

DECLARATION

THE EXTENT TO WHICH BOOKSHOPS USE DIRECT
MARKETING TOOLS: THE CASE OF BOOKSHOPS IN NAIROBI.

BY

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DEDICATION

DECLARATION

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

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Date *17/10/2002*

MODESTA OLOTCH



This research project has been submitted for examination with my approval as the university

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ABSTRACT

The study was aimed at studying the direct marketing approaches by businesses in the world to which they use direct marketing tools and the prospects of any expansion when using **ACKNOWLEDGEMENT** the study arose out of the

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The whole process of undertaking this project from the very beginning to its completion proved to be quite difficult. However, several people assisted me in various ways, and it is therefore my heartfelt pleasure to extend my sincere gratitude to all of them.

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ABSTRACT

The study was aimed at studying the direct marketing tools used by bookshops, the extent to which they use direct marketing tools and the problems if any experienced when using these tools. The rationale of the study arose out of the fact that booksellers are facing stiff competition from hawkers, students selling books to their colleagues, and parents selling books after their children graduate to the next grade. As a result, bookshops are now trying to adopt direct marketing tools to enable them reach their customers directly, and in the shortest time possible.

The study was a survey of all the bookshops in Nairobi. Data was collected using both closed and open-ended questionnaires. The questionnaire was given to the person in charge of the marketing department in the bookshop, and for the bookshops that never had a marketing department; the questionnaire was given to the shop manager. Data was then analyzed using descriptive statistics, aided by statistical packages for social science (SPSS).

This research revealed that direct marketing tools are used to a small extent in bookshops, whereas some of the tools, for example, videotext and vending machines are used to no extent. Of the forms of direct marketing tools studied, telemarketing was found to be the most commonly used tool, as all bookshops used it, whereas online marketing was not common among the bookshops studied. The respondents said that they do not use direct marketing tools to large extents because it is expensive, customers view it as lack of individual privacy, as in the case of telemarketing, and telemarketers do not respect individual privacy of the customers.

There was also a problem of lack of security, which was a major hindrance. Security should therefore be improved to avoid outright fraud.

The research findings also revealed that, consumers' are not willing to place orders without seeing the actual product, although they may see a picture of it, and this has also affected the extent to which direct marketing tools are used. Mc Carthy (1996), and Pierre (2000), also observed that, consumers must place orders without seeing or trying the actual merchandise, and they say that to offset this, direct marketers must offer liberal return policies.

The researcher suggested that further research should be done singly on each of the factors considered important in the successful usage of direct marketing tools, and also that, further research should be done in different sectors, to see the correlation of these findings with those obtained in other sectors.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

Liberalization is a term that today is hardly skipped by any publication, which is economic oriented. This is by no accident, but rather it portrays that liberalization, as a process is having profound effects whose consequences transcend to every member of our society (Gitang'u 1996). The government's industry protective policies have been scrapped, and this supplemented by imports licensing relaxation has lead to stiff competition in the market (D'Sourza, 1999). In the period before liberalization monopolistic laws existed which enabled certain firms to control the market, as they never had competitors.

In Kenya by mid 1980s, a slower 'phased' approach was adopted in implementing the structural adjustment programmes (SAPS), in contrast to the faster approaches preferred by the World Bank (Coulter, 1994). Numerous reform measures have however been undertaken, opening doors to private investors. The government has put in place appropriate safeguards, against anti-competitive behavior. This undertaking has been achieved by rationalization and reduction in the number of national and local fees, and licenses required for new business, and through minimizing restrictions on retail and wholesale trade and investment under various legislation's (the policy framework paper, 1996).

Thus the above changes, among others, have created a free trading environment in Kenya, opening gates for entry into the various sectors of business by, a number of new players. Competing firms have since emerged virtually in all sectors of the economy (Valentine, 1995). This has posed serious challenges for companies that have for long enjoyed monopolistic benefits, especially those in the previously protected sectors. There is no industry that has been spared by the increase in competition and firms have therefore come up with ways to

combat competition.

Firms are critically evaluating their internal and external environment with the aim of developing more effective and competitive strategies (Kibera, 1997). Some firms have resorted to restructuring, mergers etc; the consequences of restructuring include laying off or retiring employees earlier than the required retirement age. Reengineering has also taken place. Hamper (1993) defines reengineering as "the fundamental and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance such as cost, quality service, and speed. In order to satisfy customers. New products must be developed cheaper, better, and faster (Hunt 1993). Every company must reengineer its processes if it is to survive in the global market.

Firms are also using controllable marketing variables that, they blend to produce the response it wants in the target market (Churchill, 1995). According to Ferrell (1982), these four components are called marketing decision variables because a marketing manager can vary the type and amount of these elements, which also have sub - elements. These include: product whose sub elements are: product line, packaging, new product development, product quality, and after sales services. The sub elements of Price are; Trade discounts, quality discounts, price level changes, and payment terms. Promotion = Advertising, sales promotion, and public relations and publicity. Place/distribution strategy has the following sub elements; Channel selection, support, and customer service and direct marketing.

Customers have been exposed to several products from different parts of the world giving them a wider choice, thus they expect more from an organization (Brown 1994). Firms are now coming up with wider product lines, or developing new products, so that when they wants to buy a certain product they can choose from their range of products and not another companies products, for example

Coca-cola has a range of soft drinks and Fanta comes in several flavors so the customer has a wide variety to choose from, instead of going to the competitors brand. Companies are trying to improve the quality of their products so as to have an edge over their competitors for example fair and lovely now has new fair and lovely with nutriRich.

Competition has also brought about several changes in prices and marketers must determine the "best" price for their products. Pricing strategies and decisions require establishing appropriate prices and carefully monitoring the competitive marketplace. Marketers are now forced to consider alternative products in the marketplace when pricing. Due to competition, price levels are changing, companies are giving discounts, there are great sales for example, Uchumi now has a great sale. This is strategy of attracting customers. Companies unlike before, now accept payments in installments, for example, in driving schools one can now pay in installments.

According to Berkowitz (1994), marketers need to communicate with consumer otherwise their products will not be known, because this is the means by which marketers " talk to existing customer and potential buyers". Firms are now engaging in intensive advertising.

Distribution has a major impact on consumer acceptance, and overall economic performance. Channel design must consider the markets to be served, and the specific needs of consumers within those markets (Kinsey 1988). Distribution strategy is one of the powerful tools that companies can use to gain key competitive advantage. Many firms prefer to distribute to their final customer or consumer (Mc Carthy 1996). He also asserts that, a firm if in direct contact with its customers, is more aware of changes in customer attributes. The firm is in a better position to adjust its marketing mix quickly. Research reveals that working with middlemen with different objectives can be troublesome. Thus direct marketing has become a key strategy.

Direct marketing, which is the umbrella for all forms of media that operates in the marketing place (Jutkins 1994), has become an accepted and important part of many company plans. Direct marketing makes use of all media available to other discipline. These include commercial and cable T.V. Radio, magazines, Newspaper, Telephone, and Direct mail. It is not the cure to every sales and marketing ill (West 1987). But as a discipline it can get and keep your prospects and customers buying from you.

Ng'ang'a (2000) in his study on " Factors influencing the choice of product distribution channels; found out that, there are a large number of intermediaries supplying an ever – increasing number of small retailers. He asserts that channels as a whole are labor rather than capital intensive. Researchers have shown that most third world countries, suffer due to problems of under financing, lack of managerial skills, failure to satisfy customers needs – the service is supposed to free shoppers from time consuming trips to the store, but consumers spend a lot of time waiting for delivery (Quelch 1981). Consumers are supplied by a large number of widely scattered manufacturers and producers, each providing a limited output, poor storage, and inadequate transport coupled with the absence of other physical distribution support system do contribute to this inefficiency (Kinsely 1988). Multinationals in most developing countries tend to develop their own distribution systems where possible. According to Gates (1999), direct marketing has not yet made any breakthrough since only 0.5 percent of total retail sales were conducted online.

