Business District Association (NCBDA) which is a registered society under the Societies Act (Cap 108) and was formed in May 1997 as a rectangular shape, around the Uhuru Highway, Hailie Selassie Avenue, Moi Avenue and University Way. It includes many of Nairobi's important buildings, including the City Hall and Parliament Building. The city square is also located within the perimeter.

NCBDA's mission is to make Nairobi the choice of Africa-Clean, secure, and vibrant-Home for all. This is supported by their clarion call. "Improvement through Action". By targeting urban regeneration, NCBDA is simply investing in the future. Through partnerships, NCBDA hopes to see significant, visible redevelopment of downtown Nairobi. This will present increasingly more attractive opportunities for investment. To meet this goal, NCBDA's objectives are: to eliminate obstacles to business growth through trouble-shooting and strategic planning of key issues facing the business community i.e. security, traffic management, infrastructure development, informal traders, street people etc. to analyze trends and key economic indicators critical to the Central Business District and its environs as a means to maintaining a competitive and comparative business environment to foster a positive image for Nairobi and to be

financial support, along with other community partners, in driving investment and development and making Nairobi the regional hub.

1.2 Problem Statement

As one of the key elements of a company's success, the selection of appropriate marketing strategy has been a focal point in both supply chain and marketing channel structure. Many small and medium enterprises (SMEs) seek to compete favorably with large or multinational enterprises and their marketing strategy is usually based on finding the most profitable way to reach a market (Ford and Mottner, 2003). They often need to adjust their marketing strategies according to the selection criteria imposed by the client, and due to their small size, they have several disadvantages as supplier candidates. Successful marketing strategy cannot only help to meet the shopping needs and habits of the target customers efficiently under the cost constraints of the seller; but also mitigate the disadvantages caused by distribution channel conflicts such as double marginalization. According to Porter (1985), organizational competitive advantage can be achieved if the firm implements a value-creating strategy that is not simultaneously being implemented by any current or potential competitors. This can be interpreted to mean that sustained competitive advantage results from strategic assets; which Barney (1991) regards as those that are internally controlled and permit the firm to formulate and implement strategies that expand its efficiency and effectiveness.

The **small** and medium enterprises sector in Kenya is very visible and is the largest provider of essential services and goods to the general public (Central Bank of Kenya **Economic review, 2011**).

-jpg --tor is an important component in the country and is often used as the benchmark terms of its development and the general growth of the National economy. It being a major employer, the sector has thus contributed in constructive ways and positively to the people and economy of Kenya. However, global competition confronts the majority of purely domestic SMF-s. whose products and sales are extremely localized or segmented. Trade liberalization increases the capacity of well-established foreign manufacturers and retailers to penetrate both remote and underdeveloped markets leading to heightened level of competition. Against this development and the critical role **SMEs** play, local SMIIS need to come out with effective and dynamic strategies to survive and maintain their current position in such a turbulent business environment. In such a demanding environment, the capacity of a firm to develop its own strategy is critical to ensure long-term sustainability.

Recent studies done in the area of marketing strategies include: Isabwa (2008) focused on application of marketing strategies by political parties in Kenya and found out that marketing budget is important for political parties since it enables the parties to reach as many potential members as possible, door-to-door campaigns and leaflets were the most prevalent means of promotion used by the political parties and no unique features that would distinguish their party from others. Anyika (2007) marketing strategies applied by the major motorcycle marketing firms in Kenya found out that changing macro-environmental factors indeed pose various challenges to these motorcycle marketing firms in Kenya, the political-legal environment, economic, demographic, technological and socio-cultural environments were each a force to reckon with in their own respective ways.

Through use of marketing strategies by the companies, they have been able to face up to of these challenges posed by the macro-environment, though there is still a lot of for improvement by both companies to effectively use marketing strategies to their advantage with an end goal of increasing sales. Masika (2005) did retail marketing strategies adopted by commercial banks in Kenya and found out that commercial banks in Kenya pursue several strategies as part of the wider retail banking marketing strategies. The most pursued strategies are marketing segmentation, product strategies, distribution, pricing, marketing relationship and promotions.

As observed above, the studies conducted on marketing strategies by various organizations have not considered the marketing strategies which the SMEs have adopted. This research will therefore seek to identify the marketing strategies being adopted by SMEs operating in Nairobi Central Business District, this problem statement is guided by the question: what marketing strategies do the small and medium enterprises operating at the Nairobi Central Business District adopt?

1.3 Research Objective

The objective of the study was to establish the marketing strategies adopted by the small and medium enterprises operating at the Nairobi Central Business District.

1.4 Significance of the Study

It will assist the management of the SMEs operating in Nairobi CBD to evaluate how effective they have been in adopting appropriate marketing strategies of their services and products. This may enable them identify gaps in their strategies which may enhance their strategic response as a result move to effectively manage the existing strategies which will improve their financial performance.

This study will benefit the government and especially the Ministry of Trade and Industry for making policy decisions whose overall objectives are to reduce bottlenecks in the operations of SMEs and at the same time accelerate the rate of growth in the sector and take advantage of the improved economy and reductions in bottlenecks.

Other organizations can also use the marketing strategies employed by the SMEs to improve their performance. It will be useful to other researchers and scholars as it will contribute to the body of knowledge in the area of the management of SMEs. In addition the study will be an invaluable source of material and information to the many other businesses operating in the country since the business industry has a great role to play in the country's quest to become a middle income country as envisioned in the Vision 2030.

By identifying the appropriate marketing strategies, the industry will also be able to achieve their objective much faster and growth of the individual firms.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter provides information from publications on topics related to the research problem. It examines what various scholars and authors have said about the marketing strategies that various organizations adopt in their marketing activity. The chapter is divided into three main areas: concept of marketing strategy, marketing strategy models and types of marketing strategy.

2.2 Marketing Strategy

Marketing is a planned strategic approach of bringing together consumers and products. A marketing oriented organization takes its marching orders from its customers. It produces products and services based on its customers' needs, wants and levels of satisfaction. Marketing is a strategic behavior (Keiser, 1995, p. 50). It is a plan for how an organization will use its strengths and capabilities to match the needs and wants of the market (Irrell and Hartline, 2002). The marketing concept of building an organization around the profitable satisfaction of customer needs has helped firms to achieve success in high-growth, moderately competitive markets. However, to be successful in markets in which economic growth has leveled and in which there exist many competitors who follow the marketing concept, a well-developed marketing strategy is required. Such a strategy considers a portfolio of products and takes into account the anticipated moves of competitors in the market.

