

**STRATEGIC MARKETING PRACTICES AND PERFORMANCE OF FIRMS IN THE
BEAUTY AND COSMETICS INDUSTRY IN NAIROBI, KENYA**

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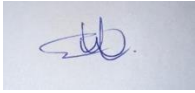
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DECLARATION


This research project is my own initial effort and work; it has not been used and submitted in any other campus or college for publications.

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This research project has been approved with my permission as the university student mentor and supervisor.

Signature.......... Date: ... 23.11.2023.

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DEDICATION

I dedicate this project to my family and friends. Special gratitude to parents who believed in my dreams from childhood and have been my constant source of inspiration. Also, my husband who has been my support and source of encouragement throughout the program.

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I acknowledge my family, friends and lecturers for the support in this project.

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ABSTRACT

This study investigates the influence of strategic marketing practices on the performance of beauty and cosmetics firms in Nairobi, Kenya. The beauty and cosmetics industry in Nairobi has been experiencing rapid growth, making it imperative to understand the role of marketing strategies in enhancing firm performance. The study was anchored on resource-based view and social capital theory. Using stratified sampling, data was collected from 264 beauty and cosmetics firms within the industry through structured surveys and analyzed using descriptive statistics and regression models. The findings reveal a strong positive relationship between strategic marketing practices and firm performance at a R-square value of 0.819 suggests that approximately 81.9% of firm success is due to strategic marketing activities. Specifically, personal selling had a standardized beta coefficient of 0.181 and significance of $p= 0.011$ which is less than 0.05 indicating that personal selling has a significant influence on performance of the firms. The standardized beta coefficient for Online Sales and Branding was 0.034 and significance of $p=0.016$ which is less than 0.05 indicating significant influence on performance of the firms. The standardized beta coefficient for marketing and promotions was 0.066 and significance of $p= 0.034$ which is less than 0.05 suggesting that an increase in marketing and promotions efforts is associated with increase in the expected performance. The standardized beta coefficient for digital marketing and innovation was 0.188 and significance of $p= 0.016$ which is less than 0.05 indicating positive influence on firm's performance. Conclusively, digital marketing innovations was the most significant marketing strategy adopted. Firms that embraced digital marketing innovations and personal selling tended to outperform their counterparts. Online sales and branding, while important, showed a relatively weaker association with performance. Marketing and promotions were found to be critical in enhancing performance, albeit with some variations in emphasis on specific practices within the sector. The study highlights the need for beauty and cosmetics firms in Nairobi to prioritize strategic marketing practices to remain competitive and achieve sustained growth. Recommendations include a greater emphasis on personal selling and digital marketing innovations, as well as streamlining and enhancing marketing and promotional efforts. Policymakers and industry stakeholders should consider fostering an environment conducive to marketing innovation and providing support for training and development in these areas. Despite its limitations, this research contributes to the understanding of marketing's pivotal role in the success of beauty and cosmetics firms in Nairobi, offering valuable insights for practitioners, policymakers and future researchers.

CHAPTER ONE: INTRODUCTION

1.1 Background of Study

Marketing is one of the most critical divisions in any company. The marketing programs are what attract and position the company in the market, especially due to adoption of various strategic marketing practices. These practices help companies to identify and meet the needs of their customers, differentiate themselves from competitors, and establish long-term relationships with their customers. Tessaro (2020) argued that the strategic marketing practices helps firms to gain high performance and competitive advantage since they help companies to differentiate themselves from their competitors by creating unique value propositions and communicating them effectively to their target audience. According to Vignoli (2018), strategic marketing practices help firm to gain high customer focus and increased sales. This is possible through developing effective pricing strategies, creating compelling marketing campaigns, and identifying new market opportunities. Analysis by Nikitina (2021) also indicated that strategic marketing practices are essential for firm performance because they help companies to differentiate themselves from their competitors, as well as focus on their customers, increase sales, build strong brands, and drive innovation. Marketers have various tools at their disposal, such as the 4Ps of marketing and mega-marketing, to influence mutually-beneficial transactions and relationships (Genu, 2019). Marketing is an essential function that assists organizations in meeting their business challenges and achieving their goals.

This inquiry is based on RBV which is resource-based view and social capital theory. RBV suggests that companies need non-imitable, rare, and unique resources to achieve high

performance. On the other hand, social capital theory is based on the view that relationship is built through the use of social powers and human value. People use beauty products to increase their social capital power.

In Kenya, there is increasing use of beauty and cosmetics among men and women. Many consumers in Kenya are becoming health conscious and adoption of beauty products is thriving. The Beauty and Cosmetics Industry encompasses skincare, fragrances, cosmetics and personal care. Kenya's beauty and cosmetics sector is thriving due to the importance of strategic marketing adopted in promoting the products. Beauty and Cosmetics products and services are available in all major malls and shopping centers in Kenya. The expansion of Beauty and Cosmetics sector has led to increase employment opportunities on Kenya.

1. 1.1 Strategic Marketing Practices

Since the 1980s, marketing strategy has been a key subject of academic research, with various definitions proposed in literature (Madhavaram, 2022). Vollrath & Villegas (2022) define strategic marketing practices as the process of adjusting marketing mix-elements to environmental factors in order to accomplish organizational objectives. This practice arises from the interaction between the environmental factors and marketing mix elements (Li et al., 2000).

Strategic marketing practices aim to determine how firms manage their customers in the business market and this is imperative for long term success. Lavie (2006) stated that the development of a marketing strategy is crucial in building, establishing, defending, and maintaining a firm's competitive advantage. The goal of strategic marketing practices is to achieve high performance by making decisions on various variables that influence mutually-beneficial transactions and relationships. Marketers have access to different tools, such as the 4Ps of marketing and mega-

marketing, to accomplish their objectives. Although marketing may seem straightforward, it is challenging to implement (Kotler, 1999). As an essential function, marketing helps organizations overcome business challenges and reach their goals. Some of the strategic marketing practices include place promotion, use of price strategy as well as the use of sales promotion and product strategies.

1.1.2 Organizational Performance

Organizational performance is associated with the ability to efficiently and effectively utilize its resources to achieve its objectives (Bao & Bardhan, 2022). Organizational objectives can differ depending on their purpose. Although traditional accounting methods such as sales growth, profitability, and stakeholder satisfaction have been extensively used to assess performance, previous research has largely focused on financial indicators and medium-sized firms.