1. STATEMENT OF THE PROBLEM

BACKGROUND OF BOOKSHOP

An interview with the general Manager of Textbook Center has revealed that, in the early days, the colonialists used to import magazines and newspapers from their countries for their own personal reading and updates. East African Standard also started publishing their own local newspapers and magazines,

then followed the missionaries who started distributing booklets from door -to-door. When they realized the demand was growing and they could not move from door-to-door, they started selling books on tracks, which were only at some strategic locations for example, next to churches and schools. This missionaries later thought that it would be easier to build as they would hold more books and this saw the birth of the first bookshop in the 1960s. The oldest Christian bookshop was Keswick, which was a monopoly for a very long time.

Kenya Literature Bureau was then established as they felt there was need to educate the people, and they started publishing books in vernacular. The first non-Christian bookshops were set up near schools. The main schools then were Jamuhuri High School and City primary school. Emergency regulations then came about, because of the Mau Mau, which made traveling impossible, and Educational officers came up with the idea to open up bookshops nearer to the people other than only near schools. By 1960s there were approximately 200 bookshops. Books were regarded as very sacred at the time. At independence orders for the books were not as before as there was a major drop. Kenya school equipment scheme was running by then as they used to buy books from publishers after which they sold the books to the Government. The Government then sold the books to schools. After a while, the government was not able financially, so they asked the city council to take the tender, which did not really work and the situation went back to bookshops buying from publishers and parents buying from bookshops.

1.2 STATEMENT OF THE PROBLEM

According to Palmer (2000), many companies have sought to simplify their channels of promotion and distribution, by adopting direct marketing techniques. Luck (1985), observes that direct marketing is an important tool in a competitive industry. Paliwoda (1998), states that, to enhance the touch between the producer and the customer, direct contact with the customer is important. The

distributor, wholesalers, and retailers have separated consumers from the producer. According to Gates (1999), without direct contact with the customer, manufacturers could not know who was buying what; only what was selling, which "created a culture which did not quite fit, suit and serve". For an organization to have a competitive edge, a "learning relationship" has to be set with the best customers, which is a major role of direct marketing (Bruce 2000). This can better be achieved by a manufacturer or producer dealing with the customer directly. Direct marketing provides shopping convenience. As with other forms of non-store retailing, the desire of many consumers for more shopping convenience points to future growth of direct marketing.

According to Stern and El-Ansary (1992), personal selling is unique among the elements of the marketing program in that the resource involved- the "controllable variables" which the manager manipulates- are people. These people, sales-men, and their supervisors, interact with other people/ customers, who respond to selling effort in a complex and variable manner. Changes in the basic organizational resources must occur slowly for several reasons. First, customers will object to disruptions of the personal relationships they have with particular sales-men, especially if disruptions occur on a frequent basis. Secondly, in some types of selling, these personal relationships are so important that the selling company, risks the loss of important customers if the sales-man is taken away from these accounts.

Literature on e-commerce is growing rapidly in America and this gives the impression that the subject is gaining attention. Studies by (Webber and Roehl, 1999; Walle, 1996; Kasavana, 1997) assert that the volume and value of web transactions are expected to continue increasing exponentially, in the millennium, and that the best in web participation is yet to come, which will enhance the use of direct marketing tools. The study by Chee (1998), found out that firms do not constantly update their databases, which is key to direct marketing, and a lot of money is spent in sending mail or even catalogues.

1.3 OBJECTIVES OF THE STUDY

A study conducted by Mbuvi (2000), on adoption of e-commerce reveals that the technology is still very new in Kenya, and that employees should be trained and budgets put aside to support the practice. Nyambura, (2000) in her study of challenges facing the internet revealed that there was an estimated 30,000 internet users in Kenya by May 1999, and the population by then was estimated as 30 million, an indication that internet use in Kenya is below world average.

The importation of knowledge is crucial to any society. Bookshops by their way of providing books help in a major way in improving the education of the citizens of a nation. However, these books need to reach as many customers as possible, bearing in mind that resources are limited. With an increase in the literacy levels of Kenyans, for example, many students being in secondary and tertiary institutions of higher learning and an increasing in reading among the general public, books are likely to be on a greater demand. Bookshops should therefore take advantage of the situation.

Bookshops need to reach as many customers as possible because the market exists. Due to the growing market, a combination of direct marketing tools may be required. The number of bookshops is increasing and everywhere one goes there are books being sold for example, in the streets, completing students, parents, etc. For a marketer to capture a wider share of the market, a combination of direct marketing tools may be required to reach as many customers as possible. Fragmented studies have been carried out, but no study on the extent to which bookshops use direct marketing tools has been done in Kenya. This research is therefore aimed at studying the direct marketing tools used in the book-selling industry. It will attempt to answer the following question:

- Which direct marketing tools do bookshop use?
- To what extent do bookshops use direct marketing?

1.3 OBJECTIVES OF THE STUDY

CHAPTER TWO

The objectives of this study are:

- To determine which direct marketing tools are used by bookshops.
- To determine the extent to which bookshops use the direct marketing tools.
- To determine the problems if any experienced by bookshops in the use of direct marketing.

1.4 IMPORTANCE OF THE STUDY

The findings of this study may be of importance to a number of interest groups. Firstly, bookshop owners in Kenya may use it to improve their marketing techniques. The bookshops may also be able to identify the direct marketing tools that they can effectively use to improve their services.

Secondly, it is hoped that the study may be of grate use to future scholars who may wish to research in the same or related area.



Source: Marketing, Choosing Value for customers Pg 370, Churchill (1995)

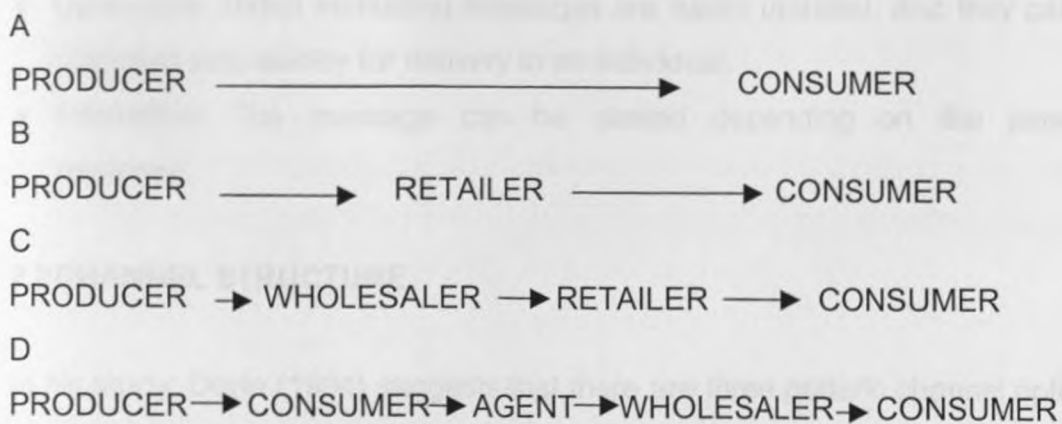
CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Kotler (1996) defines marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. According to Stanton (1994), marketing is a system of business activities designed to plan, price, promote and distribute want satisfying products, to target markets to achieve organizational objectives. Marketing can either be carried out by the use of direct or indirect channels.

According to Churchill (1995) consumers can buy goods from retailers / wholesalers (indirect marketing) or directly from the manufacturer producer (direct marketing). The four most common distribution channels for consumer goods are as shown below;



Source: *Marketing, Creating Value for customers* Pg 470: Churchill (1995)

In channel A, there are no intermediaries. This type of channel organization is called direct marketing. In the other channel where there are intermediaries, that kind of channel organization is called indirect marketing. Some companies have remained in business through the maintenance of a highly individual channel of distribution for example, Tupperware. McCarthy (1993) defines direct marketing as a direct communication between a seller and an individual customer using a promotional method other than face – to – face personal selling. Kotler (2000) defines direct marketing as an interactive system of marketing that uses one or more advertising media to effect a measurable and / or transaction at any location.

Herbig (1984) has also defined direct marketing as the use of telephone, fax, e-mail, or Internet to communicate directly with or solicit a direct response from specific customers and prospects. Although there are many forms of direct marketing- direct mail, telemarketing, online marketing, and so on-they all share four distinctive characteristics. Direct marketing is:

- ◆ Non-public: This is because the message is normally directed to a specific person.
- ◆ Customized: Direct marketing messages are customized to appeal to the addressed individual.
- ◆ Up-to-date: Direct marketing messages are easily updated, and they can be prepared very quickly for delivery to an individual.
- ◆ Interactive: The message can be altered depending on the person's response.