According to Porter (1985), to reach a successful strategy aim focus should lie on the industry dynamics and characteristics. He meant that some industries were more attractive than others and that the factors driving the industry competition were crucial for profitability. Hooley, Piercy and Nicoulaud (2008), consider that both requirements of the market and the company's ability to serve it are taken into consideration and the primer goal is a long-term fit between these two. In order to know what the market wants and what the company can offer them, they first of all have to analyze the current situation that they are in. The issues to look at are: the internal environment- including the organizational structure, resources and the company's performance, further the customer environment- including current- and potential customers, purchase of products and finally the external environment- the competition, economic growth and stability, political trends. The marketing strategy is supposed to develop effective responses to changing market environments by defining market segments and developing and positioning product offerings for those target markets (Hooley et al., 2008). To be successful on a market, especially a changing one, companies have to use proactive strategies and shouldn't react on others events, but creating them (Nilson, 1995).

2.3 Marketing Strategies Models

One of the company's strategies over the past decade has been increasing scale (Sweeny, 2007). Only by growing larger are companies able to afford the considerable costs of drug development and distribution. Within this broad approach at least two business models are discernible:

2.3.1 Blockbuster model

This involves the search for and distribution of a small number of drugs that achieve substantial global sales. The success of this model depends on achieving large returns from a small number of sales in order to pay for the high cost of the market discovery and development process for a large number of candidates. Total revenues are highly dependent on sales from a small number of sales (Sweeny, 2007). According to Thomke (2004) there are some in the industry who would argue that the dependence of companies on a small number of high selling is an outcome of the industry's economics not a result of a deliberate strategy. There is little doubt however that a large number of the largest companies are highly dependent on the sales of a handful of sales for most of their sales and an even higher proportion of their profits (Johnson, 2002).

A number of companies have found themselves caught short, without new blockbusters to keep sales growing. In some cases this arises from a failure to invest adequately in the pipeline. Gamburdella (1995) outlines the case of SmithKline which failed to reinvest the proceeds of its Tagamet success in upstream research and it was forced to merge with Beecham in 1989. The element of desperation in the continual rounds of consolidation in the industry reflects the difficulty presented by the underlying uncertainty of the economics of new drug development. The skewness of the returns to drug development makes it difficult for a company of any size to achieve stable and predictable returns.

i 3.2 Diversification model

According to Grabowski and Vernon (2006) this model is suitable where a larger number of goods are marketed to smaller niche markets. The advantage of this model is that its success is not dependent on sales of a small number of goods. However without a blockbuster to help pay for the high development costs, the model only works for small markets where distribution costs are low. An area where scale delivers clear advantage is in sales and marketing. Sales per representative typically rise with company size (Walton 2001, p. 90). Marketing absorbs 35% of revenues and its efficiency can have a major impact on company value.

A survey done to United States companies suggests that marketing and sales capability accounts for 42% of the variation in financial performance (Blumberg and Perrone 2001). Each major new good is launched with a comprehensive and expensive global marketing campaign that involves the full range of marketing tools including media advertising, comprehensive information packs, and special events for doctors, conference presentations, dedicated sales forces and increasingly the internet. Sales and distribution is emerging as a major issue for companies. A number of marketing strategies are being tested. Direct-to-customer techniques include special purpose internet sites providing information to both physicians and patients about a particular drug. In addition to attracting the attention of doctors, the objective is to alert potential patients to the attributes of the good and encourage them to seek prescription from their physician. Increasingly media, including television advertising, is being used to announce the arrival of new goods.

2.4 Types of Marketing Strategy

Small and medium-sized enterprises should, first of all, know the types of marketing strategy. According to Roberts (2003) marketing strategy can be divided into marketing mix strategies. Miles and Snow typology of competitive marketing strategies, Ansoff's product-market matrix and Porter's Generic marketing strategies.

2.4.1 Marketing mix strategies

The common elements of the marketing mix are classified by the 4Ps. These include the Product, Price, Promotion and Place strategies. The marketing mix is a set of controllable marketing tools that an institution uses to produce the response it wants from its various target markets. According to Kotler (2001), marketing scholars and practitioners have long depended on the same basic elements for success. The elements of successful corporate marketing have traditionally boiled down to the familiar four P's: price, promotion, product, and placement. Companies typically organize these elements into proven patterns, marked by logical step-by-step processes. The plans behind the patterns are both highly structured and disciplined (Carson, 1993).

Gronroos (1994) argues that the usefulness of the four P's as a general theory is highly questionable. Others note that adherence to the four P's misses the "fundamental point of marketing: adaptability, flexibility and responsiveness" (McKenna, 1991, p. 13) and is "both wasteful and inappropriate, and consequently is not seen to function effectively" (Carson, 1993, p. 190). This is not to say that the conventional marketing approach is not relevant to SMEs (Reynolds, 2002). However, SMEs face opportunities and concerns that large corporations do not, and as such they may benefit from marketing theory which considers the particularities of the SME context.

One way that marketers have begun to address the added components is by specifically focusing on marketing in entrepreneurial contexts. Hills et al (2008) investigated the evolution and development of this scholarship and found that indeed, marketing among entrepreneurs deviates from mainstream marketing. Carson (1993, p. 12) describes the other components added as the "experience, knowledge, communication abilities and judgment of the owner-manager, key competencies on which marketing effectiveness depends," while Zontanos and Anderson (2004) as a better frame for understanding marketing in entrepreneurial firms.

A product is the bundle of physical, service, and symbolic attributes designed to enhance buyers' satisfaction. Product strategy involves considerably more than just producing a good or service and focuses on benefits. It includes decisions about package design, brand names, trademarks, warranties, product image, new-product development and customer service (Boone, 2007). Products don't stay in the market forever; they have a limited life. Product life cycle must be considered when making product strategy. Normally, a product goes through a series of four stages: introduction, growth, maturity and decline. Product marketing passes through distinct stage with different challenges, opportunities and problems. In introduction stage, sales are low and costs are high per customer, so the strategy is to create product awareness and trial. In growth, sales are rapidly rising and the profits are substantially improved. The strategy is to maximize market share. In maturity stage, the sales are peak, costs are low and the profits are very high, The strategy is to maximize profit. In the decline stage, the costs are low, but the profits are decreasing, The strategy is to reduce the expenditure.

In the **four** elements of marketing mix, **price** is the only one that produces revenue: the **UKM** three produce costs. Price is also one of the most flexible elements: it can be changed quickly, unlike product features and channel commitments. A firm must set a price for the first time when it develops a new product, introduces its regular product into a new distribution channel or geographical area, and enters bids on new contract work. Price is also a key element used to support a product's quality positioning. In making a pricing strategy, a marketer must follow a six-step procedure: selecting the pricing objective; determining demand; estimating costs; analyzing competitors' costs, prices, and offers; selecting a pricing method, and selecting the final price (Kotler, 2006).