Islam, French, and Ali (2022) state that financial or non-financial performance measures, including return on investment/equity, profits, and sales revenue, which are commonly used to evaluate performance. These measures can further be categorized into firm value, capital and other return variables (Covin, 1991). However, researchers have recognized the limitations of using financial measures alone, prompting the recommendation to include other measures such as reinvestment, shares per capital, profits, number of employees, and yearly sales, to assess performance. Subjective performance indicators involve the personal judgment and opinions of the organization's stakeholders.

Common performance metrics include customer satisfaction, loyalty, efficiency, and perceived quality. Bao & Bardhan (2022) indicates that perceived quality is the customer's view of a product's ability to meet their expectations compared to similar products. In the company, efficiency refers

to using minimal resources to produce a product, including energy conservation and environmental impact reduction. Moreover, loyalty or customer satisfaction entail choosing the company over competitors, repeat purchases, and positive attitudes towards a company's products. Performance measures may encompass customer satisfaction, market value and campaign results (Nguyen et al., 2022). These metrics enable researchers to assess marketing's performance in an organization.

1.1.3 Beauty and Cosmetics Industry Kenya

This sector is a rapidly expanding sector in Kenya, attracting significant investment through the acquisition of successful enterprises and new lines of business. According to News Africa (2022), the industry is growing quickly due to regional integration and economic restructuring measures implemented by the Kenyan government. Additionally, Nairobi, the capital city, has a growing middle class that desires new luxury goods and consumer products.

Abraham et al. (2022) note that cosmetics are essential in enhancing natural beauty and physical characteristics, with men now also using these products in increasing numbers. Both genders are increasingly integrating cosmetics such as deodorants and fragrances into their daily routines. This trend has led to significant growth in the cosmetics market globally, and also in Kenya. Several factors have contributed to this growth, such as a skilled workforce, expanding middle class, and population increase (Nguyen et al., 2022). Furthermore, Kenya's reputation as the East African market's sales and distribution hub is imperative.

The Beauty and Cosmetics Industry in Kenya is experiencing significant growth due to changes in individual lifestyles. Abraham et al. (2022) posits that consumers are increasingly conscious of the role of cosmetics in enhancing their personality and appearance, leading to a surge in demand for these products. This trend has resulted in a thriving market where individuals, both women and

men, invest in smelling and looking good. Kenya's well-developed infrastructure and strong private sector have contributed to its regional expansion, attracting multinational companies to enter the market. There are several established Beauty and cosmetics brands such as Ombia (Austria), Bath & Body Work, Black Opal, Sleek, Petal Fresh, Freeman, Mary Kay, Simple, Flori Roberts and Victoria's Secret that are popular in Kenya. The market also includes cover and hair care companies such as L'Oreal, Babyliss, Lady Rainbow, Avalon Organics, Ceriotti, Grape and Eve among many others.

Kenya is ranked third in the usage of personal care cosmetic products in sub-Saharan Africa after Nigeria and South Africa. The market is predicted to have a gradual growth in volume and increasing competition among both international and local players, along with an expansion of product offerings to cater to different consumer groups in the next five years. Nairobi, the capital city of Kenya, is highly advanced in the beauty and cosmetics industry.

1.2 Research Problem

In today's rapidly changing business landscape, strategic marketing cannot be ignored by any forward-thinking organization (Abubakar, 2014). This is because strategic marketing allows a firm to provide satisfaction to customers and improve firm performance. Jamieson (2011) found that effective marketing practices enhance organizational performance, indicating that strategic marketing is a critical driver rather than a result of strong performance. Rashidi-Sabet and Madhavaram (2022) also highlight strategic marketing as a significant driver of high performance in companies.

To thrive in the increasingly competitive and professional beauty and cosmetics industry in Kenya, it is crucial to utilize all available marketing resources and practices to adapt to the ever-changing

business environment. Many firms in the beauty and cosmetics industry are adopting strategic marketing in their major operations with the aim of improving their performance and success. However, the adoption of the right marketing strategy and practices has been a problem. This calls for a study to evaluate how strategic marketing can influence the success of firms under the beauty and cosmetics industry in Kenya.

The linkage on marketing and firm performance is evident in almost all sectors based on past reviews. Ismail (2018) investigated the relationship between strategic marketing practices and performance in the beauty and cosmetics industry, using Fenty Beauty and Huda Beauty as case studies. The study revealed that social media and the use of social influencers are becoming popular marketing strategies in the industry, particularly for reaching certain demographics. This approach could bridge the gap between cosmetic brands and consumers, generating demand for beauty products. The study conclude that social media has led to the high growth of the industry. However, this study only focuses on social media marketing and Celebrity Cosmetics Industry leaving a conceptual gap. This study was also done in the United States of America and not Kenya.

Mihailovic, Vescovi, and Pontiggia (2017) conducted a cross-sectional study on the Beauty Ideal in Chinese Luxury Cosmetics and how Western companies adapted to it. The study found that the standardization strategies commonly used in international markets were effective in China, but cultural differences forced the companies to shift from replication to adaptation. Therefore, the study emphasizes the need to consider cultural differences when entering new markets and being flexible in marketing strategies. The study concluded that beauty industry is sensitive to culture. However, this study was done in China and only focus on adaptation practices.

In Nigeria, Vijaya (2019) conducted a comparative study on the skin whitening industry using a case of India and Nigeria as he examines the economics of colorism. The study revealed that new economic forces have contributed to the growth of this industry in both countries, and there is potential for mobilizing against it. The author evaluated various strategies to resist this expansion, including discussions of color and public health campaigns. However, the study suggests that effective and sustained opposition to the industry must move beyond localized efforts and explicitly address its global complicity in perpetuating colorism. However, this study was done in Nigeria and India and used comparative study design, thus leaving a conceptual gap.

Thakur (2017) conducted a study on the cost and benefits of marketing best practices in the applied cosmetics industry in Kenya. The study utilized a descriptive research design and found that the most commonly used marketing strategies in the industry were sales force strategy, product placement, celebrity marketing, and mass media advertising. The study also revealed that mass media advertising was the most beneficial marketing strategy, with 81% of respondents strongly agreeing that it encourages consumers to adopt a product, builds trust and customer loyalty, and helps tap into new markets. The study supported the need for using effective sales model to achieve firm goals. However, this study was done in late 2017 and it only focus on costs analysis of the market, thus leaving a conceptual gap.

