

**ATTITUDES OF SELECTED STAKEHOLDERS TOWARDS GROWTH  
STRATEGIES PURSUED BY LARGE SCALE RETAILERS IN KENYA: THE  
CASE OF UCHUMI SUPERMARKETS LIMITED.**

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**BY:**

**MELIOTH W. NJENGA**  
**D61/7402/01**

**A Management Project submitted in partial fulfilment of the requirements of  
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## DECLARATION

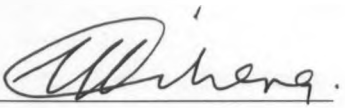
This project is my original work and has not been submitted for a degree in any other university.

Signed 

Date 19-01-2004

Melioth Wambui Njenga

This Project has been submitted for examination with my approval as University Supervisor.

Signed  Date 19/01/2004

Professor F. N. Kibera  
Supervisor

**DEDICATION**

To husband, Samuel Njenga,  
my children, Faith Nyokabi, Grace Wanjiku, Hannah Wangari and  
my sisters, Peninah Macharia and Catherine Wanjiku

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## ABSTRACT

The objectives of this study were to assess customer and staff awareness and knowledge of growth marketing strategies pursued by Uchumi Supermarkets Ltd. (Uchumi); assess attitudes of customers and staff towards those strategies; and measure Uchumi's image as perceived by customers. To satisfy these objectives, the current author first carried out a review of the literature so as to establish the current status of the subject area.

The researcher then conducted a descriptive research. The relevant data were collected from samples drawn from customers and staff of Uchumi using both structured and unstructured questionnaires. The data were subsequently analyzed using the research objectives as a guide. The analysis revealed many useful insights into the whole question of growth strategies in general and in retailing in particular.

First, the study revealed that growth strategies have led to a lot of expansion and opening of new branches by Uchumi. However the staff and customers awareness and knowledge levels of these strategies are relatively low. This is shown by fact that very few of them could mention over five branches of Uchumi. In addition the respondents were not very conversant with the growth strategies being used by Uchumi.

Second, the attitudes of staff and customers towards Uchumi are highly positive. This means Uchumi is still regarded as a leading quality store by its various internal and external customers. These stakeholders, however, felt that the opening of branches in some areas was

uneconomical since they are too close to each other. A few branches were also located in what the respondents considered to be insecure and inconvenient places.

Third, the parking space of Uchumi was seen to be a major issue. This was expressed by both the respondent customers and staff. The staff complained of having to carry the luggage of customers very far while the customers complained that Uchumi does not have enough parking space for its customers in most branches. Since majority of Uchumi's customers have vehicles, this factor needs to be addressed by the management.

Fourth, the Uchumi's corporate image as perceived by customers and staff is very positive and should be enhanced.

The implications of the study's findings are that Uchumi should be more involved in carrying out a survey to determine customer potential and to ascertain security, convenience and availability of parking space before opening a new store; should enhance its image through pursuing properly crafted marketing strategies; and because of the intensifying competition, it should increase its lower middle class customer base by employing, designing and implementing relevant cost reduction strategies.

There is need for a more comprehensive study to be carried out on the same topic but on a national level and using other stakeholders.

# CHAPTER 1

## INTRODUCTION

### 1.1 Background

The Structural Adjustment Programmes (SAPs) were implemented beginning the mid 1980's as a means of gaining stronger influence over the economies of debt strapped governments in the South. To ensure a continued inflow of funds, countries already devastated by the debt obligations had little choice but to adhere to conditions imposed by the International Monetary Fund (IMF) and the World Bank (Africa Recovery, 16:23).

The objectives of the Structural Adjustment Programmes were in general to improve a country's foreign investment climate by eliminating trade and investment regulations; to boost foreign exchange earnings by promoting exports; and to reduce government deficits through rationalized spending. The implementation of SAPs was also intended to reduce the role of government in the production and distribution of goods and services and to enhance the role of the private sector.

The principal consequence of SAPs was intensified competition due to market and trade liberalization, restructuring of strategic institutions, privatization of non-strategic state enterprises and elimination of monopolies. This in turn forced both large and small-scale enterprises to review their operating environments and to formulate more competitive marketing strategies (Imbuga, 1999).

Apart from SAPs, there were other factors that influenced the marketing strategies. These were changes in consumer taste and high level of consumer awareness as information is increased through modern technology. This meant that consumers were becoming more knowledgeable and therefore are able to compare prices, quality, location and other factors which add value to their purchases. The

composition of the consumers also changed from conservative generations to more younger and enterprising consumers.