A marketing distribution is a business structure of interdependent organizations which reaches from the point of product origin to the consumer. Products move through marketing channels via physical distribution. Physical distribution has five distinct subsystems: warehousing, materials handling and packaging, inventory control, order processing, and transportation. Distribution strategy should be made on the basis of economics of scale. Producers achieve economics of scale through the use of specialization, which breaks down a complex task into smaller, simpler ones and thus creates greater efficiency and lower average production costs. Marketing distribution can also attain economies of scale through specialization, which distribution members can do some things more efficiently than producers because they have built good relationships with their customers (Weingand, 2007).

promotion means any of the various techniques used to create a positive image of a seller's product in the minds of potential buyers. It includes such areas as advertising, personal selling, public relations, and discounts. Of which, advertising is considered as the most powerful promotion strategy. Advertising is a form of sponsored public notice that seeks to inform, persuade, and otherwise modify consumer attitudes toward a product, with the object of triggering an eventual purchase (Robbins and Coulter, 1999). The tools for promotion are consumer promotion, trade promotion and sales-force promotion. Consumer promotion refers to samples, coupons, cash refund, prices off and free trials. Trade promotion refers to advertising and free gifts. Sales-force promotion refers to trade shows, contest for sales reps, and specialty advertising.

2.4.2 Miles and Snow typology of competitive marketing strategies

A taxonomy of generic strategies that has attracted attention is that of Miles and Snow (1978). The strength of this taxonomy is that it specifies relationships among strategy, structure and process in a manner that allows the identification of organizations as integrated wholes in interaction with their environments. In their model, Miles and Snow (1978) suggested four archetypal competitive strategies: defender, prospector, analyzer and reactor focusing on intended rate of product market change. According to Miles and Snow (1978) defenders organizations are those which have narrow product-market domains. Top managers in this type of organization are highly expert in their organization's limited area of operation but do not tend to search outside of their domains for new opportunities. As a result of this narrow focus, these organizations seldom need to make major adjustments in their technology, structure, or methods of operation.

Instead they devote primary attention to improving the efficiency of their existing operations

On the other hand, prospectors are organizations that almost continually search for market opportunities, and they regularly experiment with potential responses to emerging environmental trends. Thus, these organizations often are the creators of change and uncertainty to which their competitors must respond. However, because of their strong concern for product and market innovation, these organizations usually are not completely efficient. Analyzers on their part are organizations that operate in two types of product-market domains, one relatively stable, the other changing. In their stable areas, these organizations operate routinely and efficiently through use of formalized structures and processes. In their more turbulent areas, top managers watch their competitors closely for new ideas, and then they rapidly adopt those that appear to be the most promising. Reactors are organizations in which top managers frequently perceive change and uncertainty occurring in their organizational environments but are unable to respond effectively. Because this type of organization lacks a consistent strategy-structure relationship, it seldom makes adjustment of any sort until forced to do so by environmental pressures" (Miles & Snow, 1978: pp. 29)

According to the defender model, marketing spending on advertising and distribution should be reduced after entry into a fixed market. Variations from this proposition arise in growing markets (Kumar and Sudharshan, 2008). They further observed that, the main results of the defender model were that; distribution and awareness advertising should always be lowered in response to entry, pricing strategy is independent of distribution and

awareness advertising spending but not vice versa, profits will also always decrease in response to the new entrant and if consumer tastes are uniformly distributed, profits will increase compared to no response. A number of empirical studies have been conducted on Miles and Snow's typology. According to Zahra and Pearce (1990), results from a high number of studies have strongly supported Miles & Snow's propositions that four types of different strategies exist in different environments, the hypothesis that reactors will be outperformed by the other three types, seem to have been strongly supported albeit the moderate coverage it has received in the studies analyzed. Other dimensions such as differences in domain definition, production technology choice, environmental analysis, functional importance, and top management team characteristics among the four strategic types have received low to moderate attention and, thus, have resulted in weak or mixed support for the business level strategy (Zahra and Pearce . 1990).

2.4.3 Ansoff's product/market matrix

This is summarized by Ansoff's product/market matrix strategies. Marketers who use this have objectives of growth.

	Present product	New product
Present market	<p>Market penetration strategy</p> <ul style="list-style-type: none"> • Increase share of customer spending • Increase market share • Non users to users 	<p>Product development strategy</p> <ul style="list-style-type: none"> • Product modification via new features • Different quality levels • New products
New market	<p>Market development strategy</p> <ul style="list-style-type: none"> • New markets • New distribution channels • New geographical areas 	<p>Diversification strategy</p> <ul style="list-style-type: none"> • Joint ventures • Mergers • Acquisitions/Takeovers

Source:

H.I. Ansoff* (1957), 'Strategy for Diversification', *Harvard Business Review*, September-October. pp. 115-24.

2.4.4 Porter's Generic Marketing Strategies

The main idea behind Porter's (1980) generic strategies is that companies derive competitive advantages by concentrating on specific features (cost advantages, product advantages as perceived by customers) in the market, and that they may exploit these advantages in different target markets (broad market coverage or niches). Porter (1980)

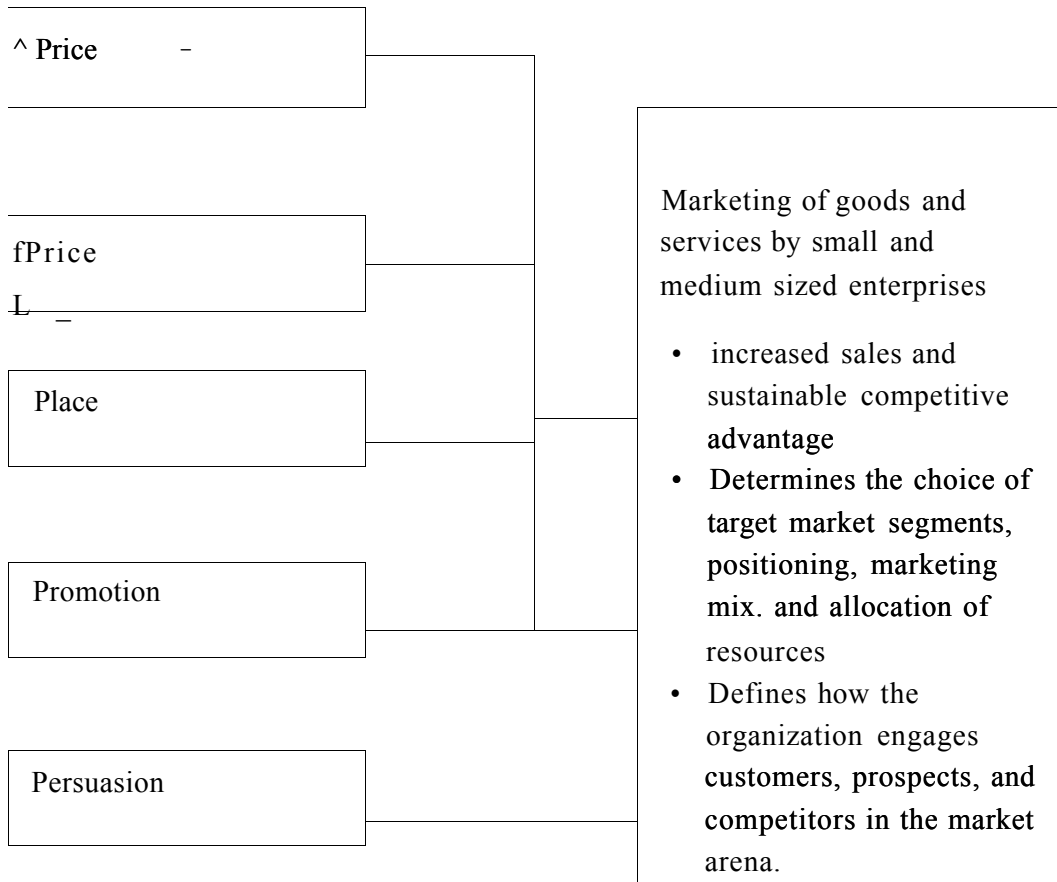
Porter (1980) suggests that firms that are "stuck in the middle" perform poorly relative to firms that pursue a "clean" strategy. Cost leadership implies that the firm has achieved certain scale advantages, and it is assumed that it will seek to capitalize on these advantages in broader markets, adopting a relatively aggressive stance to marketing its products.