From the review and analysis of the past studies, it is evident that many study findings have confirmed mixed outcomes on the effects of strategic marketing practices on performance of beauty industry. There are also few studies done on the topic in Kenya as many studies focus on western literature leaving a contextual gap. In addition, studies that have been done focus on comparative and case study design rather than cross-sectional design leaving a methodological gap. This study sought to close this gap by analyzing the impact of strategic marketing tactics on

the performance of Nairobi's beauty sector. The study question was: What impact do strategic marketing strategies have on the success of beauty and cosmetics businesses in Nairobi, Kenya?

1.3 Study objective

This study objective was to establish the influence of strategic marketing practices on the performance of beauty and cosmetics firms in Nairobi, Kenya.

1.4 Value of the Study

Several stakeholders will gain and benefit from this study. Some of the key stakeholders that will gain from this study include government agencies, top management within the beauty industry and policy makers as well as future scholars. They will understand how strategic marketing practices affect the performance in organizations. This means that top management of companies will learn some of the best strategic marketing practices from this study. This will help promote their performance.

The study findings are important for the formulation of effective policies related to strategic marketing practices and performance management in Kenya, and should not be ignored by government and other institutions involved in the beauty industry. The insights gained from this study can assist government agencies in Kenya to promote the development of policies that deal with strategic marketing practices and firm performance in the country.

The study will also benefit future scholars since they will use it as a reference point. The findings from this research are vital since scholars and researchers can learn how strategic marketing practices affect performance of firms. As such, they will use it to get more insights on theoretical background and empirical review associated with the topic of the study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The study explored a number of previous but relevant studies, focusing mainly on available information related to the topic of the study. This chapter covers the theoretical background, discussion of the theories and concepts of the study and how they relate. The chapter also delves on empirical review and knowledge gaps.

2.2 Theoretical Foundation

The study was based on the RBV as well as the Social Capital Theory. These theories define and help shed light on the relationship strategic marketing and performance of firms.

2.2.1 Resource-Based Theory

The RBV theory, introduced by Wernerfelt (1984), proposes that delivering superior value to customers through innovative means is a key factor for achieving competitiveness. To develop a sustained competitive advantage, firms must strategically identify and utilize their resources, as highlighted in the literature by Barney (1991). RBV has become a popular theoretical perspective in strategic management research, particularly in explaining persistent inter-firm performance differences (Barney & Griffin, 1992). The theory suggests that firms possess unique value and assets will experience quick and easy access to performance value.

The RBV theory suggests that a firm's resources, including tangible and intangible assets that are owned or controlled, and capabilities, which involve exploiting and combining resources through organizational routines, are crucial for achieving objectives (Amabile et al, 1996). Internal and external resources both affect a firm's operations thereby impacting the success of the firm

(Wernerfelt, 1984). Hunt & Morgan (1995) indicates that based on the RBV theory a firm's performance and competitive advantage depend on historically developed resource endowments, thus marketing-focused firms should build on resources that contribute to producing non-substitutable, imperfectly imitable, rare, and valuable market offerings in an effective or efficient manner.

This enhance firm performance. The knowledge possessed by employees is often difficult to replicate and can provide a significant advantage in achieving high performance. Managers need to recognize that a firm's resources and competencies are essential elements in assessing its future value potential.

2.2.2 Social Capital Theory

The concept of social capital has been present since the formation of small communities and human interactions based on trust and reciprocity. Bourdieu, Coleman, and Putnam (2011) popularized the term in its current form and associated meanings. Social capital can be represented in various ways, but generally, it encompasses five dimensions. These include networks, which are lateral associations varying in size and density, and occur among groups and individuals. It also includes reciprocity, which is the expectation of services and kindness being returned in the short or long term. Trust is another dimension important in developing this power.

Social capital encompasses various dimensions that shape interactions within a network, community, organization, or group, and can be studied from multiple perspectives. It covers values, networks and good relationship among people (Woolcock, 1998). The term is broad and can be interpreted and used in multiple ways across theoretical traditions. At one end, social capital

is viewed as a means for individuals to accrue non-economic or economic benefits through social relations, while at the other end, it is seen as residing within the relations themselves and not within the individuals.

The theory is appropriate for this study as it acknowledges the diverse nature of social capital and context-dependent, which encompasses various interrelated forms such as sanctions, trust, norms, and obligations all rooted in subjective and durable relationships between individuals. A potential example of social capital in action could be employees voluntarily discussing social and organizational matters over lunch breaks for mutual benefit. Social capital is common within the beauty and cosmetics industry.

2.3 Strategic Marketing Practices and Firm Performance

Strategic marketing practices play a pivotal role in enhancing firm performance by enabling organizations to proactively adapt to changing market environments rather than merely reacting to them (Kotler & Armstrong, 2013). These practices involve careful analysis of the competitive landscape, understanding customer needs and preferences, and aligning marketing strategies with long-term goals. This proactive approach helps firms position themselves effectively within their industries, influencing the market environment in their favor while minimizing head-on competition with stronger competitors. By identifying and capitalizing on competitor weaknesses and avoiding clashes with their strengths, organizations can create sustainable advantages that lead to improved performance (Gibson, 2017).

Moreover, strategic marketing practices contribute to firm performance by ensuring that all tactical marketing programs support the company's overarching objectives and convey a consistent

message to customers (Zheng Zhou,2009). This alignment enhances operational efficiency, leading to revenue growth, increased market share, and cost minimization. When organizations adopt a customer-centric perspective and focus on addressing long-term customer needs and preferences, they create stronger customer relationships and attract market segments that align with their products or services. Additionally, effective pricing, distribution, and promotion strategies, as part of strategic marketing, help companies gain a competitive edge and maximize revenue. In sum, strategic marketing practices are instrumental in not only surviving but thriving in dynamic market environments, leading to improved overall firm performance (Dolgui & Proth, 2010).