2.2 CHANNEL STRUCTURE

In his study, Doyle (1994) suggests that there are three generic channel options, which include: Intermediary marketing channel; sales force; and direct marketing.

CHANNEL OPTIONS

a) DIRECT MARKETING

Advertising online

Telephone

Mail

Facilitators

Catalog

b) SALESFORCE

Own Sale force

Another firms

Contact Force

c) INTERMEDIARY

Merchants

Agents

ADVANTAGES OF DIRECT MARKETING

Source: Doyle (1994) Pg. 139.

The most important tool for direct marketing is consumer database (Enger 1991). In recent years there has been a dramatic increase in the use of direct marketing for promoting services, largely due to the development of new technology, which enables organizations to accurately target their message (Paliwoda 1993). Direct marketing is closely linked to the firms' effort to build long – term relationships with their customers. Mostly direct marketing allows a company to assess each of its customers and potential customer's level of profitability, and to deliver services and messages that are very closely related to their unique needs.

2.3 PRINCIPLES OF DIRECT MARKETING

- Keep it simple (Hallberg 1999). Avoid fancy folds in the brochures that do not let the reader know where to go next. Avoid extra pieces that confuse the reader.
- According Enger (1991) a database of consumers and prospects should be built. Direct marketing is the marketing arena of the future, and without a database organizations may be hopelessly outclassed.

- Keep refining your mailing list. To avoid mailing to those who died ages ago.
- You can fish the same water again and again. In selling a service, you can go back to the same people more than once.
- Written in readers self interest (Pettitt 1997). Resist putting irrelevant facts about the organization in the catalog in the Mail etc.

2.4 ADVANTAGES OF DIRECT MARKETING

According to (Kotler, 1990; Stanton, 1991; Hallberg, 1999; Assael, 1993) the following are the advantages of direct marketing: -

- Direct marketing provides shopping convenience.
- Direct marketers enjoy low operating expenses, because they do not have the overhead of retail stores.
- It saves time, and introduces customers to a large selection of merchandise.
- Consumers can do comparative shopping by browsing mail catalogs and through online shopping services.
- Direct marketers also benefit in that they can buy a mailing list containing the names of almost any group. Left – handed people, overweight people, and millionaires. They can then personalize and customize their messages.
- Direct marketing can be timed to reach prospects at the right moment, and direct marketing material receives higher readership because it is sent to more interested prospects. (Hallberg 1999).

MEASURABLE

This is because it is action oriented .You can count the reply cards & the coupons, e.g. you can check how many purchase orders came in today's mail? How many checks & credit card orders were received? Etc, unlike other media, which rely on estimated reach and frequency figures, you know exactly what happened. You exactly know where your leads and where your orders came from.

FLEXIBLE

It can serve as a support tool with general advertising and / or public relations. As a part of a sales promotion program or it can go alone – being the only technique used. (Bevan et al, 1989).

VERSATILE

You can do many things with it for example, send basic letters/ envelope / reply card format, or a catalog. There are almost no limits to the size, shape format, contents, or design of your email. There are few creative bounds to your print / space program or television campaign. Only your imagination limits what you might dream up to accomplish with direct marketing.

SELECTIVE

Direct marketing is a selective target medium. Not mass marketing where the measure is numbers alone. Direct marketing is very specific by the selection of the best list for mail and telephone marketing. Direct marketing is discriminating. It is not random, but targeted. It allows and encourages response from groups most carefully selected (Luck 1985).

PERSONAL

The most pleasing sound known to people is the sound of their own name. A name gives identity, a sense of being special, especially the direct mail and the telephone, which allow for personal contact with your audiences.

ECONOMICAL

It's cost – effective because you select, and talk to only those most likely to respond, and those most likely to buy what you are offering.

Your message is being received by those most likely to be interested in what you have to say.

2.5 DRAWBACKS OF DIRECT MARKETING

McCarthy (1996) & Pierre (2000) observed that consumers must place orders without seeing or trying on the actual merchandise (although they may see a picture of it). To offset this, direct marketers must offer liberal return policies. Catalogs, and to some extent direct mail pieces are costly and must be prepared long before they are issued.

2.6 FORMS OF DIRECT MARKETING

2.6.1 TELEMARKETING

Zikmund (1995), defines telemarketing as initiating contact with a shopper, and closing a sale over the telephone. It involves using the telephone as the primary means of communication with prospective customers. He says it is sometimes called telephone selling. Telemarketing can also be defined as a sales activity, which focuses on the use of the telephone to enter into a two-way dialogue with present and potential customers (Palmer 2000). According to Chee (1998), telemarketing involves selling by telephone: to use this approach presupposes that an efficient telephone service is available with database of telephone numbers, names, and location if possible.

Palmer (2000), further notes that telemarketing may mean cold canvassing from the telephone directory, or it may rely on prospects that have requested information from the company or whose demographics match those of the firms target market. Telemarketing has two phases: inbound (calls from the customer,

it is concerned with handling incoming calls which result from a company's promotion of a telephone number for sales enquires. Outbound – telemarketing occurs where suppliers take the initiative to contact potential or existing customers with a sale offer. According to Paliwoda (1998), inbound telemarketing is very powerful when combined with other media action and incentive for customers to act promptly.

Many products that can be bought without being seen are sold over the telephone. Examples are pest control services, magazines, subscriptions for example, readers digest, credit cards and athletic club membership. One estimate places the total annual volume of telemarketing in retail sector at about 2 billion (Etzel 2001). Effective telemarketing depends on choosing the right telemarketers, training them well, and providing, performance incentive. A study conducted by Chee (1998), found out that, businesses face problems in trying to incorporate direct marketing techniques for example, telemarketers often encountering hostile people on the other end of the line and experiencing many more rejections than closed sales, few telephone sales representatives last very long in the job.

ADVANTAGES OF TELEMARKETING

It gives potential buyers easy access to the seller where they can make enquires and service call.

It increases the speed of customer response to an advertisement and thus improves customer calls services.

Cost effective as it removes the middleman and it produces a valuable market database. The above advantages are according to Paliwoda (1998) and Rosenberg (1980). Telemarketing isn't problem free, often encountering hostile on the other end is very common. (Chee 1998).

PRINCIPLES OF PERSONAL SELLING

DISADVANTAGES OF TELEMARKETING

According to Patten (2011), the following are some factors that lead to effective sales

There are problems of individual privacy, as firms may place calls at all most any hour of the day or night (Quelch 1981)

It also requires a professional sales person who requires

In addition, telemarketing involves outright fraud – for example, attempts to obtain a person's credit card number for illegal use. It is estimated that such fraud costs customers \$ 40 Billion annually (Walker 2001). Despite these problems, telemarketing sales have increased in recent years fundamentally; some people appreciated the convenience of making a purchase by telephone.

It also requires a professional sales person who requires

The selling of retail merchandise by telephone is a growing aspect of direct marketing. It involves database management and personal selling.

2.6.2 PERSONAL SELLING

It involves database management and personal selling.

Personal selling is the presentation of a product to a prospective customer by a representative of the organization (Stanton 1991). It has also been defined as a person-to-person dialogue between the prospective buyer and the seller /salesperson (Zikmund 1995). Thus it consist of human contact and direct communication rather than impersonal mass communication; personal selling involves developing customer relationships, discovering and communicating customer needs, matching the appropriate products with there needs and communicating benefits. The salesperson job may be to remind, information or to persuade. In general, the sales persons' responsibility is to keep existing customers a breast of information about company products and services, and to persuasively convey a sales message to potential customers'. Sales people are also expected to be aware of changes in the market they serve (Kotler 2000).

PRINCIPLES OF PERSONAL SELLING

According to Palmer (2000), the following principle factors lead to effective sales performance.

Major areas of knowledge and skill- a professional sales person will require extensive training in sales and negotiating techniques. They will also require company product, service, market, competitor, and customer knowledge.

Computer and product knowledge- a sales person must have extensive and up-to-date knowledge of both the company, which they represent, and the products it offers. Knowledge of the company should include a clear understanding of its mission and purpose, key personnel, operations and support functions and services processes. A salesperson cannot afford to make promises, which the organization does not have.