Differentiators are expected to behave much the same way, but for different reasons. Their competitive advantage lies in the brand and/or the product, but like cost leaders - they seek to cover greater parts of the market, albeit using other marketing tactics (Porter, 1980). Focus strategies imply that the firm has concentrated on a narrow segment of the market seeking to serve this segment better than its larger competitors. This can be done either with a product or service advantage, or with a narrow cost focus. Porter's (1980) presentation of the generic strategies has widely been criticized. His presentation seems to give an impression that it is up to enterprises to choose from them, although the appropriate selection of a generic strategy is dependent on the firm's resources and capabilities, the industry's life cycle, and the state of competition in the market. From a marketing perspective, Baker (1992) argued that Porter's three generic strategies are typical marketing strategies that have been presented by marketers for the past thirty years. Porter had only rebranded such marketing strategies using different names. Cost leadership invariably depends upon standardization and so is equivalent to an undifferentiated marketing strategy. Differentiation is identical in both models. Cost focus and focus differentiation are both variants of a concentrated marketing strategy and involve niche marketing.

5 Conceptual Framework

Independent Variable

Dependent Variable



(Source. Researcher. 2012)

The schematic diagram above on conceptual framework shows the variables relationship between marketing of goods and services by small and medium sized enterprises being influenced by aspects such as. product, price, place, promotion and persuasion.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the proposed research design, the target population, sampling design, data collection instruments and procedures, and the techniques for data analysis.

3.2 Research Design

The research design adopted was descriptive research design. According to Cooper and Schindler (2000), a descriptive research design is concerned with finding out the; who, what, where, when and how much. Furthermore, a descriptive research design is structured, has investigative questions and part of formal studies. The design is deemed appropriate because the main interest is to explore the viable relationship and describe how the factors supported matters under investigation. Descriptive design method provided quantitative data from cross section of the chosen population. It is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way. This design provided further insight into research problem by describing the variables of interest.

3.3 Population

The population study was all the Small and Medium Sized Enterprises operating in Nairobi Central Business district According to the City Council of Nairobi licensing data (2011) indicate that there are 726 SMEs operating in NCBD.

3.4 Sampling

In this study, the researcher used simple random sampling technique. The technique accorded all the members of the population equal chance of being selected for the study.

jlrf researcher picked the SME which falls in a number after every ten in the City Council of Nairobi licensing data (2011). This enabled the researcher to arrive at 73 SMEs to be the sample size.

3.5 Data Collection

The study used primary data which was collected through self-administered questionnaires. A questionnaire is a useful tool for collecting data from respondents because of the need to provide a means of expressing their views more openly and clearly, the structured questionnaire consisted of both open and closed ended questions designed to elicit specific responses for qualitative analysis. The researcher used drop and pick later method thus enabling the respondents enough time to adequately respond. An introductory letter explaining the purpose of the study was used as a proof that the study is being done for academic purpose only. Proper records of all questionnaires distributed were kept for ease of follow up and also to ensure high response rate. The respondents' owners and managers of the SME's or whoever was responsible for marketing in the SMEs selected.

3.6 Data Analysis

Data collected was checked for completeness and consistency before final analysis is undertaken. In order to ensure logical completeness and consistency of responses, data editing was carried out by the researcher. Identified mistakes and data gaps were rectified as soon as possible. Once editing is done with, data was analyzed qualitatively. The data collected using the proposed strategy will be analyzed using descriptive statistics (measures of central tendency and measures of variations). Descriptive statistics involve the process of transforming a mass of raw data into tables, charts, frequency distribution

and percentage* which are a vital part of making the data have sense to the researcher, -jpg data were classified, tabulated and summarized using descriptive measures, percentages and frequency distribution tables while tables and graphs was used for presentation of findings. In accomplishing all analysis details with efficiency and effectiveness, the researcher utilized the Statistical Package for Social Sciences (SPSS) software.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The main research objective was to establish the marketing strategies adopted by small and medium sized enterprises in the Nairobi central business district. This chapter presents the analysis and results with regard to the objective and discussion of the same. The findings are presented in percentages and frequency distributions, mean and standard deviations. A total of 73 questionnaires were issued out. The completed questionnaires were edited for completeness and consistency. Out of the 73 questionnaires issued out, only 57 were returned. This represented a response rate of 78% which is deemed as adequate and sufficient for purpose of data analysis.

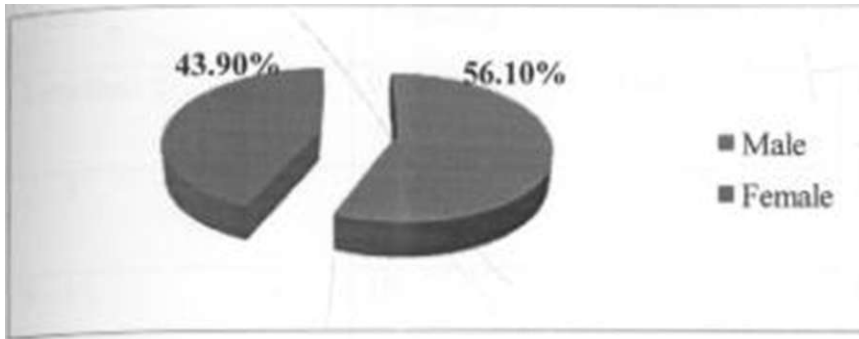
4.2 Demographic and Respondents profile

The demographic information considered in the study was the respondents' gender, age bracket, length of continuous service with the SMF, duration of SMK existence, number of employees and existence of other branches.

4.2.1 Respondents Gender

The respondents were to indicate their gender and 56.1 percent were female while 43.9% were male. This therefore means that majority of the respondents were female but the difference is not significant.