Accordingly, the relationship between strategic marketing practices and firm performance has been a subject of considerable interest and investigation in the field of business and marketing. One of the key aspects of firm performance influenced by strategic marketing practices is firm performance. Several studies have demonstrated a positive association between effective strategic marketing and financial outcomes. For instance, Bett (2005) suggests that strategic marketing, by proactively responding to changes in the business environment, can lead to higher revenue generation and profitability. This is echoed by Okutoyi (2002), who emphasizes the role of strategy in helping businesses position themselves strategically within their industries, thus influencing their financial standing. When organizations align their marketing strategies with their long-term goals and customer needs, they are more likely to achieve higher sales, increased market share, and better financial results (Kotler & Keller, 2009).

Furthermore, Mavondo (2000) notes that strategic marketing practices allow firms to efficiently utilize their resources to achieve set objectives. This resource allocation and utilization contribute significantly to financial performance. When firms optimize their product offerings, distribution

channels, pricing strategies, and promotional efforts through strategic marketing, they can reduce unnecessary costs while increasing revenue. This efficient resource management enhances financial performance and overall profitability. This means that there is a strong connection between strategic marketing practices and improved financial performance, as firms that strategically align their marketing efforts tend to outperform their competitors.

Strategic marketing practices are also closely linked to a firm's ability to gain and maintain market share and competitive advantage. Kotler (2005) emphasizes that effective product strategies, such as branding and product quality, are essential components of strategic marketing. These strategies contribute to creating strong brand preference and customer loyalty, which, in turn, can lead to increased market share. Moreover, strategic marketing enables firms to understand competitor strengths and weaknesses (Aaker, 2002), allowing them to position their products and services in a way that capitalizes on their strengths and mitigates competitive threats. This strategic positioning can result in a more substantial market presence and competitive edge. The role of strategic marketing in shaping a firm's competitive advantage is highlighted by Peter and Olson (2005), who note that pricing strategies and positioning tools are essential elements of strategic marketing. Price strategies, such as value-based pricing and cost-based pricing, can help firms differentiate themselves from competitors and enhance their perceived value. Additionally, technology-driven advances in marketing have provided new avenues for reaching customers and gaining a competitive edge (Kotler & Armstrong, 2013). By adopting innovative promotional strategies and leveraging digital channels, firms can establish themselves as industry leaders, further strengthening their competitive advantage. This means that strategic marketing practices positively impact firm performance by increasing revenue and profitability through efficient resource utilization. These practices also play a vital role in gaining and maintaining market share

and competitive advantage by strategically positioning products, enhancing brand preference, and adopting innovative promotional and pricing strategies. Organizations that embrace strategic marketing not only adapt to changes in their business environment but also thrive, ultimately leading to enhanced firm performance. To fully realize these benefits, firms should continue to invest in strategic marketing practices such as product development, effective pricing, branding, promotions as well as place strategies.

2.4 Empirical Review and Research Gaps

Studies done in the past confirm that strategic marketing practices promote the performance of firms in the beauty and cosmetics industry. In a study conducted by Mihailovic, Vescovi and Pontiggia (2017), the adaptation strategies of Western luxury cosmetics companies to the Chinese market were analyzed. The authors studied four Western luxury cosmetics companies and found that despite initial moves towards replication and standardization, adaptation and flexibility were ultimately required for specific types of luxury products in the Chinese market. However, it is important to note that this study was conducted in late 2017 and focused solely on adaptation practices.

Ismail (2018) conducted a study on how international promotions influence success of the firms in the beauty sector, using a dual case study approach with Huda Cosmetics in USA. The study revealed that the use of social influencers and the popularity of social media have become prevalent marketing tactics in the beauty industry. These influencers and platforms have significant influence among certain groups. The study conclude that social media has led to the high growth of the industry. However, this study only focuses on social media marketing and Celebrity Cosmetics

Industry leaving a conceptual gap. This study was also done in the United States of America and not Kenya.

Rambe and Mpiti (2017) conducted a study to evaluate how PPA can help promote the sector success in South Africa. According to the research, although small and medium-sized businesses (SMEs), including hair salons, have used a combination of public and private funding to support their operations, existing literature tends to oversimplify the role of funding as a significant obstacle to SMEs survival in developing countries. Using hair salons as a metaphor for the broader beauty and cosmetology industry, the study explores the interplay between financing, environmental and organizational factors in determining SMEs performance. The study noted that funding is a big challenge facing the salon sector and there is need for more funding by government agencies. However, this study was done outside Kenya and only focus on hair salons.

Vijaya (2019) conducted a comparative research study on the skin whitening industry in India and Nigeria, exploring the new economics of colorism. The author evaluated various strategies to resist this expansion, including direct discussions of color and public health campaigns. However, the study suggests that to be sustained and impactful, opposition to this expansion must move beyond localized efforts and address the industry's global complicity in perpetuating colorism. However, this study was done in Nigeria and India and used comparative study design, thus leaving a conceptual gap.

Nderitu (2018) carried out a descriptive survey study in Kenya and investigated the impact of e-commerce strategies on the performance of beauty product businesses. The target population of the study was all the 65 registered beauty product shops in Naivasha Town, from which a census sample of 65 respondents was selected. Data was collected using interview schedules and

questionnaires, and analyzed using person's correlation coefficient and descriptive statistics. The study found a positive and significant relationship between e-payment and business performance, with e-banking being the most efficient mode of transaction for both business owners and customers. E-selling was also found to have influenced the timely delivery of goods and services, and was rated as an effective strategy for improving business performance. Therefore, the study concluded that e-commerce strategies, particularly e-banking and e-payment, positively influenced the performance of beauty product businesses in Naivasha Town, Kenya. However, this study only focused on the concept of e-commerce and how it affects the beauty products businesses.

Thakur (2017) evaluated how cost benefit analysis can improve the cosmetic sector and used a case study of Kenyan sector. The study used different approaches. The primary data was collected through surveys and interviews with consumers, retailers, and manufacturers in the Kenyan market. The study finds that marketing best practices such as branding, packaging, advertising, and promotions have a significant impact on the success of cosmetic products in the Kenyan market. The study also identifies factors such as affordability, quality, and product differentiation as critical determinants of consumer purchasing decisions in the Kenyan market. It noted that Kenyan market should invest in marketing best practices to improve their competitiveness and profitability. However, the study was done in late 2017 and things have changed.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter illustrates the methods used to examine the problem. It also includes a guide on data analysis and describes other processes that were used to direct the research.