Large-scale retailers in Kenya responded to the challenges of operating in a liberalized environment by formulating different marketing strategies. Hence, to survive many organizations decided to pursue strategies of stability, growth and retrenchment. Growth strategies are aimed at ensuring that a firm continues to expand while stability strategies try to ensure that the firm remains stable despite changes in the macro-environment. On the other hand, retrenchment strategies are aimed at reducing costs through deliberate policies of rightsizing, disposing of some branches or products and combining some services.

According to Ansoff as quoted by Kotler (2002), growth strategies include market penetration (selling more of the current products to the current market), market development which involves entering new markets with the same product; and market diversification strategy which entails introducing new products in new markets. Finally, there is product development strategy of offering new products to current markets. Needless to say, while these are viable marketing tools, not many Kenyan firms pursue them either out of ignorance or because of a belief that they operate in a seller's market where demand exceeds supply.

## **1.2 The Research Problem**

Large-scale retailers contribute significantly to Kenya's national development initiatives. They for instance offer employment opportunities to many people and contribute to the nation's Gross Domestic

Product (GDP) through various taxes and levies paid to the government. For example, in the year 2000, Uchumi paid Kshs. 142,482,000 as tax to the government and Kshs.61,884,000 in the year 2001. This excludes dividends paid to the shareholders amounting to Kshs.180,000,000 and Kshs.96,000,000 for the year 2000 and 2001 respectively.

Retail trade according to the current Economic Survey (2003) has been grouped together as wholesale and retail trade, restaurants and hotels. The significance of this sector can be seen from its contributions to total employment. In 1998, the sector employed 144,300 which grew to 151,400 by 2002. The retail trade sector was fourth in terms of employment in the private sector. However as a result of market liberalization following implementation of SAPs, operations of the sector were negatively affected by both domestic and foreign competition.

Like other retail firms, Uchumi, which is the largest retail chain in Kenya with 28 stores, it was adversely affected by the implementation of SAPs. It has therefore responded by designing and implementing growth strategies.

Uchumi Supermarket developed the five year strategic plan (30<sup>th</sup> June 2001 – 30<sup>th</sup> June 2006) to guide its operations. The plan which was officially communicated to the shareholders during the Annual General Meeting on 13<sup>th</sup> December 2001 by the Chairman was meant to ensure that the company remained the market leader in the retail business. The strategy was to lead to growth through new branches and further penetration of the existing market. According to the Chairman's report (2001), the strategy targeted modernization of information technology and other business systems to be in line with other world-class supermarkets.

Following the adoption of strategic plan, Uchumi embarked on opening of new retail outlets both within and outside Nairobi. The opening of the retail outlets was steered by the company's motto of "Uchumi nearest to you".

In 2002, Uchumi continued with its strategy of opening of new and bigger branches, which were aimed at offering customers a one-stop shopping opportunity. This was complemented by speciality facilities that included a bakery, butchery and a food court among others. This led to a growth of 1.1 % in gross turnover for that year and an improved gross profit margin.

Unfortunately, the improvements in sales turnover and gross margin the operating costs for the year were also excessive. This was mainly attributed to the initial start up costs of the six new branches that were opened during the year. Other factors that impacted negatively on performance were macro factors that included lower investor confidence, governance issues, worsening corruption, continued suspension of donor support, and the overall global economic downturn.

As a result of all the above, last year (2002) Uchumi recorded a sharp drop in its profits which was partly attributed to macro factors and partly to the expansion strategy. During the AGM, the shareholders expressed concern over the reduced returns. The management however argued that the low performance was expected before the real fruits of expansion are realized after the next several years. These sentiments were also supported by financial analysts at the Nairobi Stock Exchange (NSE). The primary purpose of the research was to study the perceptions, opinions and attitudes of internal and external customers of the largest retail firm in Kenya.

### **1.3 Objectives of the Study**

The research objectives of the study were to:

1. assess customer and staff awareness and knowledge of growth marketing strategies pursued by Uchumi;
2. assess attitudes of customers and staff towards the growth strategies pursued by Uchumi; and
3. measure Uchumi's corporate image as perceived by its customers.

### **1.4 Significance of the Study**

It is anticipated that the study will help customers, shareholders and management of Uchumi as well as scholars in the following ways:

- the study will help Uchumi management to understand how pertinent groups perceive it so that it can act appropriately. For instance if they are perceived positively, Uchumi will enhance this image by improving on the weak areas and strengthening the positive ones.
- the study will add knowledge for the benefit of scholars so that they can use the knowledge to compare various retail stores and use the results for further recommendations.
- the study will enhance customer's awareness and knowledge of strategies followed by Uchumi. This will mean that the customer's awareness of levels of growth strategies will improve and thus it will make it easier to implement the strategies through their support.