Figure 4.1: Respondents (Gender)



4.2.2 Respondents age bracket

Table 4.1: Respondent* age bracket

Years	Frequency	Percent(%)	Cumulative Percent
21-30	18	32.0	32.0
31-40	31	54.0	86.0
Over 40	8	14.0	100.0
Total	57	100.0	100%

From the table 4.1 above 54% of the respondents were between 31 – 40 years old. 32% were between 21 - 30 years old while 14% were over 40 years old. Majority of the respondents were proprietors of the SMFs.

4.2J Length of continuous service with SME

The respondents were to indicate the duration in which they have worked in the SMB.

Table 4.2: Length of continuous service with SME

Years	Frequency	Percent(%)	Cumulative Percent
Less than 2	9	16.0	16.0
2 - 5	28	49.0	65.0
6 - 10	10	17.5	82.5
Over 10	10	17.5	100
Total	57	100	100%

The findings showed that 49.0% of the respondents have worked in the SMEs for 2 to 5 years. 17.5% have worked in the organization for 6 to 10 years, and 17.5% have worked over 10 years while 16.0% said that they have worked for less than two years.

4.2.4 Duration of SME existence

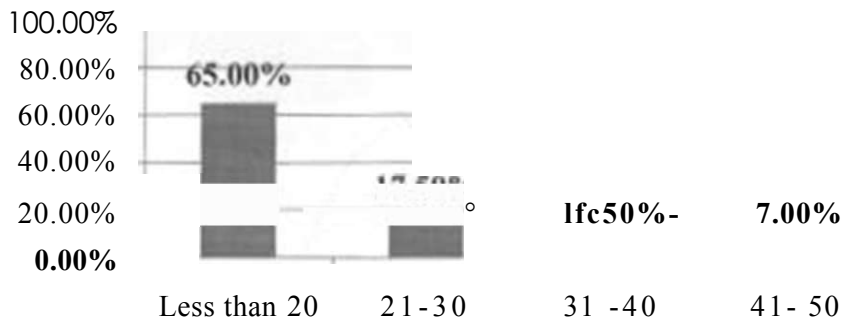
Table 4.3: Duration of SME existence

Years	Frequency	Percent	Cumulative Percent
Under 5	18	32.0	32.0
6 - 10	20	35.0	67.0
11 - 15	7	12.0	79.0
21 - 25	8	14.0	93.0
Over 25	4	7.0	100.0
Total	57	100.0	100%

The findings showed that 35% of the SME* have been in existence for 6 to 10 years. 32% under five years. 14% between 21 to 25 years. 12% between 11 to 15 years while 7% over 25 years.

4.2.5 Number of employees in SME

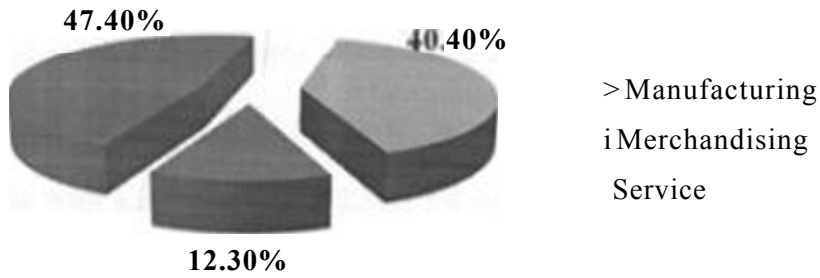
Figure 4.2: Number of employees in SME!



The finding showed that 65% have less than 20 employees. 17.5% had 21 to 30 employees, and 10.5% had 31 to 40 employees while 7% had 41 to 50 employees. These results indicate that majority of the SMLs had less than 20 employees and this can be attributed to the duration in which the SMLs have been in operation.

4.2.5 Type of business

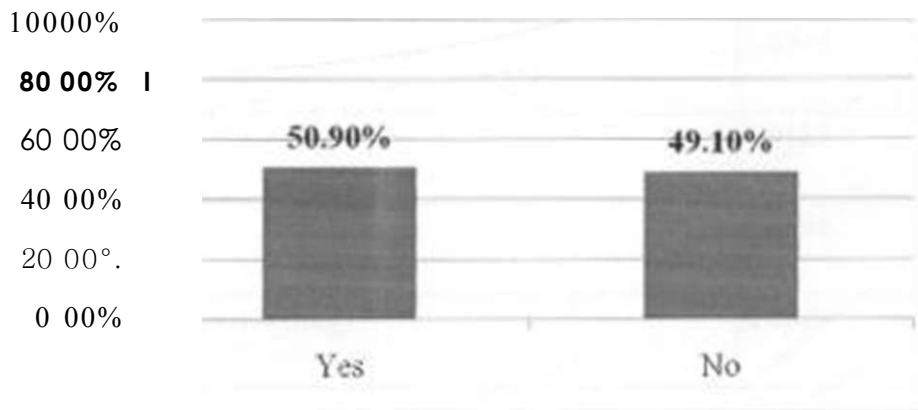
Figure 43: Type of business



The findings indicated that 47.4% of the respondents engage in merchandising, 40.4% in service while 12.3% in manufacturing sector.

4.3.2 Existence of documented marketing strategy

Figure 4.4: Existence of documented marketing strategy



Documented marketing strategy is 50.9% while 49.1% indicated that they do not have a marketing strategy.

4.3.3 Marketing mix strategies

The respondents were requested to indicate the marketing mix strategies which were used by the SMEs to attract and retain customers in a five point Likert scale. The range was 'very low extent (1)* to 'very great extent' (5). The scores of very low extent have been taken to represent a variable which had mean score of 0 to 2.5 on the continuous likert scale; ($0 < S.L. < 2.4$). The scores of 'moderate extent' have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous likert scale: ($2.5 < M.If. < 3.4$) and the score of great extent and very great extent have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous likert scale; ($3.5 < L.li. < 5.0$). A standard deviation of >1.0 implies a significant difference on the impact of the variable among respondents. The results are presented in table 4.4 below.

Table 4.4: Marketing mix strategies

Marketing mix strategies	Mean	Std. Deviation
Product	4.1053	.8384
Price	3.8246	.9842
Place	3.9123	1.0902
Promotion	3.8794	1.0198
Persuasion (personal selling)	3.5439	1.0867

The table summarizes mean scores and standard deviation results indicate that the SMEs uses product (mean 4.1053), place (mean 3.9123), promotion (mean 3.8794) price (mean 3.8246) and persuasion (mean 3.5439) to attract and retain customers. The low variation

of standard deviation indicates that the respondents were unanimous on the usage of the strategies by the SMF.s.

4.2.6 Strategies applied

The respondents were requested to indicate the strategies applied in order to market goods and services in a five point Likert scale. The range was 'very low extent (1)' to 'very great extent' (5). The scores of very low extent have been taken to represent a variable which had mean score of 0 to 2.5 on the continuous likert scale: (0 < S.F. < 2.4). The scores of 'moderate extent' have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous likert scale: (2.5 < M.E. < 3.4) and the score of great extent and very great extent have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous likert scale; (3.5 < L.E. < 5.0). A standard deviation of >1.1 implies a significant difference on the impact of the variable among respondents.