3.2 Research Design

The proposed study utilized a cross-sectional research design, employing descriptive models as they are best suited for providing information on the current state of a phenomenon (Mugenda, 2003). Descriptive research is considered a robust form of quantitative analysis, according to Kothari (1990). Burns and Grove (2003) also affirmed that descriptive research is specifically designed to present an accurate portrayal of a situation as it occurs naturally

The model is effective in data on a single point in time (Orodho, 2003). This type of design is favored because it enables researchers to describe a specific research area and compare the results with the frame of reference within a specific period of time (Lisa, 2008). By utilizing this design, researcher was able to develop knowledge and solutions to existing problems and gain insight into the topic.

3.3 Target Population

This research targeted companies within the beauty and cosmetics industry operating in Nairobi, Kenya. Thus, the focus were 1000 beauty and cosmetics firms operating in Nairobi, Kenya. According to Statista (2023), there are more than 1000 beauty and cosmetics companies in Nairobi and the market amounts to US\$2.03bn in 2023 in Nairobi.

3.4 Sampling Design

This study adopted stratified sampling based on specific characteristics or variables. Mugenda and Mugenda (2003) noted that sampling help simplify the process. This technique was able to allow for greater precision and representativeness in the sample, since there is significant variability within the population. They were stratified in categories of skincare, haircare, makeup, body care and perfumes. 60 firms were samples from each stratum. This promoted representation of the main group.

3.5 Data Collection

The researcher gathered primary data from 300 beauty and cosmetics companies located in Nairobi, Kenya. The questionnaire was provided to the CEO and other senior marketing managers and chief strategy officers of the beauty and cosmetics firms in Nairobi, Kenya.

The researcher adopted drop and pick self-administration of the questionnaires. When possible some of the questionnaires were shared through emails of the respondents. The survey consists of various parts, and part A is about the general information of the study participants. Section B focuses on the various aspects of strategic marketing practices, while the last section, Section C, centers on the evaluation of the performance of the beauty industry in Nairobi, Kenya.

3.6 Data Analysis

The data analysis was done through descriptive as well as inferential statistics. The first phase of the research was coding and editing of the results to get overall review. The second phase of the research was on analysis of the questionnaire with two parts. The first part of the questionnaire was analyzed using means, frequencies and percentages. The second part was analyzed using

frequencies, percentages, mean and standard deviation where applicable. Regression model was also used.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1. Introduction

This chapter presents the findings from the collected data and also the analysis of the data based on the overall objective of the research. The chapter also includes interpretation and presentation of data collected.

4.2 Response Rate

Out of the 300 questionnaires distributed, 264 were successfully completed and returned, representing an 88% response rate. This is shown in table 4.1

Table 4.1 Summary of Response Rate

Category	Frequency (f)	Percentage (%)
Questionnaires completed	264	88
Questionnaires not returned	36	12
TOTAL	300	100

Source: Author, (2023)

As indicated in Table 4.1, the response rate was 88%. This indicates a high level of engagement and willingness among the survey participants to participate in the study. The 12% of questionnaires not returned could be attributed to various factors such as non-interest, time constraints or incomplete responses. The robust 88% response rate suggests that the collected data is likely to be representative of the target population, enhancing the validity and reliability of the study's findings.

4.3 Demographic Characteristics of Respondents

This was done in terms of gender, level of education as well years of experience and age. This is well illustrated below.

4.3.1 Distribution of Respondents by Gender

The study sought to establish gender to enable classify employees. The results obtained are presented on table 4.2

Table 4.2: Distribution of respondents by gender

Gender	Frequency (f)	Percentage (%)
Male	51	19
Female	213	81
Total	264	100

Source: Author, (2023)

As shown in Table 4.4, 19% of the respondents were male, while the majority, accounting for 81%, were female. This gender distribution underscores a significant gender imbalance in the survey sample, with a significant overrepresentation of female respondents. This finding implies that the study's insights and conclusions may primarily reflect the perspectives and experiences of female participants in the beauty and cosmetics industry. The majority above 80% of workers in the beauty and cosmetics firms is females and there is need for more males in the industry.

4.3.2 Respondent's Education Level

The analysis included review of the educational levels of the respondents. Table 4.3 below depicts the findings.

Table 4.3: Education Level

Level	Frequency (f)	Percentage (%)
Diploma	67	25
Bachelors	167	64
Masters	10	4
Doctorate	0	0
Others	20	7
Total	264	100

Source: Author (2023)

Table 4.3 presents the education levels of respondents and the data indicates that the majority of the 264 respondents held bachelor's degrees, comprising 64% of the sample. Additionally, 25% of the respondents held diplomas, 4% possessed master's degrees, and 7% fell into the "Others" category. Notably, there were no respondents with doctorate degrees in the sample. This distribution suggests that the study primarily drew participants with undergraduate qualifications, with limited representation from higher academic levels. This is because the beauty industry is one of the lowly and not upgraded sectors in Kenya.

4.3.3 Years of Experience in the Company

The study also reviewed the years of work experience among the participants. This is shown in table 4.4 below.

Table 4.4 Years of work experience

Experience (years)	Frequency	Percentage
Less than 3	80	31
3 – 5	150	57
6-10	20	7
More than 10	14	5
Total	264	100

Source: Author (2023)

Table 4.4 provides information about the years of work experience of the respondents in the study. The data reveals that the sample is fairly evenly distributed across different levels of work experience. Approximately 31% of the respondents have less than 3 years of work experience. A significant portion, about 57%, falls into the 3-5 years of work experience category. About 7% have between 6 to 10 years of work experience, while 5% have more than 10 years of experience. This distribution indicates that the study has a diverse representation of participants with varying levels of work experience in the beauty and cosmetics industry.

4.4 Strategic Marketing Practices

The practices studied included personal selling, emphasizing the importance of face-to-face interactions in the industry. Online sales and branding are explored, highlighting the significance of e-commerce and digital brand presence in the modern beauty market. The study also addresses marketing and promotions as critical strategies, examining how firms create and manage promotional campaigns. Additionally, digital marketing innovations are discussed, showcasing the industry's adaptation to new technologies and innovative marketing techniques. These strategic marketing practices serve as focal points for understanding the dynamics of beauty and cosmetics firms in Nairobi, Kenya as discussed below.