- the study will increase shareholders' confidence in the investment activities of Uchumi so that the shareholders will be able to decide on whether to keep or dispose off their shares as the study's results will provide more information on the growth strategies.



# CHAPTER 2

## 2.1 Trends in Retailing

Retailing has existed for a long time since the functions of retailing are directly related to man's basic needs. Unlike the early years, retailing has become very advanced due to competition, consumer's knowledge and more recently globalization and liberalization of world economies. According to Kotler (2000), the following trends are being exhibited in the retail trade business:

- new retail firms and combinations continually emerge as an economy develops.
- new retail firms are facing a shorter span because they are rapidly copied and quickly lose their novelty.
- the electronic age has significantly increased the growth of non-shop retailers. Consumers receive sales offers in the mail, television, computers and telephone to which they can immediately respond by calling a toll-free number or via the computer.
- competition today is increasingly inter-type or between different types of retail outlets.
- retailers are moving towards one of two poles that are operating as either mass merchandisers or as specialty retailers. Superpower retailers are emerging through their superior information systems and buying power. These giant retailers are able to offer strong price savings.
- marketing channels are increasingly designing and launching new and different outlets targeted to different lifestyle groups.

- technology is becoming critical as a competitive tool. Retailers are therefore using computers to produce better forecasts, control inventory costs, order electronically from suppliers, send e-mail between stores and even sell to customers within stores.

Kenya has not been left behind in that the same trends have been seen emerging. The trends of supermarkets started in the 1980's with Uchumi, Jack and Jill, Woolworths, Economic Store and Ebrahim's Supermarkets among others being set up in Nairobi. However, they were relatively small in size and offered limited products. Since then many more supermarkets have come up not only in Nairobi but also in the other towns. In urban areas there has also been a noticeable trend of upcoming supermarkets in residential estates.

The dynamic retail trends have been well documented in the United Kingdom, the United States and other capitalistic states (Lusch, 1987). Lusch (1987) further pointed out various response behaviours. These include a rise in lifestyle retailing, end of cheap era of mass merchandise and narrowing of boundaries between products and services. In addition, he stated that many retailers are now running a portfolio of businesses. There has also been an increase in the use of computers and management information systems (MIS) in the management of retail business firms.

One notable response in supermarkets is not only designing of space as a means of differentiating retailing merchandising mix, but also refurbishing and upgrading the quality of their outlets. This therefore implies that to survive in the current state of dynamic marketing trends, supermarkets and other retail outlets have to strategize and formulate marketing policies that are relevant.

## 2.2 Elements of Retailing

Radinbrough (1976) has defined retailing as “retailing includes all those business activities associated with selling goods and services to the ultimate consumer or final user for personal consumption, while Stanton (1978) states that retailing includes all activities directly related to the selling of goods or services to the ultimate consumer for personal, non-business use.

On the other hand, Kibera and Waruingi (1988) define a retailer as an individual or organization, who predominantly sells goods and services to the final consumers or users. Further Kotler and Armstrong (1993) have defined retailing as “all the activities in selling goods or services directly to final consumers for their personal non-business use”. A retailer or a retail store is a business enterprise that sells primarily to household consumers for non-business use.

In general all the above definitions agree that retailing involves selling to the final consumer. Any manufacturer, wholesaler or retailer who sells something to the ultimate consumers for their consumption or use, regardless of how it is sold or where it is sold, is making a retail sale. Although many institutions undertake retailing, Kotler and Armstrong (1993) state that most retailing is done by retailers who sell primarily to ultimate buyers.

In recent years non-store retailing, selling by mail, telephone, door-to-door contact, vending machines and numerous electronic means have grown tremendously. Irrespective of the mode of selling there are always consumer expectations. The consumers expect need satisfying goods and services that are available in their own trade areas. Therefore, a key element of success in retailing is meeting customers' expectations.

### **2.3 Functions of Retailing**

Davidson et al (1988) and Kotler (1988) argue that the society expects retailers to accomplish the classic distributive functions required by consumers in an economy. These functions should include creating products and service assortments that anticipate and fulfill consumers' needs and wants in addition to offering products in small quantities for individual or family consumption. In addition retailers are expected to provide for ready exchange of value through efficient handling of transactions, convenient hours and location and information that is useful in making choices and offer competitive prices. Thus retailers are supposed to offer the right merchandise, at the right time and place, in the right quantities and at the right price.