Table 4.5: Strategic* applied

Strategies applied	Mean	Std. Deviation
Defender- holders of highest market share	2.2421	1.1920
Prospector-market opportunities and creators of change	3.85%	.7662
Analyzer- read the market and adopt promising ideas	3.9825	.8126
Reactor focusing on intended rate of product market change	3.6316	.9934

The results on the strategies applied in order to market goods and services was reading the market and adopting promising ideas (mean 3.9825). searching for market opportunities and creators of change (mean 3.85%) and the changes in the market that need to improve (mean 3.6316). The defense of highest market (mean 2.2421) was used by the SMEs to a low extent.

4.2.7 Marketing strategies

The respondents were requested to indicate the extent to which their SMEs use the marketing strategies.

Table 4.6: Marketing strategies

Marketing strategies	Mean	Std. Deviation
Market penetration strategy-	3.9123	.8080
Product development strategy-	3.8070	.7425
Market development strategy	3.9612	.7176
Diversification strategy	3.9474	.8948
Differentiation	3.9649	.8010
Cost leadership	3.8104	.8114
Focus strategy	3.0877	1.2575

Differentiation strategy (mean 3.949), market development (mean 3.9612), diversification strategy (mean 3.9474), market penetration strategy (mean 3.9123), cost leadership strategy (mean 3.8104) and product development strategy (mean 3.8070). Focus strategy (mean 3.0877) was used by the SMEs to a moderate extent.

4.2.7 Strategies used to market products

Table 4.7: Strategies used to market products

Strategies used to market products	Mean	Std. Deviation
Market segmentation	3.6667	1.04083
Understanding customer expectation	4.3158	.53977
Service positioning	3.8909	.73718
Relationship marketing	3.7193	.79629
Setting and measuring goods and service standards	4.0702	.67770
Human resource strategy	3.4561	1.00125
Successful communication strategy	3.9474	.85400
Competent employees	4.1754	.80451
Technology driven goods and services	4.0526	.91459
Quality goods and services always	4.5614	.53511
Standards observed fully	4.2456	.60594

Quality goods and services always (mean 4.5614). understanding customer expectation (4.3158). standards observed fully (mean 4.2456). competent employees (mean 4.1754). setting and measuring goods and service standards (mean 4.0702). technology driven goods and services (mean 4.0526). successful communication strategy (mean 3.9474). service positioning (mean 3.8909). relationship marketing (3.7193), market segmentation (mean 3.6667) and human resource strategy (mean 3.4561). The use of the various strategies by the SMLis to market their products will ensure that they diversify their strategic perspective in order to maximize their sales.

4.2.8 Marketing position strategies

Table 4.8: Marketing positioning

Marketing position strategies	Mean	Std. Deviation
Positioning on specific product features	3.7193	.70088
Positioning on benefits	3.8596	.83321
Positioning for a specific use	2.8561	1.11915
Positioning for user category	2.9035	.92311
Positioning against another product or a competing business	3.5772	.94624
Product class disassociation	3.4895	.90113
1 hybrid bases	3.9316	.91869

Use of hybrid bases (mean 3.9316). positioning on benefits (mean 3.8596). positioning on specific product features (mean 3.7193). a competing business (mean 3.5772). and

product class disassociation (mean 3.4895). Positioning for a specific use (mean 2.8561) and positioning for user category- (mean 2.9035) was used by the SMEs to a moderate extent. The results indicate that the SMEs use position strategy to market its products.

4.2.9 Pricing strategies

Table 4.9: Pricing strategies

Pricing strategics	Mean	Std. Deviation
Price skimming	2.1947	.9943
Penetration pricing	3.7474	.6386
buying a market position	3.1754	1.2265
Loss leader	3.5263	1.0539
Multiple unit pricing	4.2807	.7501
Suggested retail pricing	3.7544	.85106
Discount pricing	4.0175	1.0435
Full-cost pricing	3.6579	.5602
Keystone pricing	3.3158	1.1363
Price lining	3.6140	.9014
Competitive advantage	4.1228	.8466
Pre-season pricing	4.0877	.9502

Multiple unit pricing (mean 4.2807). competitive advantage (mean 4.1228). pre-season pricing (mean 4.0877). discount pricing (mean 4.0175). suggested retail pricing (mean

3.7544). penetration pricing (3.7474). full cost pricing (mean 3.6579). price lining (mean 3.6140). and loss leader (mean 3.5263). On the other hand the respondents used keystone pricing (mean 3.3158) and buying a market position (mean 3.1754) to a moderate extent while price skimming (mean 3.1754) was used by the SMLs to a low extent.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The objective of the research conducted was to establish the marketing strategies adopted by Small and Medium sized enterprises in the Nairobi Central Business district. This chapter will present a summary of our findings from the research, conclusions and recommendations and a discussion of the same.

5.2 Summary of findings

The study intended to reach respondents have worked in the SMEs for a duration that was sufficient for them to understand the marketing strategies which was being used. Majority of the respondents were aged between thirty one to forty years with varying work durations with a majority having worked for duration of less than ten years; this matches the duration in which majority of the SMEs have been in existence. The respondents reached were therefore conversant with the marketing strategies employed in the SMEs.

A majority of the SMEs had less than twenty employees although the number of employees ranged from less than twenty to fifty. This could be attributed to the SMEs being in existence for a short duration of time and thus the business they engage in has not picked hence reason they operated with a small number of employees.

The study sought to understand the marketing strategies employed by SMEs in the Nairobi Central Business District. It was realized that SMEs engage in different businesses and these differences result in some of them targeting specific markets. A majority of the SMEs studied did not target specific market however. The study established that the some

of the SMFs have a documented marketing strategy while others do not have and these can be attributed to the duration in which the SMEs have been in existence and their size, [The marketing mix strategies which are used by the SMEs were found to be product, place, promotion, price and persuasion (personal selling). The marketing instruments product, place, price and promotion build together a kind of alliance. They belong together: every product has a price, needs promotion to be known and a place to be used. Good coordinated processes increase the workflow and the image of the library as a fast information deliverer. The study found out that reading the market and adopting promising ideas, searching for market opportunities and creators of change and the changes in the market that need to improve, differentiation strategy, market development, diversification strategy, market penetration strategy, cost leadership strategy and product development strategy was used by the SMEs to market their goods and services.

The study found out that the SMEs use quality goods and services always, understanding customer expectation, standards observed fully, competent employees, setting and measuring goods and service standards, technology driven goods and services, successful communication strategy, service positioning, relationship marketing, market segmentation and human resource strategy to market their products while at the same time they indicated that they use the market positioning which involves hybrid bases, positioning on benefits, positioning on specific product features, positioning against another product or a competing business, and product class disassociation to a large extent while positioning for a specific use and positioning for user category was used by the SMFs to a moderate extent.