4.4.1 Personal Selling

The analysis is depicted here.

Table 4.5: Personal Selling

Statement	Mean	Standard Deviation
The firm engage in personal selling	4.9776	0.8990
The firm engage in personal customer acquisition	4.0115	0.7651
The company supports personal interaction with customers	4.6151	0.67110
The company market through person to person	4.6778	0.9012
Total	4.5705.	

Table 4.5 presents the results of a study that aimed to investigate the influence of personal selling on the performance of the sector. The mean scores indicate the average level of agreement or endorsement for each statement by the study participants. A mean score of 4.5705 suggests that, on average, the respondents tended to agree with the statements related to personal selling practices. Specifically, they strongly agreed that the firm engages in personal selling (mean = 4.9776), which indicates that personal selling is a prevalent strategy within the sector. They also showed agreement regarding personal customer acquisition (mean = 4.0115), indicating that the sector actively focuses on acquiring new customers through personal selling efforts. Moreover, the respondents moderately agreed that the company supports personal interaction with customers (mean = 4.6151) and that the company markets through person-to-person interactions (mean = 4.6778). These results suggest that personal selling practices play a significant role within the sector and are seen as important strategies for customer engagement and acquisition.

Generally, the relatively low standard deviations (ranging from 0.6711 to 0.9012) indicate that the responses were fairly consistent and clustered around the mean values, signifying a degree of consensus among the study participants regarding the influence of personal selling practices. This suggests that the sector has a relatively uniform perspective on the importance and implementation of personal selling strategies. The findings from this table suggest that personal selling is a well-recognized and practiced approach within the sector, and its role in customer acquisition and interaction is valued and consistent among industry participants.

4.4.2 Online Sales and Branding

The study sought to determine how online sales and branding influences the performance of the sector. The results gathered are shown in table 4.6.

Table 4.6: online sales and branding

Statement	Mean	Standard Deviation
The firm supports online sales and branding	4.5120	0.8711
The firm engage in regular branding	3.0017	0.6120
The company sales using online platforms	4.8810	0.9119
The company market through online sites	4.6911	0.8221
Total	4.5212	

Table 4.6 presents the findings related to the influence of online sales and branding on the sector's performance. The mean scores indicate the respondents' perceptions of these practices. It is evident that the respondents strongly agree that the firm supports online sales and branding, as indicated by a mean score of 4.5120. This suggests that most companies in the sector actively engage in online sales strategies and prioritize branding efforts in the digital space. The relatively low standard deviation of 0.8711 indicates a relatively consistent consensus among the respondents regarding this aspect.

However, when it comes to the engagement in regular branding (mean = 3.0017), the respondents' perceptions are less favorable. The mean score is notably lower than the previous item, suggesting that there may be room for improvement in terms of consistent branding practices within the sector. The standard deviation of 0.6120 indicates some variability in respondents' opinions, with some expressing stronger disagreement regarding the regularity of branding activities. On the other hand, the company's sales using online platforms (mean = 4.8810) and marketing through online sites (mean = 4.6911) both received relatively high mean scores, indicating that online sales and marketing efforts are prevalent and positively perceived within the sector. The standard deviations of 0.9119 and 0.8221, respectively, suggest some variability in respondents' views but overall reflect a significant level of consensus regarding the effectiveness of these online practices in influencing the sector's performance.

4.4.3 Marketing and Promotions

The study sought to determine how Marketing and Promotions influences the performance of the sector. The results gathered are shown in the table 4.7 below.

Table 4.7: Marketing and promotions

Statement	Mean	Standard Deviation
The firm engage in marketing and promotions	4.7231	0.9001
The firm engage in marketing of its products and services	4.9871	0.8812

The company provide promotion to customers	4.6223	0.7890
The company provide discounts to market products	3.0722	0.6890
Total	4.6012	

The table presents the findings related to the influence of marketing and promotions on the sector's performance. The mean scores and standard deviations for four statements assessing different aspects of marketing and promotions are displayed. The first statement indicates that firms actively engage in marketing and promotions with a mean score of 4.7231, suggesting a high level of commitment in this area.

It is also evident that firms are actively involved in marketing their products and services, as indicated by the mean score of 4.9871. This high mean score suggests a strong emphasis on product and service marketing within the sector. The standard deviation of 0.6120 is relatively low, signifying a degree of agreement among respondents regarding this aspect. Additionally, the third statement reveals that companies provide promotions to their customers, with a mean score of 4.6223. This suggests that promotional activities are common practice within the sector, and the relatively low standard deviation of 0.9119 indicates a degree of consensus among respondents. However, the fourth statement indicates that providing discounts to market products is rated lower, with a mean score of 3.0722, suggesting that this aspect might not be as widely practiced or emphasized. The standard deviation of 0.8221 suggests some variability in responses, indicating differing levels of agreement among participants regarding this practice. Overall, the findings

highlight the sector's strong commitment to marketing and promotions, with some variations in the emphasis placed on specific practices.

4.4.4 Digital Marketing Innovations

The results gathered are shown in the table below.

Table 4.8: Digital Marketing Innovations

Statement	Mean	Standard Deviation
The firm value use of internet to market its products	4.4110	0.9112
The firm considers market innovations	4.8239	0.7561
The firm uses variety of digital models to reach customers.	4.8901	0.8025
The firm create new products and engage in market research	4.1190	0.7348
Total	4.560	

The table 4.8 above presents the results of the study, which aimed to investigate how Digital Marketing Innovations influence the performance of the sector. Four key statements related to digital marketing practices were evaluated, and the mean scores and standard deviations for each statement are provided. The first statement, "The firm values the use of the internet to market its products," received a mean score of 4.4110 with a standard deviation of 0.9112. This indicates that, on average, respondents perceived that firms in the sector recognize the importance of utilizing the internet for marketing purposes.

The second statement, "The firm considers market innovations," received a higher mean score of 4.8239, indicating that firms in the sector are more proactive in embracing market innovations. The standard deviation of 0.7561 suggests that there was a moderate level of agreement among respondents, and the relatively higher mean score indicates a positive perception of the sector's attitude toward market innovations. The third statement, "The firm uses a variety of digital models to reach customers," obtained a mean score of 4.8901, suggesting that firms in the sector are actively utilizing diverse digital marketing models to connect with their customers. The standard deviation of 0.8025 indicates a moderate level of agreement among respondents, highlighting a relatively consistent perception regarding this practice.