### **2.4 Classification of Retailers**

Retailers can be classified by size of outlet, extent of product lines handled, forms of ownership, and method of operation. When retailers are classified according to size of outlet, there are large-scale and small-scale retailers. Classifying retailers by product lines results in general merchandise stores, department stores, variety stores and limited line stores. Corporate chains, independents, and association of independent retailers are found when form of ownership is used to classify retailing institutions. Lastly, when method of operation is used there are full-service retailing, supermarket retailing, discount retailing and non-store retailing. A supermarket, the context of the current study is a large scale, departmentalized retailing institution offering a wide variety of merchandise, operating

largely on a self service basis with minimum of customer service and featuring a price appeal and overall parking space.

## **2.5 Growth Strategies**

Because of the changing trends in the market place, organizations are faced with tougher choices in their quest for improved performance. According to Suresh and Schon (1992), “everybody is getting into everybody else’s business”. This calls for engaging in strategic marketing planning. Marketing planning is an ongoing process designed to facilitate an orderly and effective coordination of an organization’s resources and aspirations in carrying out the strategies that have been formulated to conform the ever changing market opportunities (Lazer and Culley, 1988 and Kotler, 1988).

Marketing planning is a way of designing an organization’s future and specifying how that future might be attained. Besides providing logical approaches to implementing strategies, according to Lazer and Culley (1983) marketing plans have other benefits like furnishing the organization with early warning system. Planning also minimizes tendency to individual marketing units seeking to optimize their own goals rather than corporate goals.

A strategy, the hub of corporate planning, is a comprehensive plan or action orientation that sets critical direction and guides allocation of resources for an organization. It is a major action plan to ensure long-run prosperity of the organization. Every strategy is therefore supposed to guide behaviour and to set direction of a business firm.

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The internal and external environments facing an organization encompass its strengths and weaknesses as well as opportunities and threats. Since the environment, especially the external one is dynamic, it calls for different emphasis on strategy formulation and implementation such as that:

- **stable environments lend themselves more to programmed strategies.** This means there is little change in the environment and therefore it is possible to specify in great detail the strategies to be followed for a long period of time.
- **dynamic environments require more flexible strategies.** When there is a lot of turbulence in the environment, programmed strategies can limit the organization's adaptation to new circumstances and hence the need for a flexible programme.
- **uncertain environment calls for contingency strategies.** This situation exists when the environment is highly unpredictable. That is, there exists a need for a set of alternative strategies, each ready for implementation when a specific change of circumstances makes it appropriate.

There are also different levels of strategy, namely:

- **corporate strategy** sets direction and serves as a resource allocation guide for the total enterprise.
- **business strategy** involves competition with other businesses in the market and achievement of competitive advantage. The focus is on "strategic business unit" (SBU's). This represents a part of the organization for which there is a distinct market for goods and services. Different markets require different strategies for effectiveness to be achieved. The focus is on doing the right things (Drucker 1998).

- **functional (operational) strategy** dictates how various functional areas will contribute to achieving business and corporate strategies. The concern here is efficiency, that is, doing things right (Drucker 1998). At this level, strategies are implemented hence the name operational strategies. For example, the issues or to promote sales are addressed. The various levels of strategy must be well planned and integrated to ensure proper coordination among major sub-units within the organization.

As expected, there are different strategies that can be used in an organization. These include stability, retrenchment and growth strategies. Stability refers to an organization's consolidation of its assets. This means trying to avoid any new activity that can put it at a disadvantage as well as utilizing all its resources optimally. It is therefore an efficiency strategy of improving profits. The reasons for using the stability strategy include:

- the organization is already perceived to be performing well.
- it is less risky as a course of action.
- it is easier and more comfortable as a course of action.
- the organization needs a "breathing spell" after time on one or more other strategies.

The choice of this strategy does not mean that the organization is doing nothing. Rather, it is continuing with its existing operation pattern or action agenda.

The retrenchment strategy sometimes referred to as downsizing, means reducing costs, restructuring and getting rid of some of the organization's resources. This involves both human and non-human resources.

The stability and retrenchment strategies have a limit in that they cannot be deployed infinitely as they sooner or later result in diminishing returns. Employees and partners can lose motivation when they see that productivity and innovations will cost them jobs. On the other hand, only so many people and offices can be eliminated. There is thus an increasing realization that the road to improved performance must involve a renewed emphasis on growth. Growth not only provides the potential for enhanced profitability but also introduces vitality to an organization by providing challenges and rewards. However, this does not mean that operational efficiency is ignored; only that it is not the dominant factor. Both are needed for long-term success.