The findings showed that the pricing strategies which were used by the SMEs to a large extent involved multiple unit pricing, competitive advantage, pre-season pricing, discount pricing, suggested retail pricing, penetration pricing, full cost pricing, price lining, and loss leader. Keystone pricing and buying a market position was on the other hand used to a moderate extent. The adoption of different pricing strategies by the SMEs was to take into consideration the diverse customer's needs.

5.3 Conclusion

A marketing strategy should be centered on the key concept that customer satisfaction is the main goal. It is the most effective when it is an integral component of overall firm strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena. The study found out that the SMEs adopt different marketing strategies and these depend always on the organization's goals to be achieved. The success of the SME does not depend on the marketing strategy adopted alone but rather the marketing steps which have been planned very carefully. Hence, SMEs that keep themselves busy with developing marketing strategies have to understand, that they have to improve their internal workflow and the knowledge of their staff in order to be successful.

It's a very complex and difficult task for SMEs to understand buying behavior of the consumers. Only so, firms will have a perspective that will help them to develop products and marketing programs that will satisfy customers' needs and wants in a better way. The SMEs should never forget that the recipients of their actions, and the final decision makers, are customers. Different marketing strategies have been put in place by the

SMEs to help in marketing their goods and services; these are pricing and positioning strategies which have been used to enhance customer perception.

5.4 Recommendations

The study showed that marketing strategy mix consists of four elements: product, price, distribution and promotion. Different kinds of firms use different strategy depending on its marketing resources. For small and medium-sized enterprises, it is recommended that it is not wise to market high valued products, having low price, direct selling channel and advertise heavily. It is more effective to have product differentiation and classification, set quality-valued price, use intermediary for distribution and word of mouth for promotion.

The study found out that the SMEs uses a variety of positioning strategies and pricing strategies to market their products and it is recommended that the SMEs should adopt the strategies which ensures that they maximize their sales and increases their profit so that they do not incur high costs in the formulation and adaptation of strategies which may not result to increased revenue.

5.5 Recommendations for further research

The study confined itself to the Small and Medium Sized enterprises operating in Nairobi Central Business District. This research therefore should be replicated with emphasis on the SMEs conducting specific business line to determine the marketing strategies they adopt and establish whether there is a relationship between the business being undertaken and the marketing strategies being used.

5.6 Limitation of the study

- 1) The major limitation was financial and time resources. This compelled the researcher to narrow down the scope of the study to Nairobi area only.
- 2) Some respondents did not fill the questionnaires. This reduced the response rate to 78%
- 3) The study was limited to Nairobi CBD. other areas outside Nairobi were left out therefore the results may be difficult to generalize.
- 4) Some respondents required to be guided on what on what they referred as technical marketing terms.

It can be said, however, that the execution of this study was done with a lot of care so as to minimize limitations.

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APPENDICES

Appendix I: Introduction letter

COVER LETTER

Margaret J. Rugut

School of Business. University of Nairobi

P.O BOX 30197. Nairobi

August. 2012

Dear Respondent.

I am a postgraduate student at the University of Nairobi. School of Business. I am carrying out research on "Marketing Strategies Adopted by Small and Medium Sized Enterprises in the Nairobi Central Business District". This is in partial fulfillment of the requirement for the degree of Masters in Business Administration (Human Resource Management) Degree program at the University of Nairobi.

This study uses the CBD as a case study. The success of this research substantially depends on your help and co-operation.

I hereby request you to respond to the questionnaire as honestly *as possible* and the best of your knowledge. The information provided will exclusively be treated with utmost confidence: neither your name nor any other details shall appear in my report.

Thank you in advance.

Yours sincerely,

Margaret J. Rugut
(Student)

Catherine Ngahu
(Supervisor)

Appendix II : Questionnaire

Please give answers in the spaces provided and tick (V) the box that matches your response to the questions where applicable.

SECTION ONE: Person and Organisation profile

1) Name of SME:___

2. What is your designation at the organization

3. Gender: male () Female ()

4. What is your age bracket? (Tick as applicable)

a) Under 20 years ()

b) 21 - 30 years ()

c) 31 - 40 years ()

d) 41 - 50 years ()

e) Over 50 years ()

5. Length of continuous service with the organization?

a) Less than two years ()

b) 2-5 years ()

c) 6-10 years ()

d) Over 10 years ()

6. For how long has your SMI- been in existence?

a) Under 5 years ()

b) 6 - 10 years ()

c) 11 - 15 years ()

d) 16 - 20 years ()

e) 21 - 25 years ()

f) Over 25 years ()

7. How many employees does your organization currently have?

a) Less than 20 ()

b) 21 - 30 ()

c) 31 - 40 ()

d) 41 - 50 ()

e) Over 50 ()

8. Do you have any other branch? Yes () No ()

If yes, please give the actual number

Section B: Marketing Strategies

1. What type of business is your organization in?

Manufacturing ()

Merchandising ()

Service ()

2. Does your organization target a specific market?

Yes ()

No ()

3. If the answer to the above question is yes, what market segments do you serve?

Age ()

Sex ()

Income level ()

Life-style characteristics of each market segment ()

4. Does your firm have a documented marketing strategy?

Yes () No ()

5. Has your firm changed its marketing strategy over the last three years?

Yes () No ()

6. To what extent does your organization uses the following marketing mix strategies to attract and keep customers? Use 1- Very low extent, 2-Low extent. 3-Moderate extent. 4- Great extent. 5- Very great extent.

	1	2	3	4	5
Product-physical, service, and symbolic attributes designed to enhance buyers' want satisfaction					
Price-price charged for the product					
Place- concerned with thinking about where and how to deliver services.					
Promotion-techniques used to create a positive image of a seller's product in the minds of potential buyers					
Persuasion (personal selling)					

7. To what extent does your organization applies the following strategies in order to market its goods and services? Use 1- Very low extent. 2-Low extent. 3-Moderate extent, 4- Great extent. 5- Very great extent.

	1	2	3	4	5
Defender- holders of highest market share					
Prospector continually search for market opportunities and creators of change					
Analyzer read the market watch competitors closely in various segments and rapidly adopt promising ideas					
Reactor focusing on intended rate of product market change- perceive changes in the market but need to improve response to it					

8. To what extent does your organisation uses the following marketing strategies? Use
 1- Very low extent. 2-Low extent. 3-Moderate extent. 4- Great extent. 5- Very great
 extent.

	1	2	3	4	5
Market penetration strategy- represents a decision to achieve corporate growth objectives with existing products within existing markets.					
Product development strategy- A new product or service will be developed and established on a current market.					
Market development strategy- the firm offers service&'products will be on new markets.					
Diversification strategy-oflcring new serviccs/products on a new market					

9. To what extent does your organization uses the following marketing strategies? Use
 I- Very low extent. 2-Low extent. 3-Moderate extent. 4- Great extent. 5- Very great
 extent.