Marketing and customer knowledge - The salesperson requires training in both information gathering and analysis plus development in report writing, writing up visit reports and presentation skills. Time management and area management - Careful management of time and planning of calls can generate opportunities for the salesperson to make extra sales visits or gather and analyze customer information.

PERSONAL SELLING PROCESS

It is a logical sequence of four steps that the sales person takes in dealing with a prospective customer.

PROSPECTING	QUALIFYING	PRESENTATION	POST PURCHASE
Referrals	Willingness	AIDA	Reduce dissonance
Inquiries	Capability	Attention	Build loyalty
Leads		Desire	
Records		Interest	
		Action	

Source: Stanton (1991) Fundamentals of marketing Pg 434

PROSPECTING

The first task is to identify prospects. If the organization has a well-designed marketing strategy, the segment (s) with the greatest potential have been identified. The salesperson must take this general description and then identify specific individuals or firms that may be prospects.

QUALIFICATIONS

A sales person must determine whether the prospect is qualified to buy. Qualifications include both reasonable willingness and capability to buy. To qualify the prospect, the salesperson must gather information from a wide variety of sources. To determine willingness to buy, information about a business prospect customer, competitors and suppliers is important.

PRESENTING THE SALES MESSAGE

Before presenting, sales people need to learn all they can about the individual or company to which they hope to sell.

ADVANTAGES OF PERSONAL SELLING

- Flexibility- salesperson can adopt a sales presentation to a specific situation for example to fit the needs and behaviors of individual customers, they can see prospects immediately reactions to a sales approach and make adjustments (Stanton 1991)
- Builds relationships.

- It can usually be focused on prospective customers, thus minimum wasted efforts (Churchill 1995).

LIMITATIONS

- Personal selling cannot economically reach a mass audience and it cannot be used efficiently in all marketing situations.
- It is expensive because it involves one-on-one communication (Stanton 1991).

TYPES OF PERSONAL SELLING TASKS

The importance of personal selling varies considerably across organizations. Some organizations may rely almost entirely on their sales forces to generate sales, while others use them to support a pulling strategy based on advertising (Pettitt 1997).

a) Order taking

They will write up orders, check invoices for accuracy and assure timely processing. Customers decide on the products and prices, then tells the salesperson what the order is to be. An effective order taker can adjust to a customer's reactions and can build good customer relations.

b) Order getting

Must seek out customers, analyze their problems discover how the products for sale might solve those problems and then bring the solutions to their customers' attention. It calls for the ability to explain the product (Engel 1991).

c) **Missionary Sales Person**

This kind of sales job is intended to build goodwill, perform promotional activities, and provide information and other services for the customers (Stanton 1994) This sales person is not expected to solicit an order. An example of this is a missionary sales rep for Procter & Gamble foods division.

d) **Drive- Sales Person**

In this case the sales person primarily delivers the product- for example, soft drinks. The selling responsibilities are secondary; few of this people originate sales.

e) **Sales Engineer**

In this position the major emphasis is on the sales person's ability to explain the product to a prospective customer, and also to adapt the product to the customer's particular needs. The products involved here typically are complex, technically sophisticated items. A sales engineer usually provides technical support and works with another sales rep that calls regularly on a given account.

According to Stanton (1991), the efforts of sales people go far beyond simply making transaction, they also include:

- Explaining product benefits.
- Demonstrating the proper operation of products.
- Answering questions and responding to objections.
- Organizing and implementing point- of – purchase promotions.
- Arranging the terms of a sale.
- Following up the sales to ensure that the customer is satisfied.
- Collecting marketing and competitive information to improve marketing strategy.

2.6.3 MAIL ORDER

According to McCarthy (1996), mail order is a method of marketing, whereby one can sell products or services, through a mail order (delivery by mail ups/ freight), door to door – means going directly to the customers home.

Mail order retailing is a form of selling by description; buyers usually do not see the actual product until it arrives in the mail. Mail order sellers contact buyers through direct mail, catalogues, television, radios, magazines and newspaper. A wide assortment of products such as records, books, clothing and household items are sold to consumers through mail. (Ferrel, 1985)

ADVANTAGES OF MAIL ORDER.

- The advantages of mail order selling relate to efficiency and convenience. Mail – order houses can be related in remote areas and can avoid the expenses of stores fixtures.
- The elimination of store operations can result in tremendous savings that can be passed to consumers in form low prices (Gillet, 1970)

DISADVANTAGES

- Inflexible, provides limited services and is more appropriate for specialty products than for convenience products. With more adults working outside the home it is getting harder to find someone at home during the day.

2.6.4 CATALOGUES

According to Chee and Rod (1998), Catalogue retailing is a type of mail order retailing. The use of catalogues was perhaps the first major form of direct marketing in the UK. This method involved advertising an organization range of

household / personal products in magazines and those interested would send off for a catalogue that could be ordered directly from home. Alternatively orders could be placed with agents. Catalogues grew explosively in the 1980s. Most of the growth was the result of specialty mail order catalogues (Kinsey 1988). Direct sales through catalogs have proved to be a successful way to enter foreign markets (Cateora, 1999). Many catalog companies are finding that they need to open telephone service centers in a country to accommodate customers that have questions or problems.

ADVANTAGES OF CATALOGUES

According to Gosden (1985), the following are the advantages of catalogues: -

- It bypasses the traditional use of retailers, thereby retaining control and attaining higher margins
- It positions the product as an exclusive product as it is only obtained from this route.
- The company develops a list database, and it has control and access to it which would not have been the case had retail intermediaries been used.
- However, there are certain disadvantages associated with this mode of promotion (chee1998).
- Higher administrative costs due to the need to check customers' credit references, given that payment are by cheque or credit installments.
- Higher incidences of bad debts.
- It will miss a segment of the market that will buy only if they can see and feel the merchandise.

2.6.5 ONLINE MARKETING

According to Cateora (1999), the use of the Internet is rapidly becoming an important distribution method for multinational companies. Online marketing is when a firm uses its website to offer products for sale, and then individuals or

organizations use their computers to make purchase. Any of the parties have engaged in electronic transactions (also called internet marketing). (Walker 2001). Companies for example Amazon.com are using Internet marketing. There are substantial costs in establishing an online operation. Internet search engines gives consumers' access to varied information sources, making them better informed and more discerning shoppers.

Mbuvi (2000), in her study of a survey of potentials for adoption of e-commerce, by four operators; found out that, four operators have not yet adopted e-commerce completely- only some aspects. She asserts that this could be attributed to the fact that the technology is till very new in Kenya. She noted that employees are being trained, budgets are being put aside, and IT policies are being made; and also that e-commerce can be referred to as trading online. Paying online which is ideal for services such as airline, which are for goods like music compact disks books and clothes. Computer hardware and software companies and book and music retailers are the most experienced "e-marketers", in using this method of distribution and marketing. A recent study found out that, worldwide shoppers spent about 500million dollars on-line in 1996 (Graham1999), and it is expected to increase to 6.5milliondollars by 2000.

ADVANTAGES OF POTENTIAL BUYERS

According to Gosden 1985, Kotler 2000, and Mbuvi 2000 the following are the advantages of online marketing to potential & marketers:-

- **Convenience:** customers can order products 24hrs a day whenever they are. They don't have to sit in traffic, find a packing space etc.
- **Information:** customers can find reams of comparative information about companies, products, competitors, and prices without leaving their office or home.
- **Fewer hassles:** customers do not have to face salespeople or open themselves up to persuasion and emotional factors.

ADVANTAGES TO MARKETERS

- Quick adjustments to market conditions. Companies can quickly add products to their offering and change prices and descriptions.
- Lower costs: online marketers avoid the expense of maintaining a store and the cost of rent, insurance and utilities.
- Relationship building: online marketers can dialogue with customers and learn from them. Marketers can download useful reports or a free demonstration of their software or a free sample of their newsletter.
- Audience sizing: marketers can learn how many people visited their online site and how many stopped at particular places on the site. The information can help improve offers and advertisements.

However, online advertising is not for every company, nor for every product. The internet is useful for products & services where the shopper seeks greater ordering convenience (e.g books and music) or lower cost (e.g. stock trading or news reading) Stanton (1994) online marketing is also useful where buyers need information about features & value difference (e.g. automobile and computers).