Growth involves expansion of the organization's current operations. Gluek (1988) states that organizations adopt growth strategies because of the following reasons:

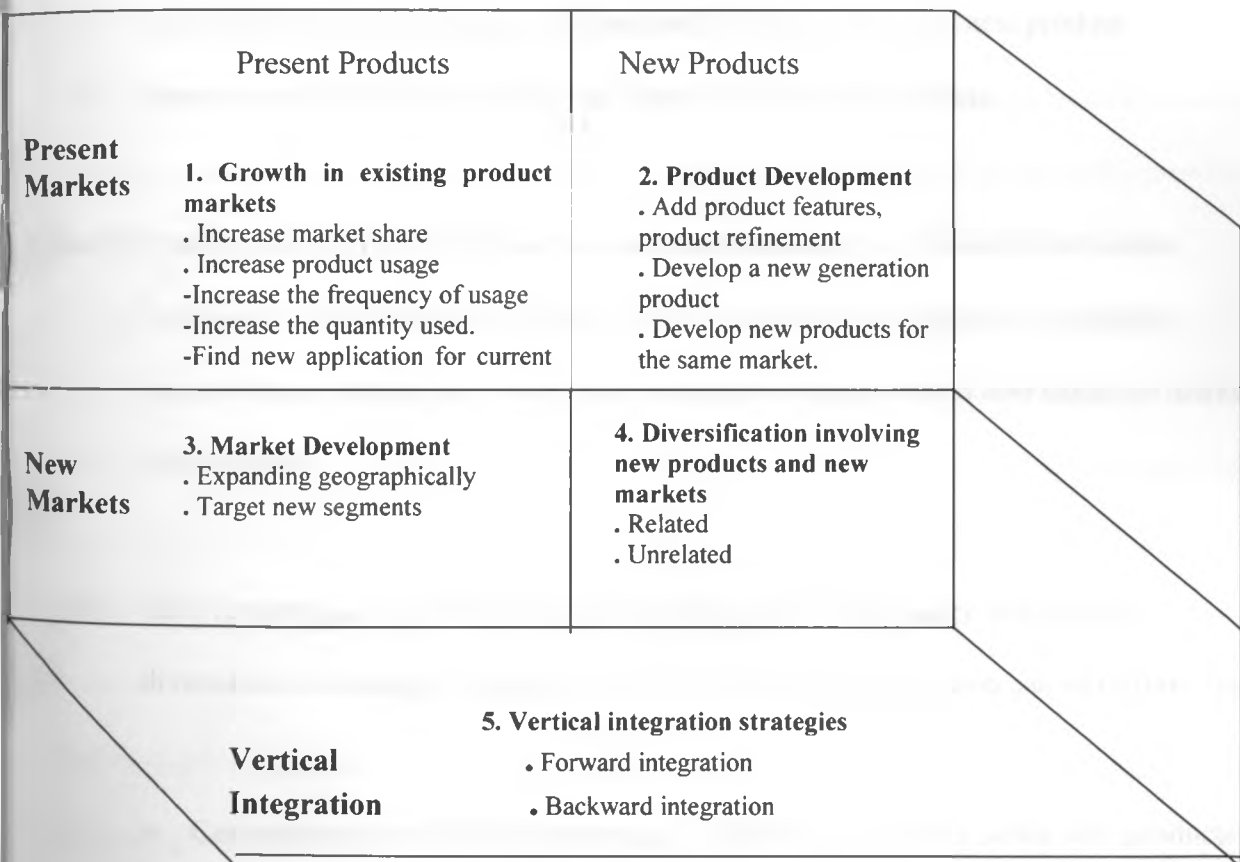
- growth is necessary for long-run survival in volatile industries while stability can bring short-run success but long-run death.
- many managers equate growth with effectiveness.
- some people believe that a society benefits from growth strategies.
- many managers wish to be remembered – to leave a monument for themselves in the work place. It is therefore seen as a managerial motivation.



- growth companies become better known and may be more capable of attracting quality employees as a result.

The market growth strategies matrix are presented in figure 1. The first set of growth strategies involves **existing product market**. The next two concern product development and market development. The fourth concerns vertical integration strategies and the fifth, diversification strategies.

Fig. 1: Product – Market Growth Strategies



Source: Aaker, D.A, Strategic Market Management, Wiley, 5<sup>th</sup> Edition, 1998 : 204

The cells in figure 1 represent various growth strategies as follows:

Cell 1: This strategy is referred to as market penetration strategy. The organization chooses to offer more of its current products in its current market. This can be pursued through increasing market share, increase in product usage, frequency of usage, increase in consumed quantity and finding new applications for current users.