Lastly, the statement-The firm creates new products and engages in market research-received a mean score of 4.1190, indicating that firms are somewhat engaged in product innovation and market research. The standard deviation of 0.7348 suggests moderate agreement among respondents, and the mean score suggests a moderately positive perception of this aspect within the sector. The findings suggest that the sector generally recognizes the importance of digital marketing innovations, with a particular emphasis on embracing market innovations and utilizing various digital models to reach customers. However, there is room for improvement in terms of actively engaging in product innovation and market research. These insights can guide firms in the sector to enhance their digital marketing practices to potentially improve their overall performance.

4.5 Regression Analysis

Regression analysis was done and data analysis is presented below.

4.5.1 Model Summary

Table 4.9 shows the regression model summary.

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.901(a)	.819	. 0.812	.022340

Source, Author (2023)

The R-square value of 0.819 shows approximately 81.9% of the changes in performance of firms is explained by strategic marketing practices. This implies that 18.1% of changes in firms' performance are caused by other external factors.

4.5.2 ANOVA

Table 4.10 shows the analysis of variance (ANOVA) of the regression model

Table 4.10: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.788	6	0.132	3.331	.021 ^b
	Residual	3.123	260	0.039		
	Total	4.667	264			

Source, Author (2023)

As indicated in Table 4.9, the regression model has an F value of 3.331, which is significant at 0.05 ($P = 0.021, < 0.05$). This means that the chosen marketing practices collectively have power over firm success.

4.5.3 Model Regression Coefficients

The Analysis also included the co-efficient of determination as shown below.

Table 4.11: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		

1	(Constant)	.461	.173		2.221	.002
	Personal Selling	.499	.220	.181	2.345	.011
	Online Sales and Branding	.318	.177	.034	1.234	.016
	Marketing and Promotions	.356	.409	.066	.719	.034
	Digital Marketing and Innovations	.476	.183	.188	.200	.016

Source, Author (2023)

Table 4.11 provides the coefficients for the regression model. This value suggests that when all the independent variables (strategic marketing practices) are set to zero, the expected value of the dependent variable (performance) is 0.461.

The standardized beta coefficient for personal selling is 0.181. This positive coefficient suggests that for each unit increase in personal selling activities, there is a 0.181 unit increase in the expected performance of beauty and cosmetics firms. This is significant at 0.05 ($p = 0.011 < 0.05$). This indicates that personal selling has a significant influence on performance of the firms

However, the standardized beta coefficient for Online Sales and Branding is 0.034. This positive coefficient suggests that an increase in online sales and branding activities is associated with a 0.034 unit increase in the expected performance. The standardized beta coefficient of 0.034 indicates a relatively weaker relationship compared to Personal Selling.

The standardized beta coefficient for marketing and promotions is 0.066. This positive coefficient suggests that an increase in marketing and promotions efforts is associated with a 0.066 unit increase in the expected performance. The standardized beta coefficient for digital marketing and innovation is .188. This positive coefficient suggests that enhancing digital marketing and

innovative strategies is associated with a 0.188 unit increase in expected performance. The standardized beta coefficient of 0.188 indicates a relatively strong relationship. This means that the coefficients provide insights into the direction and strength of the relationships between each strategic marketing practice and the performance of beauty and cosmetics firms.

$$Y = 0.461 + 0.181X_1 + 0.034X_2 + 0.066X_3 + 0.188X_4$$

4.6 Discussions of the Findings

From the study, it is true that the study achieved a commendable response rate of 88%, indicating a high level of engagement and willingness among the survey participants to contribute to the research. This substantial response rate enhances the validity and reliability of the study's findings, suggesting that the collected data is likely representative of the target population.

Demographically, the study's participants included a predominantly female workforce (81%), reflecting the gender composition of the beauty and cosmetics industry. This finding highlights the need for greater gender diversity in the sector to achieve a more balanced representation. In terms of education, the majority of respondents held bachelor's degrees (64%), indicating a relatively well-educated workforce. However, the absence of respondents with doctorate degrees underscores the industry's need for further academic advancement and research. The diverse distribution of years of work experience, ranging from less than 3 years to more than 10 years, suggests a broad range of perspectives within the sector.

Moreover, the study delves into four key strategic marketing practices: personal selling, online sales and branding, marketing and promotions, and digital marketing innovations. The findings indicate that personal selling is a prevalent strategy within the sector, with respondents strongly

agreeing that their firms engage in personal selling and customer acquisition. This suggests that personal interaction with customers plays a significant role in the industry. Online sales and branding also received positive feedback, indicating that firms actively support these practices. However, there is room for improvement in terms of regular branding activities.

The analysis revealed that marketing and promotions are actively engaged in by firms, with a strong emphasis on marketing products and services and providing promotions to customers. While there is a consensus on these practices, the provision of discounts to market products received a lower rating, suggesting that it might not be as widely practiced. Digital marketing innovations were perceived positively, with respondents acknowledging the importance of internet use for marketing, embracing market innovations, and utilizing various digital models to reach customers. However, there is room for improvement in actively creating new products and engaging in market research.

The analysis revealed a strong relationship between the selected strategic marketing practices and the performance of beauty and cosmetics firms, explaining approximately 81.9% of the variance in performance. This indicates that the practices collectively have a significant influence on the firms' success. The coefficients of determination highlight the specific relationships between each marketing practice and performance. Personal selling and digital marketing and innovations were found to have stronger positive associations with performance, emphasizing their critical roles in enhancing firm performance. These findings provide valuable guidance for practitioners in the industry to focus on effective marketing strategies, such as personal selling and digital innovations, to improve their firms' overall performance.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This is about summary as well as implications. The summary is presented below.

5.2 Summary of the Findings of the Study

The findings of this study investigating the influence of strategic marketing practices on the performance of beauty and cosmetics firms in Nairobi, Kenya, reveal several key insights. Regarding strategic marketing practices, the study highlights four key areas: personal selling, online sales and branding, marketing and promotions, and digital marketing innovations. Personal selling emerges as a prevalent strategy within the sector, with strong agreement among respondents regarding its implementation. Online sales and branding are also actively supported, but there is room for improvement in regular branding activities. Marketing and promotions play a crucial role, with a strong emphasis on marketing products and services and providing promotions to customers. However, the provision of discounts to market products received a lower rating. Digital marketing innovations are positively perceived, but there is room for improvement in terms of creating new products and engaging in market research.