	I	2	3	4	5
Differentiation- firm behave much the same way, but for different reasons and their competitive advantage lies in the brand and/or the product, but -they seek to cover greater parts of the market					
Cost Icadershhip-the firm has achieved scale advantages, and it is assumed that it will seek to capitalize on these advantages in broader markets, adopting a relatively aggressive stance to marketing its products					
Focus strategy-the firm has concentrated on a narrow segment of the market seeking to serve this segment better than its larger competitors					

10. To what extent does your organization uses the following strategies to market its products? Use 1- Very low extent. 2-Low extent. 3-Moderate extent. 4- Great extent. 5- Very great extent.

	1	2	3	4	5
Market Segmentation-					
Understanding Customer Expectation					
Service Positioning					
Relationship Marketing					
Setting and Measuring goods and Service Standards					
Human Resource Strategy					
Successful Communication Strategy					
Competent employees					
Technology driven goods and services					
Quality goods and services always					
Standards observed fully					

11. Does the marketing program for your organization is timed, designed and written to solve a problem for potential customers and is carried out in a way that the customer understands and trusts?

Yes ()

No ()

12. To what extent does your organization uses the following market positioning in marketing of its goods and services? Use 1- Very low extent. 2-Low extent. 3- Moderate extent. 4- Great extent. 5- Very great extent.

	1	2	3	4	5
Positioning on specific product features- the firms' product or service has some unique features that have obvious value					
Positioning on benefits- customers can be made to understand why the product will benefit them					
Positioning for a specific use- customers are taught how to use the product or use of promotional medium that allows a demonstration					
Positioning for user category- showing the product being used by models with whom customers can identify with					
Positioning against another product or a competing business-gaining stature by comparing the organization to a larger competitor just as long as our customers remain convinced that the organization is trying harder					
Product class disassociation- introducing a new product that differs from traditional products					
Hybrid bases- Incorporates elements from several types of positioning and is particularly true in area where there aren't enough customers in any segment to justify the expense of separate marketing approaches					

13. To what extent does your organization uses the following pricing strategies in order to achieve its goods and services growth? Use 1- Very low extent. 2-Low extent. 3- Moderate extent. 4- Great extent. 5- Very great extent

	1	2	3	4	5
Price Skimming- the practice of charging high prices for the purpose of maximizing profit in the short run					
Penetration Pricing- introducing a product at such a low price that will quickly gain a large share of the market in order to discourage competition					
Buying a Market Position- buying the way into the market with free samples or heavy coupons					
Loss leader- promoting a few items at a sizable reduction to attract customers. The idea is that the increased traffic will result in greater sales of your regular-priced merchandise					
Multiple Unit Pricing- offering a meaningful discount for larger purchases					
Suggested Retail Pricing- selling at prices set by suppliers					
Discount Pricing-offering lower prices as the firm depend on the efficiency of greater volume to cover operating costs, they must maintain, or at least promote, good prices.					
Full-cost Pricing- the price is calculated by adding the costs of the product or service plus a flat fee or percentage as the margin of profit					

Keystone Pricing- the practice of setting the retail price at double the cost figure, or a 100 percent markup				
Price Lining- stocking merchandise in several different price ranges as people buy products with different uses in mind and with different expectations for quality and length of useful life				
Competitive Advantage- copying or following the prices set by competitors				
Pre-season Pricing- offer price discounts or dated billing as incentives to buy early				

LIST OF SME s IN CENTRAL BUSINESS DISTRICT

I NEKY ASSOCIATES LTD

2. RETAIL OF READY MADE GARMENTS
3. ISLAMIC BOOKS
4. EAGLE BEAUTY BOUTIQUE
5. BITIKA FASHIONS
6. NAIROBI VELOCITY ENTERPRISE
7. JONAM ENTERPRISES
8. MISS AFRICA LTD
9. JOSNAC ENTERPRISES
10. SUN ACE ELECTRONICS TRADING
11. KEIZI SMALL WORLD
- 12. WANJA & BROTHERS**
13. SALAMA SHOE TRADERS LTD
14. SEDA CLOTHING
15. SPECIAL TOUCH SALON
16. TARIZI DESIGNS
17. MWAKIBOSA INVESTMENTS
18. GETRUDE MBONE TAILORING
19. SAF. ENTERPRISES
20. JIM'S TECHNICAL SERVICES
21. SUPERS'TYLE DRESSMAKING

22. SUNGURA MATTRESSES ENTERPRISES
23. CATRUS ENTERPRISES
24. KYAWANOO PROVISION STORE
25. VENUS METAL (AFRICA) LTD
26. RAVS FASHION LTD
27. GOLDEN GATE BAR
28. MUKIJRE TRADING CO. LTD
29. LOTUS CAFE
30. CAR DEALERS (1969) LTD
31. ZAIIRA LODGE RESTAURANT
32. UNIVERSAL INSURANCE LTD
33. RUZAMIN GRAPHICS
34. OVERSEA COURIER SERVICES (K) LTD
35. WEAVERBIRD CREDIT LIMITED
36. POLE POLE ENTERPRISES LTD
37. SALUTE HOLDINGS LTD
38. CHANCERY WRIGHT INSURANCE
39. RAYDOLL TOUR TRAVEL
40. BUNNY SNACKS
41. BETTY STORES
42. PROTEA MARKETING SERVICES LTD

43. BRIDGE INSURANCE BRKERS LID
- 44 VESTORS LOSS ASSESSORS
- 45 PLRMAR COMPANY
- 46 ORCHARD FRUIT JUICE
47. MONSU SUPPLIES
48. NO LIMIT ENTERPISES
49. NJEKAGI HAWKERS BAZAAR
50. KERI FASHION
51. NAIVANDI FASHIONS
52. DANIS MINI SHOP
53. VIRAJ ENTERPRISES
54. CLASSIC BOIJTIOUE HANDBAGS
55. DICKSTAR INVESTMENT
56. DYSAN STATIONERS
57. MIRROR FASHIONS
58. MICHAEL ARISTIDI RIMOY
59. WONDERLAND GIFT SHOP
60. MUGO BOUTIQUE
- 61.KENCY BEA1UU SHOP
62. ACiRIMODE LIMITED
63. ASTER LTD

64. CENTRIFUGAL TECHNOLOGIES
65. CYAN OFFICE SUPPLIES
66. KF.7.A ENTERPRISES
67. MECK AGENCIES
68. MILLENIA VEVE STORES
69. SIGNAL HERBAL MEDICINE
70. MEDIA SUPPORT SERVICES
71. DAGORETTI PLUMBERS & GENERAL CONTRACTORS
72. FFYISSA IN FASHION
73. LAST MINUTE SERVICES