Cell 2: Entails offering new products to the present market and is referred to as product development strategy. It is pursued through addition of new product features and development of new products for the current markets.

Cell 3: Involves offering present products to new market strategy is referred to as market expansion or development strategy. A lot of promotion and aggressive campaign is undertaken. Setting up of additional branches for better access also enhances market development.

Cell 4: Calls for new product and new market development. The strategy is known as diversification strategy. According to Kotler (2000), diversification can be of three types:

- **Concentric diversification strategy** – whereby a company seeks new products that have new technology and all marketing synergies with existing product line even if the product may appeal to new customers.

- **Horizontal diversification strategy** – entails marketing of new products that would utilize the current production lines.
- **Conglomerate diversification strategy** – seeks business that has no relationship with the company's current markets or products.

Cell 5: Vertical integration strategies represent another potential growth direction.

**Forward integration** occurs when a firm moves downstream with respect to product flow such as a manufacturer buying a retail chain. **Backward integration** on the other hand, involves moving upstream such as when a manufacturer invests in a raw material source. Management should assess the possible benefits and costs of a vertical integration strategy before deciding which one to pursue.

Organizations can pursue several of the above strategies at the same time especially if it is dealing with a wide range of products. The combination of strategies can involve the organization as a whole or it may reflect the differences among the business or functional strategies employed by major sub-units. For example, a company might pursue stability overall, but attempt to do so by pursuing growth in certain major internal divisions and retrenchment in others. Combination strategies are most common to larger, more complex organizations and are employed more frequently during volatile and challenging economic times. Market penetration, product development and market development are the most widely used strategies.

Growth strategies are therefore generic marketing strategies used by organizations such as Uchumi to adapt to the changing environment and to exploit market opportunities. With today's trends of

technology, competition and shorter life cycles, retailers such as Uchumi are faced with the challenge of crafting profitable growth strategies.

## **2.6 Attitudes and their Measurement**

### **2.6.1 Attitude Components**

Attitudes are an expression of inner feelings that reflect whether a person is favourably or unfavourably predisposed to some object, service or a retail establishment. Attitudes are an outcome of psychological processes. They are therefore not directly observable but must be inferred from what people say or do.

Attitude research has been used to study a wide range of strategic marketing issues or questions including determining whether consumers will accept proposed new product ideas, gauging why a firm's target audience has not reacted favourably to new promotional theme; and learning how target consumers are likely to react to a proposed change in the firm's packaging.

The attitude object broadly includes specific consumption or marketing-related concepts such as product brands, advertisements, prices, media vehicles or retailers.

Attitudes have three components:

The cognitive component consists of a person's knowledge and perceptions that are acquired by a combination of direct experience with the object and related information from various sources. This knowledge and resulting perceptions commonly takes the form of beliefs. The affective component deals with emotions or feelings about a particular product or brand. These emotions or feelings capture an individual's direct or global assessment of the attitude object. The final component is the conative component. This is concerned with the likelihood or tendency that an individual will undertake a specific action or behave in a particular way with regard to the attitude object. This is often treated as an expression of the person's intention to behave in a particular way.

From the above discussion, it is clear that attitudes formation is very important to marketers because it enables them to understand and influence behaviour in a desired way.

### **2.6.2 Attitude Measurement**

There are different ways of measuring scale attitudes. The popular ones are the Likert type scale (the agree – disagree type), the rating scales and the semantic differential (bi-polar adjectives).

### **2.6.3 Perceived Image**

A person's image of something is the "picture" a person carries in his or her mind about the object. A person's image of something is what his or her mind carries about the object. This picture may be

blurred or may be very sharp. It may show every detail or it may show only the most salient features of the object. It may be very accurate and precise, showing everything exactly as it is or it may be badly distorted. The image is commonly measured by a semantic differential scale.

# CHAPTER 3

## RESEARCH METHODOLOGY

This chapter presents the research methodology that was followed to collect the pertinent data. It covers the population, sample design and data collection instrument.

### 3.1 Population

The population of the study included all customers and staff of Uchumi. However, while it was practically possible to get an accurate sampling frame of the staff population, there is no such a frame.

### 3.2 Sample Design

There are eighteen Uchumi branches in Nairobi. Seven (7) stores were selected using a lottery method of simple random sampling. Then a sample of one hundred and fifty (150) respondents for the customers was selected. This comprised one hundred (100) customers and fifty (50) members of staff.