The Internet is less useful for products that must be touched or examined in advance. But even this has exceptions e.g. other people order for products like computers online (Etzel, 2000)

CHALLENGES THAT ONLINE MARKETERS FACE.

Limited consumer exposure & buying: web users are doing more surfing than buying. Only an estimated 18% of surfers actually use the web regular for shopping or to obtain commercial services as Navel information. The major online buyers today are business rather than individual customers.

Skewed user demographics & psychographics: online users are more upscale & technically oriented than the general people making them ideal for computers, electronics & financial services but less so for mainstream products

Chaos & clutter: The Internet offers millions of web sites & a staggering volume of information. Navigating the web can be frustrating. Many sites go unnoticed & even visited sites must capture visitor's attention.

Security: Consumers worry about unscrupulous interlopers will intercept their credit card numbers. Companies worry that others will invade their computer system for espionage or sabotage purposes (clutter 2000)

2.6.6 DIRECT MAIL

Hallberg (1999), says that, direct mail is a relationship medium, which originated with first wave of consumer markets that moved into direct marketing. Direct mail can be a very cost effective method for reaching global consumers, as it can be targeted to a specific niche group (Wilson and Collin 1999). Certain companies specialize in compiling mailing lists, which are then sold to marketers employing direct mail to sell books, magazines etc.

This method is best for selling well-known goods such as magazines and recorded music, and a variety of services such as credit cards. Direct mail is also said to be an advertising media (Kotler 2000). Direct mail describes the way in which an organization distributes printed material, aimed at specifically targeted potential customers (Boyd 1972). Certain companies specialize in compiling mailing lists, which are then sold to marketers employing direct mail to sell books, magazines, insurance, etc. Customers are then asked to place orders by mail or phone.

ADVANTAGES OF DIRECT MAIL

- It include tangible evidence of a highly intangible service (e.g. pictures of hotels)
- It can be timed effectively to fit in with the overall marketing strategy and is quick to implement and to produce rebuilds.
- Sales messages can be personalized to the needs of individual recipients.
- With direct mail a firm can gain first mover advantages in a market, as the competitors will not be initially aware when a campaign is launched.
- There is no restriction in terms of media space, airtime, or copy deadlines to meet. A direct mail shot can thus be varied in terms of content, size, geographic coverage, and time.

Preconditions for direct mail to be effective, in whatever market the company may operate (Chee 1998)

- Target group must be easily identifiable and defined narrowly.
- An efficient & economic global postal system must be in place.
- There must be an efficient and effective collection system for the shipped goods.
- The effectiveness of direct mail depends on the quality of the mailing lists, and the accuracy of mailing is extremely important; obtaining precise lists, however, may not always be an easy task, but the presence of list brokers, especially in many of the developed markets, does alleviate some of the difficulties of obtaining reliable lists.
- Consumers will be wary of ordering and sending money to foreign firms, which are unknown to them; it is therefore not only necessary, but also essential, to establish a local address in the market if a firm wishes to achieve a fairly high degree of success.

DISADVANTAGES OF DIRECT MAIL

- May be slow and unreliable.
- There may be no special commercial mailings & rates, which would also make this method expensive and the response slow (Gates 1999).

2.6.7 VENDING MACHINES

Is the selling and delivering of products through vending machines (McCarthy 1996). It is also defined as the sale of products through a machine with no personal contact between the buyer and seller (Stanton 1991).

It is a machine operated by coins, which are used to sell consumers in off-store locations, and they have the advantage of 24 hr service. The price of vended items are 25-30 percent higher than store bought items in the United States because of machine breakdown, pilferage and the need for frequent restock widely scattered machines (Etzel 2000).

He notes that product sold by automatic vending machines are usually well known, presale brands with a high rate of turnover. The large majority of automatic vending sales comes from the "4C's": cold drinks, coffee, candy and cigarettes. The American Marketing Association estimated that vending rings up to approximately \$30 billion in annual sales that represent just over 1% of all retail trade. Automatic vending has high operating costs because of the need to replenish inventories frequently.

2.6.8 TELEVISION MARKETING

Direct response television marketing works well for magazines, books, small appliances, tapes and CDs, collectibles, and many other products. Videotext and at home shopping are other forms of direct response television marketing.

Home shopping channels are television programs or entire channels dedicated to selling goods and services (Kotler 1997). Sales through home shopping channels grew from 450 million dollars in 1986 to an estimated 2million in 1994.

ADVANTAGES

- The program's hosts offer bargain prices on products most of their products.
- Home shopping networks broadcast 24 hours a day.

According to Muma (1982), rural markets were channels through which products and ideas were changed. She also asserted that the distribution role of market places was likely to become even more important in the future. This was because as urban centers continued to grow, open-air as well as enclosed markets would be built to serve the urban residents. He findings confirmed Carson's (1963) assertion that, while the market places diminished with the economic development in the industrialized economies, they tended to increase in importance in Africa.

Muiruri (1999) found out that middlemen requirements cited by the firm owners included their desire to buy products on credit and their high quality expectations. Thus, where the level of credit required by the intermediary was high, most firms chose to sell directly at their own outlets than use the intermediaries.

High quality expectations by middlemen implied that, only those products, which met the quality expectations of intermediaries, would be bought hence the firm owners had to use other channels (direct channels) to distribute the products that did not meet the quality expectations of the intermediaries. He also established that most intermediaries required a fairly high profit margin on the sale of these products.

Growth and spread of the Internet has been challenged by various factors, which include:

- Telecommunication infrastructure. The Internet relies heavily on telecommunication infrastructure and its current state has been a hindrance to the growth of the Internet.
- Lack of co-operation among ISPs.
- Lack of information and communication policy.
- Customer training and awareness is still very low.

2.7 FACTORS THAT HAVE ENCOURAGED THE GROWTH OF DIRECT MARKETING

- The retailing literature suggests a number of factors that have encouraged the growth of direct marketing and, those that will influence shopping patterns in the future. This include:
 - Improved telecommunication and postal services.
- Shopping convenience, particularly in terms of reducing time, and effort, is a central theme of the literature on shopping at home. Today's more affluent and knowledgeable urban shopper demands and can better afford shopping convenience. At the same time increased standardization and branding of products over the years may have lowered the risk of buying at home by sample or description.
- With increasing suburban population, many shopping centers now face the problems of heavy traffic inadequate parking and crowded stores that have long plagued downtown shopping. Mounting inconvenience of store shopping may be forcing some consumers to avoid store purchases by ordering at home.
- Changes in consumer lifestyle may be contributing to the popularity of buying at home.
- Locked - in- shoppers-those experiencing unusual difficulties getting out, are

important source of in - home sales. Working wives, women with small children, and the elderly are more likely to be locked in at home or on the job; all these segments are growing faster than the total population.

- Few customer goods are built to special order. Most enterprises will not be able to treat all their customers so well: it is too expensive (Karanja 2000)

2.8 FACTORS THAT WILL IMPACT THE FUTURE GROWTH OF DIRECT MARKETING

According to (Paliwoda 1998) the following factors will impact on the future growth of direct marketing.

- Improved telecommunications and postal services.
- The presence of affluent customers.
- The increased use and acceptance of cashless payments, i.e. credit cards.
- Reduced time for shopping.
- Consumer lifestyle changes.
- Consumer lifestyle changes.

According to Bearden (1995), A Company must be aware of the environment and global trends that could impact on the future state of distribution systems if they are to remain competitive in world markets.

DATA COLLECTION METHOD

CHAPTER THREE

RESEARCH METHODOLOGY

Below is the methodology that was used to carryout the research. It includes the research design, population of interest, the sampling plan, data collection and data analysis techniques.

3.1 RESEARCH DESIGN

This is a descriptive study meant to establish the extent to which bookshops use direct marketing tools. Coper and Emory (1994), assert that a descriptive study is used to teach the whom, the what, the when, the where and the how of a research topic. Thus a study of this nature will be appropriate in this case.