Moreover, the regression analysis demonstrates a strong relationship between these strategic marketing practices and firm performance, explaining approximately 81.9%. Specifically, personal selling and digital marketing and innovations emerge as practices with stronger positive associations with performance, underscoring their importance in enhancing firm performance.

This means that effective marketing strategies can help to improve the overall performance and competitiveness of beauty and cosmetics firms in Nairobi, Kenya.

5.3 Conclusions

In conclusion, this study has shed light on the vital role that strategic marketing practices play in shaping the performance of beauty and cosmetics firms in Nairobi, Kenya. The findings reveal a sector that is actively engaged in various marketing strategies, including personal selling, online sales and branding, marketing and promotions, and digital marketing innovations. Notably, personal selling emerged as a prevalent and highly valued strategy, reflecting the importance of face-to-face interactions in this industry. Online sales and branding were also actively embraced, highlighting the sector's adaptability to the digital landscape.

Moreover, the study's regression analysis demonstrated a strong positive relationship between these strategic marketing practices and firm performance, explaining a significant proportion of the performance variance. This underscores the critical role of effective marketing in enhancing the competitiveness and success of beauty and cosmetics firms in Nairobi. As the beauty and cosmetics industry continues to evolve and face new challenges, the insights from this study provide valuable guidance for industry practitioners and policymakers seeking to improve their marketing strategies. Emphasizing the importance of personal selling, digital marketing innovations, and comprehensive marketing and promotions efforts can contribute to the sector's growth and success in Nairobi, Kenya, and beyond. The study underscores the need for beauty and cosmetics firms to continuously invest in and adapt their marketing practices to remain competitive and meet the evolving demands of the market.

In conclusion, the study's findings shed light on the vital role that strategic marketing practices play in shaping the performance of beauty and cosmetics firms in Nairobi, Kenya. The results underscore the industry's commitment to various marketing strategies, with room for improvement in specific areas. The findings also emphasize the importance of gender diversity within the sector and the need for continued academic advancement to further develop the industry.

5.4 Recommendations of the Study

The beauty and cosmetics firms in the region should prioritize and enhance their personal selling efforts. Given the high value placed on personal selling in the industry and its significant positive impact on performance, companies should invest in training and equipping their sales teams with the necessary skills and tools to excel in face-to-face interactions with customers. This could involve improving product knowledge, communication skills, and customer relationship management to ensure a seamless and personalized experience for clients. Additionally, firms should consider incentivizing their sales teams to motivate them to perform at their best.

To managers within beauty and cosmetics firms, it is important that they adopt digital marketing associated with online platforms to promote their products. This is because digital marketing practices, such as online sales and branding, play a crucial role in enhancing performance. They should also allocate resources to strengthen their online presence, optimize e-commerce platforms, and engage in innovative digital marketing strategies. This includes leveraging social media marketing, influencer collaborations, and data analytics to tailor their marketing efforts to customer preferences and market trends. However, they should consistently invest in marketing campaigns, product promotions, and customer discounts.

5.5 Limitations of the Study

Several limitations should be considered when interpreting the findings of this study. First, the research focused exclusively on beauty and cosmetics firms in Nairobi, Kenya, which may limit the generalizability of the results to other geographic regions or industries. The unique characteristics and dynamics of the beauty and cosmetics sector in Nairobi could differ significantly from those in other locations. Second, the study's data collection relied on self-reported responses from survey participants, introducing the potential for response bias and social desirability bias. Respondents may have provided answers they deemed socially acceptable or in alignment with perceived industry norms.

5.6 Suggestions Further Studies

This study used many companies and future analysis should focus on one company. Additionally, while the study examined several strategic marketing practices, there may be other unexplored variables or external factors influencing performance that were not considered in this research. Future studies should focus on how digital marketing and innovations promote the value of firms within the beauty industry.

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APPENDICES

Appendix I: Questionnaire

This study objective is to establish the influence of strategic marketing practices on the performance of beauty and cosmetics firms located in Nairobi, Kenya.

SECTION A: BACKGROUND DETAILS

1. Name of Company

2. In which year was the company established?

3. What is your position in the company?

- a. Director
- b. Middle-level Management
- c. General Staff
- d. Top-level Management

5. What is your Age?

- a. Between 20 to 25
- b. Between 26 to 30
- c. Between 31 to 35
- d. Above 36years

6. Indicate the Gender, where M stands for Male and F Female

a. M

b. F

7. Indicate the highest level of education you have attained?

a. Diploma

b. Bachelors

c. Masters

d. Doctorate

e. Other (Please specify)_____

8. For how many years have you been working in this Company? (Years of experience)

a. Less than 3 years

b. 3-5 years

c. 6-10 years

d. More than 10 years

SECTION B: STRATEGIC MARKETING PRACTICES

9. Tick the only one most appropriate response from the options provided below.

1 = Strongly Disagree

2 = Disagree

3 = Uncertain

4 = Agree and

5 = Strongly Agree

To what level do you concur that your firm has adopted the below strategic marketing practices in their major operations?

Statement	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Personal selling					
The firm engage in personal selling					
The firm engage in personal customer acquisition					
The company supports personal interaction with customers					
The company market through person to person					
Online sales and branding					
The firm supports online sales and branding					

The firm engage in regular branding					
The firm sells using online platforms					
The company market through online sites					
Marketing and promotions					
The firm engage in marketing and promotions					
The firm engage in marketing of its products and services					
The company provide promotion to customers					
The company provide discounts to market products					
Digital Marketing Innovations					
The firm value use of internet to market its products					
The firm considers market innovations					
The firm uses variety of digital models to reach customers.					
The firm creates new products and engage in market research					

SECTION C: FIRM PERFORMANCE

10. To what extent do you agree with the statement below?

Scale

1= Strongly Agree, 2= Agree, 3=neither Agree nor Disagree, 4= Disagree 5=Strongly Disagree

Firm Performance	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
The company is experiencing high sales volume					
The company is experiencing growing number of customers					
The firm is enjoying growing market share over the years					
The firm income and ROA is increasingly steadily over the years					