From the seven stores chosen, the sample of one hundred (100) was taken and customers were interviewed as they left the supermarket. Every fifth customer was given the questionnaire, which they completed and gave back until the required 100 respondents were attained.

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As for the staff, the relevant questionnaires were divided among the selected stores, after which they were dropped and picked up later as per the agreed time.

### **3.3 Data Collection**

The research instrument of the study was a structured questionnaire. Two sets of questionnaire were prepared one for the customers and one for staff (Appendix II). The questionnaire for the staff was issued on a drop and pick up later basis followed by personal interviews where possible. In case of customers, the questionnaires were self-administered. Where this proved impossible, the questionnaires were given to respondents who filled and returned them to the researcher later.

The questionnaire for gathering data from members of staff contained questions pertaining to the duration of time they had worked for Uchumi and their attitudes towards growth strategies pursued by Uchumi. This was done using different statements in which the respondent was supposed to rate using a five-point scale.

The other questions were on awareness of growth strategies where the members of staff were asked to state various ways Uchumi can use to increase its business.

For the customers, the questionnaire was designed to gather information on their awareness and their knowledge of growth strategies pursued by Uchumi. Another set of questions was developed to measure the corporate image of Uchumi as it is perceived by its customers. This contained questions



relating to Uchumi, in which the customers were to rate, using the semantic differential scale, how they perceived Uchumi.

The other part of the questionnaire centered on their attitude towards growth strategies pursued by Uchumi.

However, both sets of questionnaires that is for staff and customers contained questions on demographic and socio-economic characteristics.

### DATA ANALYSIS AND FINDINGS

The primary data gathered from both the staff and customers were summarized, analyzed and presented by way of tabulations, percentages and attitude indices. Semantic differential scaling device was also used to handle the issue of perceived image. The data were then analyzed in accordance with the research objectives. That is, the data were analyzed under customer and staff awareness and knowledge of growth marketing strategies pursued by Uchumi; the attitude of customers towards the marketing growth strategies, and the corporate image as perceived by Uchumi customers.

A sample of 100 for customers and 50 for members of staff was suggested. However, 80 for customers that is, 80% and 15 for members of staff, which is 30% was obtained.

#### 4.1 Sample Demographics and Behavioural Patterns

Although a sample of 100 for customers and 50 for staff was anticipated, the actual sample obtained was 80 customers and 15 members of staff. Thus the results from staff respondents should be interpreted cautiously. Among 45.5% were males and 54.5% were females. On the other hand 66.7% were males while 33.3% were females in the staff sample.

Some 30 % of customer respondents were single while 70 % were married. Thirteen percent of staff members were single and 87% married. The other characteristics of the sample are summarized in tables 1, 2 and 3.

**Table 1: Occupation of Customer Respondents**

| <b>Customers</b> | <b>%</b> |
|------------------|----------|
| Salaried         | 53.8     |
| Student          | 11.3     |
| Self-employed    | 25       |
| Others           | 10       |
| n=80             | 100%     |

Majority of the customers (53.8%) were salaried and 25 % were self – employed.

**Table 2: Age of Staff and Customers**

| <b>Age Category</b> | <b>Customers</b> | <b>Staff</b> |
|---------------------|------------------|--------------|
| 0-30                | 25               | 28.6         |
| 31-40               | 30               | 42.9         |
| 41-50               | 36.3             | 21.4         |
| Over 50             | 8.8              | 7.1          |
| n=80                | 100 %            | 100 %        |

Over 55% of customer respondents were less than 40 years old compared with 71.5 % of staff respondents who were below 40 years.

**Table 3: Monthly Income of Staff and Customer Respondents**

| <b>Income Category</b> | <b>Customer Response</b> | <b>Staff Respondents</b> |
|------------------------|--------------------------|--------------------------|
| 0 - 15,000 per month   | 41.4                     | 14.3                     |
| 15,001-30,000          | 28.6                     | 35.7                     |
| 30,001-45,000          | 20.0                     | 42.9                     |
| 45,001-60,000          | 4.3                      | 7.1                      |
| Over 60,001            | 5.7                      |                          |
| n=80                   | 100 %                    | 100 %                    |

As shown in Table 3, 70 % of the customer respondents earned below Kshs. 30,001 compared with 50 % of the staff respondents who earned this monthly income level.