3.2 THE POPULATION

The population comprises all the bookshops in Nairobi. Nairobi has been selected because it has the highest number of bookshops compared to other towns. Nairobi has a total of seventy bookshops, and this is as indicated by the telephone directory (2002). (Yellow pages) See Appendix I I

3.3 SAMPLE FRAME

The sample used for the study consisted of 70 bookshops, which were all the bookshops in Nairobi, as indicated by the Yellow pages of the telephone directory. Each bookshop received one questionnaire, which was filled by the person in charge of the marketing department, or the shop managers for the bookshops that never had marketing departments.

3.4 DATA COLLECTION METHOD

The study made use of primary data. The survey method was used to collect data. The research instrument used to collect the relevant data was the questionnaire, which consist of both open-ended and closed-ended questions.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

INTRODUCTION

This chapter contains summaries of data together with possible interpretations for each direct marketing tool. The analysis is presented in two parts. The first part of the chapter presents an analysis of the general information regarding bookshops. The second part presents an analysis of the extent to which bookshops use direct marketing tools. The research aimed at studying 70 bookshops but this was not possible as 10 bookshops were left out because of their unwillingness to fill in the questionnaires, leaving the researcher with 60 bookshops to be studied.

4.1 General information

The researcher made the analysis by use of frequencies and, percentages, depending on the results given by respondents towards the direct marketing tool they use and the extent to which they use the tools.

Bookshops are mostly known to sell only books, and not other products, but the research found out that bookshops have gone beyond selling books and are now selling other products. To determine the above, respondents were asked to indicate the products they sell and the results revealed that they sell; library equipment, sports wear, gifts, furniture, computer software, newspapers, video tapes, among others.

To determine whether having a marketing department might have an influence on the extent of usage of direct marketing tools, respondents were asked to indicate if their bookshops had a marketing department or not. The results were as shown below.

Table 4.1.1

Marketing departments in bookshops

Response	Frequency	Percentage
Yes	12	20
No	48	80
Total	60	100

From the above table, we can see that, 80% of the bookshops in Nairobi do not have marketing departments whilst 20%, have marketing department. The respondents said this was so because, bookshops are small and they do not need the department, whereas some respondents argued that it would be expensive to maintain the department.

4.2 Telemarketing

In an attempt to find out whether bookshops initiate contact with customers, and also close a sale over the telephone, respondents were asked to state, whether they use telephone to transact businesses with there customers, and the results revealed that, all the bookshops use telephones in their daily operations. Most of the bookshops confirmed that they use telephones to a very large extent. All the bookshops had there customers telephone numbers which they got from different sources, which include,

- Telephone directory
- Sales people
- Customers themselves and
- Through friends

Respondents were then asked to indicate if they had an option of leaving messages in the answering machine or in the voice mail an the response was as shown below;

Table 4.2.1

Response	Frequency	Percentage
Yes	7	12
No	53	88
Total	60	100

The above table indicates that 12% of bookshops have an option for the customers to leave messages when they are not in whereas 88% of the bookshops in Nairobi do not have that option. In addition, respondents were asked if they do follow ups for messages left. All the bookshops that have the option of leaving messages said they also follow up and make sure they get back to the customer who left a message.

In order to know if there are any problems experienced in trying to use some of the direct marketing tools, respondents were asked to state the problems they encounter in trying to transact businesses using the telephone. The following were common in most bookshops.

- Hostility.
- Presentation time is limited.
- Gatekeepers make it impossible to speak to potential customers.
- Calling mobile phones is expensive.

4.3 Personal selling

The research revealed that, 55% of bookshops in Nairobi have sales representatives to help generate sales.

Table 4.3.1

Sales representatives

Response	Frequency	Percentage
Yes	33	55
No	27	45
Total	60	100

In order to know the type of personal selling tasks assigned to the sales representatives, the respondents were asked to indicate whether their sales representatives write up orders, or do they seek out orders. Of the 55%, 40% are order getters, whereas 15% are order takers.

To determine the extent to which bookshops make use of their sales representatives, respondents were asked to indicate the extent to which they use the following selling approaches;

Sending a sales representative to a group of potential customer,

Table 4.3.2 Extent to which bookshops use sales representatives

Response	Frequency	Percentage
No extent	25	41
Small extent	11	19
Moderate extent	12	20
Large extent	9	15
Very large extent	3	5
Total	60	100

This revealed that a greater (41%) percentage do not use this approach at all, whereas a very small percentage use this approach (See table 4.3.2).

The researcher then asked the respondents to indicate the extent to which they send a sales representative to an individual customer.

Table 4.3.3

Sending a sales representative to an individual customer

Response	Frequency	Percentage
No extent	26	43
Small extent	13	22
Moderate extent	8	13
Large extent	11	18
Very large extent	2	4
Total	60	100

The results as shown in table (4.3.3), indicate that, 43% of bookshops in Nairobi do not use this approach at all, where as 4% use it to a very large extent.

Respondents were also asked to indicate the extent to which they send a sales team to the potential group of customers.

Table 4.3.4

Sending a sales team to a potential group of customers

Response	Frequency	Percentage
No extent	52	86
Small extent	4	7
Large extent	1	2
Very large extent	3	5
Total	60	100

Which revealed that, most bookshops do not have a sales team, thus the approach is used to a very small extent. (See table 4.3.4).

Bringing company resource people to discuss with customers' is used to a very small extent.

Table 4.3.5 company resource people to discuss with customers

Response	Frequency	Percentage
No extent	52	87
Moderate extent	3	5
Large extent	2	3
Very large extent	3	5
Total	60	100

87% of the sales representatives in bookshops revealed that they do not (to no extent) bring the company's resource people to discuss with customers, whereas only 5% use this approach to a very large extent. (See table 4.3.5).

Lastly, to determine whether bookshops conduct seminars for their customers, respondents were asked to indicate the extent to which the bookshops conduct seminar for customers and the results revealed that 95% of do not use this approach (to no extent). Only 1% agreed to be using this approach largely.

To determine which problems are mainly faced by bookshops in trying to use personal selling, respondents were asked to indicate the problems they face;

- Cold reception.
- Expensive especially where you have to cater for transport and accommodation.
- Distribution costs are high especially where calls have to be made to customers.

4.4 Mail order

To examine the number of bookshops that use mail order system, respondents were asked to tick against yes and no, depending on if they used the system or not, and the researcher found out that, 50% of the bookshops use mail order

system to a very large extent. Of the bookshops that used mail order system, the results depict that, direct mail was most commonly used to a very large extent. Respondents were later asked to indicate the extent to which they use mail order forms when contacting their customers. This was to assist the researcher to know which tools are used and to what extent. Below are some of the mail order forms and the extent to which bookshops use them to contact customers.

4.4.1

Extent to which bookshops use direct mail to contact customers.

Response	Frequency	Percentage
No extent	14	23
Small extent	11	18
Moderate extent	9	15
Large extent	11	19
Very large extent	15	25
Total	60	100

4.4.2

Extent of usage of Television in bookshops

Response	Frequency	Percentage
No extent	51	85
Small extent	8	13
Very large extent	1	2
Total	60	100

4.4.3

The extent to which radio is used in bookshops to contact customers.

Response	Frequency	Percentage
No extent	46	77
Small extent	2	3

Moderate extent	4	7
Large extent	6	10
Very large extent	2	3
Total	60	100

4.4.4

Extent of usage of magazines when contacting customers.

Response	Frequency	Percentage
No extent	56	93
Small extent	2	3
Moderate extent	2	4
Total	60	100

4.4.5

Extent of usage of newspapers to contact customers

Response	Frequency	Percentage
No extent	53	88
Small extent	5	8
Large extent	2	4
Total	60	100

4.4.6

The extent to which the internet is used in bookshops to contact customers

Response	Frequency	Percentage
No extent	55	92
Small extent	2	3
Moderate extent	2	3
Large extent	1	2
Total	60	100

4.4.7

Extent to which journals are used to contact customers

Response	Frequency	Percentage
No extent	56	93
Small extent	4	7
Total	60	100

The research revealed that direct mail is used to a very large extent, compared to other mail order systems. (See table 4.4.1). 51% of the bookshops in Nairobi do not use television to contact their customers, and there is no bookshop that uses television to a very large extent. (See table 4.4.2). Only 3% of bookshops contact their customers using radio largely, whereas 77% do not use radio at all. (See table 4.4.3). Majority of bookshops do not use magazines (no extent), while 2% use magazines to a small extent. (See table 4.4.4). The use of newspaper to contact customers in the book selling industry is not very common. 8.33% use it to a small extent, 3.33% use it to a large extent, where as 83%, use it to no extent. The use of Internet is also and journals are also not common in this industry as 91%, and 93% respectively, do not use the Internet, and journals to contact their customers (no extent) (See tables 4.4.5 and 4.4.6).

The bookshops that use the mail order system agreed to be having some problems which include;

- Slow response from their customers. (Delays)
- No personal contact and therefore poor bargaining power.
- Expensive.

In order to find out, which of the mail order tools is more important, respondents were asked to rank in order of importance the mail order tools that they use and the results were as follows; (1 being the most important)

1 Telephone, 2 Radio, 3 Television, 4 Newspaper, 5 Magazines, 6 Internet, 7 Journals.

4.5 Online Marketing

The use of computers has become very important in all industries. To gauge the extent to which computers are used in the book selling industry, respondents were first asked if they use computers and a total of 91.7% agreed to be using computers, whereas 8.3% said they do not use computers. The respondents were later asked to specify the operations carried out using the computers which included;

- Inventory control
- Point of sale, Generating invoices
- Sending and receiving e-mail
- Maintaining customer accounts

The bookshops that do not use computers said they plan to do so very soon.

To determine whether there is any online marketing taking place in the bookshops, respondents were asked if they have a website, and out of the 60 bookshops interviewed, only 11% have a website, which they use to a large extent, to transact business with their customers. Bookshops also have their customers' e-mail addresses, which they also use though 93%, of the bookshops work off line.

Bookshops derive some benefits when they sell online.

- Transaction is fast and easy.
- Facilitates both local and international selling

Problems encountered when selling online

- Limited consumer exposure and buying, because customers do more of surfing than buying.
- Customers' can not hold and assess the product
- Security in receiving payments online.

4.6 Vending Machines

This is a kind of selling where products, are sold through a machine with no personal contact between the buyer and the seller. Of the 60 bookshops interviewed non-of them use vending machines. There reason for not using vending machines was because it is not in use in the book selling industry in Kenya.

4.7 Television marketing

To find out if bookshops use television marketing, respondents were asked, if they provide toll free numbers for there customers (see table 4.7.1), and also if, they had computerized catalogs (See table 4.7.2), and lastly, they were asked the extent to which they use direct response advertising, at home shopping, and video text, when selling their products directly to their customers (See table 4.7.3). The results were as follows;

Table 4.7.1 Provision of toll free numbers

Response	Frequency	Percentage
No	60	100
Total	60	100

Table 4.7.2 computerized catalogs

Response	Frequency	Percentage
Yes	7	12
No	53	88
Total	60	100

Table 4.7.3

Direct response advertising

Response	Frequency	Percentage
No extent	56	93
Small extent	1	2
Moderate extent	1	2
Large extent	2	3
Total	60	100

At home shopping 4.7.4

	Frequency	Percentage
No extent	58	97
Large extent	1	1
Very large extent	1	2
Total	60	100

Table 4.7.1, shows (100%) of the bookshops in Nairobi do not provide toll free numbers for customers to call. Majority (88%), of the bookshops do not also provide computerized catalogs for their customers. Table 4.7.3, explains the extent to which bookshops use some forms of television marketing. Of the three forms, any bookshop does not use videotext, while at home shopping is used to a very small extent and the same applies to direct response advertising.

CHAPTER FIVE

DISCUSSION AND CONCLUSION

This chapter concludes on the finding of the study that was entirely based on the objectives. It then represents a summary conclusion, limitations of the study and suggestions for further research.

5.1 DISSCUSSION

The objectives of the study were to find out the direct marketing tools used by bookshops in Nairobi, the extent to which these tools are used, and the problems experienced if any. The study indicates that, only 20% of bookshops in Nairobi have a marketing department. Bookshops that have a marketing department should have a marketing manager to design the direct marketing tools as most of the tools are used to a very small extent, whereas some of these tools are not used to any extent. Telemarketing is the most commonly used tool by bookshops as 100% of the bookshops use telephones to contact their customers. Tools for example videotext and vending machines are not used at all.

From the study, the following factors were found out to be important in the successful usage of direct marketing tools;

- Security. This is to avoid outright fraud.
- Respect of individual privacy, thus telemarketers should avoid calling at odd hours.
- Improved postal services.
- Special commercial mailing rates.

The research findings revealed that consumers are not willing to place orders without seeing the actual product, although they may see a picture of it. This has

affected the extent to which direct marketing tools are used. McCarthy (1996) and Pierre (2000), also observed that consumers must place orders without seeing or trying on the actual merchandise, and they say that to offset this, direct marketers must offer liberal return policies.

5.2 Conclusion

In the wake of aggressive competition facing bookshops, direct marketing has become an essential component of promotional mix elements to market textbooks. Direct marketing is an important aspect the bookshops can use to voice their image and the service they offer. The findings led to a number of conclusions. First, the bookselling industry does not use direct marketing tools to a large extent. The respondents argued that direct marketing is expensive and that they would not afford to use it to large extents. Respondents also revealed that, factors for example security, special mailing rates, improved postal services, among others should be enhanced. Secondly, tools for example videotext, which is a form of television marketing, is not used to any extent, and the same applies to vending machines.

Of the direct marketing tools, telemarketing is the most largely used tool, compared to other direct marketing tools, and followed by direct mail and then personal selling. The government should give a helping hand to the bookselling industry by looking into ways of offering commercial mailing rates, improving postal services, improving security to avoid fraud, among others, because with this the industry can use direct marketing tools to a very large extent.

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5.3 Limitations of the study

Some of the bookshops considered the information being sought to be very sensitive and therefore they did not respond.

The duration of the study was too short and the researcher faced financial difficulties.

5.4 Suggestions for further research

From the research findings of the study, further research is recommended in the following areas;

Research should be done singly on each of the factors considered important in the successful usage of direct marketing tools. Further research should also be done in different sectors, to see the correlation of these findings with those obtained in other sectors.

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APPENDIX I

APPENDIX II

INTRODUCTION LETTER

University of Nairobi,
Faculty of Commerce,
MBA - Program,
Lower Kabete Campus,
P.O. Box 30197,
NAIROBI.

17th August, 2002

Dear Respondent,

I am a Postgraduate Student at the University Of Nairobi, pursuing a Masters degree in Business Administration. I am undertaking a research project on the extent to which bookshops in Nairobi use direct marketing tools. This is in partial fulfillment of a master's degree.

I am kindly requesting you to fill in the attached question to the best of your knowledge. This is to help in my data collection. The information you give will be treated with strict confidence, and will only be used for the purposes of this study. In no way will your name appear in the final report. A copy of the project will be made available to you on request.

Thanking you for your co-operation.

Yours faithfully,

(MBA STUDENT)

APPENDIX II

BOOKSHOPS IN NAIROBI

1. Africa Book Service (EA) Ltd.
2. Alpha Bookshop
3. Alpha Educational
4. Alpha Omega Books Ltd.
5. Believers Bookshelf
6. Benrock Agencies Ltd.
7. Bethel Christian Bookshop
8. Book Corner Ltd.
9. Book Distributors Ltd.
10. Book Mail Ltd.
11. Book Room
12. Book Stop
13. Book Point
14. Book First Ltd.
15. Buruburu Mini Bookshop
16. Casroom Supplies
17. Catholic Bookshop
18. Chania Bookshop
19. Chrdney Books and Stationery
20. Chyeni Bookshop
21. Ebenezer Multiple Agencies
22. El-Gibbor Collections
23. Elimu Books Ltd.
24. Emac Enterprises
25. Enjoy Christian Bookshop
26. Good Shepherd Tidings
27. Hidden Treasurers Books Ltd.
28. Jockers Gift and Book Point Ltd.

29. Joy Bookshops and Stationer
30. Junior Bookshop
31. Kairi Bus
32. Karen Books & Gifts
33. Karen Bookshop
34. Kenya Readers Bookshop
35. Kesho Publications
36. Keswick Books & Gift Ltd.
37. Kimida Books & Stationers
38. Lavington Green Bookshop
39. Laxmi Booksellers & Stationers Ltd.
40. Legacy Books Bookshop
41. Lifeline Phoenix Ltd.
42. Mbugita Agencies
43. Book Sales (K) Ltd.
44. Millenium Books and Stationers
45. Moni Books and Stationers
46. Monkam Agencies
47. Mwawa Books and Stationers
48. Nairobi Diocesan Bookshop
49. Nation Bookshop
50. New Embassy Bookshop
51. Ngara Bookpoint
52. Nzomo Educational Suppliers
53. Pal's Books Stationers
54. Pamika Booksellers
55. Premier Bookshop Ltd.
56. Prestige Bookseller and Stationers
57. Primrose Sundries Ltd.
58. Readmore Kenya Ltd.
59. Rhyme and Reason Ltd.

60. Sam Bookshop Ltd.
61. Savanis Book Centre.
62. Starlight Book Co.
63. S.U Christian Book Centre
64. Jogoo Road Bookshop.
65. Jostess Books and Stationers
66. Textbook Centre
67. Top score Bookshop
68. Walk in Bookshop
69. Wedakin Bookshop
70. Westlands Sundries

Match up the following products on the left with their best fit on the right

- | | |
|----------------------|----------------------------------|
| (1) Textbooks [1] | (2) Engineering materials [1] |
| (3) Stationery [1] | (4) Calculators [1] |
| (5) Magazines [1] | (6) Books [1] |
| (7) Stationery [1] | (8) Calculators [1] |
| (9) Computers [1] | (10) Engineering materials [1] |

Write answers space (10) _____

ITSA

MARKETING

Match up the following products on the left with their best fit on the right

- | | |
|-----------|-----------|
| (1) [1] | (2) [1] |
| (3) [1] | (4) [1] |
| (5) [1] | (6) [1] |

Write answers to questions (2) (4) (6) (8) (10) (12) (14) (16) (18) (20) (22) (24) (26) (28) (30) (32) (34) (36) (38) (40) (42) (44) (46) (48) (50) (52) (54) (56) (58) (60) (62) (64) (66) (68) (70) (72) (74) (76) (78) (80) (82) (84) (86) (88) (90) (92) (94) (96) (98) (100)

- | | |
|-----------|-----------|
| (1) [1] | (2) [1] |
| (3) [1] | (4) [1] |
| (5) [1] | (6) [1] |
| (7) [1] | (8) [1] |

Write answers space (10) _____

APPENDIX III
QUESTIONNAIRE

Instrument for collecting data.

PART A

This part requires you to give general information regarding your bookshop.

1. Name of bookshop-----
2. Title of the respondent (optional)-----
3. Year of incorporation-----
4. Location-----
5. Do you have a marketing department in your bookshop?
Yes { } No { }
6. Which of the following products do you sell? (please tick all that apply to you)
a) Textbooks { } f) Duplicating machines { }
b) Cards { } g) Calendars { }
c) Magazines { } h) Bags { }
d) Stationary { } i) Calculators { }
e) Computers { } j) Duplicating machines { }
Others (please specify)-----

PART B

TELEMARKETING

1. Do you use telephones to transact businesses with your customers?
Yes { } No { }
2. Do you have your customers' telephone numbers?
Yes { } No { }
3. If your answer to question (2) is yes, how did you get the telephone numbers? (Please tick all that are relevant)
a) Telephone directory { }
b) From sales people { }
c) From customers themselves { }
d) Others (please specify)-----

4. Is there an option of leaving messages in the answering machine or voice mail, in a case where a customer does not find you?

Yes{ } No{ }

5. If your answer to question (4) is yes, are there any follow-ups done?

Yes{ } No{ }

6. What problems do you encounter in trying to transact businesses using the telephone?

- (a)-----
- (b)-----
- (c)-----
- (d)-----
- (e)-----

PERSONAL SELLING

1. Do you use sales representatives to generate sales?

Yes{ } No{ }

2. If your answer to question (1) is yes, do they write up orders?

Yes{ } No{ }

3. Do your sales representatives seek out customers?

Yes{ } No{ }

4. Indicate the extent to which you use the following selling approaches by ticking the appropriate number. (5 4 3 2 1)

APPROACHES	V.LARGE EXTENT	LARGE EXTENT	MODERATE EXTENT	SMALL EXTENT	NO EXTENT
a) Sending a sales representative to a group of potential customers.	5	4	3	2	1
b) Sending a sales representative to an individual buyer.	5	4	3	2	1
c) Sending the sales team to the potential group of Customers.	5	4	3	2	1
d) Sales representatives bringing the company's resource people					

to discuss with the customers.	5	4	3	2	1
e) The company team conducting a seminar for the Customers.	5	4	3	2	1

5. What benefits does your firm derive from using personal selling to sell your products?

- (a)-----
- (b)-----
- (c)-----
- (d)-----
- (e)-----

6. Are there any problems that you experience when using the following to sell your products?

Sales representatives-----

Telephone-----

MAIL ORDER

1. Do you use your mail order system in transacting businesses with your customers?

Yes{ } No{ }

2. Indicate the extent to which you use the following when contacting your customers.

(By ticking the appropriate box.)

APPROACHES	V.LARGE EXTENT	LARGE EXTENT	MODERATE EXTENT	SMALL EXTENT	NO EXTENT
	5	4	3	2	1
a) Direct mail	{ }	{ }	{ }	{ }	{ }
b) Television	{ }	{ }	{ }	{ }	{ }
c) Radio	{ }	{ }	{ }	{ }	{ }
d) Magazines	{ }	{ }	{ }	{ }	{ }

e) Newspapers { } { } { } { } { }

f) Internet { } { } { } { } { }

g) Journals { } { } { } { } { }

h) Others (please specify) -----

3. Of the mail order systems that you have indicated, in question (2), rank in order of importance, 1 being the most important.

- a) Direct mail{ }
- b) Television{ }
- c) Radio{ }
- d) Magazines{ }
- e) Newspapers{ }
- f) Internet{ }
- g) Journals{ }
- h) Others (Please specify)-----

4. What benefits does your firm derive from using mail order systems?

- (a)-----
- (b)-----
- (c)-----
- (d)-----
- (e)-----

5. State the problems that you encounter in trying to use mail order systems?

- (a)-----
- (b)-----
- (c)-----
- (d)-----
- (e)-----

ONLINE MARKETING

1. Do you use computers in your operations?

Yes{ } No{ }

2. If your answer to question (1) is yes, please specify the operations carried out using computers

3. If your answer is to question (1) is no, do you plan to computerize you're your operations?

Yes{ } No{ }

4. Do you have a website of your own?

Yes{ } No{ }

5. If your answer to question (4) is yes, do you transact businesses to your customers through the web?

Yes{ } No{ }

6. Do you have your clients' e-mail addresses?

Yes{ } No{ }

7. If your answer to question (6) is yes, how many of these clients have e-mail addresses?

8. Out of the clients that have e-mail addresses, how many do you contact using their addresses?

9. What benefits does your firm derive from using online selling?

(a)-----

(b)-----

(c)-----

(d)-----

10. What problems do you encounter when selling online?

VENDING MACHINES

This is a kind of selling where products are sold through a machine with no personal contact with between the buyer and seller.

1. Do you use vending machines?

Yes{ } No{ }

2. If your answer to question (1) is yes, what products do you sell using this machine?
(please specify)

3. If your answer to question (1) is no, please explain why you do not use vending machines.

4. If you use vending machines, what are some of the benefits you derive from using it?

5. What problems do you encounter when using vending machines?

TELEVISION MARKETING

1. Do you provide toll free numbers for your customers? (Direct response advertising)

Yes{ } No{ }

2. Do you have computerized catalogs of the products offered? (At home shopping)

Yes{ } No{ }

3. Indicate the extent to which you use the following approaches when selling your products directly to your customers. (By ticking the appropriate number)

APPROACHES	VERY LARGE EXTENT	LARGE EXTENT	MODERATE EXTENT	SMALL EXTENT	NO EXTENT
Direct Response					
Advertising	5	4	3	2	1
At home shopping	5	4	3	2	1
Video text	5	4	3	2	1

4. If you use television marketing, what benefits do you derive?

- (a)-----
- (b)-----
- (c)-----
- (d)-----

5. What problems do you encounter when using television marketing?

- (a)-----
- (b)-----
- (c)-----
- (d)-----

Thanks for your co-operation and contribution