#### Table 4: Staff Length of Service

The staff were asked how long they had worked for Uchumi. They provided the responses contained in table 4.

| Length of Service | Frequencies | %     |
|-------------------|-------------|-------|
| 1-4 Years         | 2           | 13.3  |
| 5-9 Years         | 2           | 13.3  |
| 10-15 Years       | 7           | 46.7  |
| Over 15 Years     | 4           | 26.7  |
| Total             | n=15        | 100 % |

Some 73 % staff respondents have worked in Uchumi for a period of between ten years and above.

This variable is an indirect measure of employee loyalty.

In the case of customer respondents 17.5 % said that they are regular customers of Uchumi

Supermarket while the majority (82.5 %) said they are not.

#### 4.2 Customer and staff awareness and knowledge of growth marketing strategies.

The concept of awareness refers to whether the respondent has ever heard of the object in question.

Most people would rather say that they have heard of something instead of saying to the contrary to avoid appearing ignorant. To measure awareness aided or unaided recalls questions can be used.

Aided questions can sometimes be misleading because respondents are likely to cheat. Therefore unaided recall questions are more appropriate. This involves asking the respondents to name all the objects in a group or to identify the object based on a description of its position or attributes.

Knowledge on the other hand is a measure of higher levels of awareness. It involves identifying features and characteristics of the objects. This can be tested by asking a series of true or false questions about the topic. The number of correct answers is an indication of each respondent's level of knowledge. Asking about the manner in which respondents learned of the object and experience they had with the topic is yet another higher level of knowledge assessment.

When asked to name the branches of Uchumi, the respondents provided the responses summarized in table 5.

**Table 5: Number of Stores Named**

| <b>Number of Stores Named</b> | <b>Frequencies</b> | <b>%</b> |
|-------------------------------|--------------------|----------|
| 0                             | 1                  | 1        |
| 1-3                           | 53                 | 70       |
| 4-6                           | 14                 | 19       |
| 7-9                           | 7                  | 9        |
| 10-12                         | 1                  | 1        |
| Total                         | 78                 | 100      |

As shown in table 5, 70 % of the customers were able to mention between 1 and 3 branches. Overall, the respondents' awareness and knowledge of the various branches of Uchumi by customers is quite reasonable.

The respondents were also asked to indicate the stores which they frequented most. Their answers are contained in table 6.

**Table 6: Branches Frequented Most**

| <b>Branches</b>    | <b>Frequencies</b> | <b>%</b> |
|--------------------|--------------------|----------|
| Buruburu           | 4                  | 5.1      |
| Uchumi Hyper Ngong | 4                  | 5.1      |
| Aga Khan Walk      | 11                 | 13.9     |
| Sarit Centre       | 3                  | 3.8      |
| Kimathi Street     | 26                 | 32.9     |
| Railway Station    | 16                 | 20.3     |
| Mombasa Road       | 2                  | 2.5      |
| Koinange Street    | 2                  | 2.5      |
| Muindi Mbingu      | 8                  | 10.1     |
| Westlands          | 1                  | 1.3      |
| Langata Hyper      | 2                  | 2.5      |
| Total              | 80                 | 100      |

Table 6 shows that 32.9 % of the respondents said they frequent Kimathi Street Branch while, 20.3 % frequent the Railway Station Branch.

To further measure the knowledge level, the customers were asked to indicate how Uchumi Supermarkets Limited can increase its business to current customers using current products, selling current products to new customers, marketing new products to the current customers and marketing new products to new customers. This was done for both members of staff as well as customers. The results are summarized in Tables 7a to 7d.

### **Penetration Strategies.**

Table 7a shows the responses of staff when they were asked to indicate how Uchumi can increase its business to current customers using current products.



**Table 7a: Staff and Customers Responses Concerning Penetration Strategies**

| Penetration Strategy Item                     | Staff                      |      | Customers                  |      |
|---|----------------------------|------|----------------------------|------|
|   | Number of correct mentions | %    | Number of correct mentions | %    |
| Increasing product usage by current customers | 13                         | 86.7 | 72                         | 94.7 |
| Increase the frequency of usage               | 11                         | 73.3 | 36                         | 47.4 |
| Increasing the quantity used                  | 9                          | 60   | 39                         | 51.3 |
| Find new application for current users        | 5                          | 33.3 | -                          | -    |
| Overall Position                              | 38                         | 63.3 | 147                        | 64.5 |

Table 7a shows that overall 63.3 % correct responses on how Uchumi can use penetration strategies to increase its business to current customers using current products.

The staff awareness of penetration strategies is therefore relatively high at 63.3 %.

The staff were then asked various questions to assess their awareness of product development strategy.

Their responses are summarized in table 7b.

## Product Development Strategies

Table 7b shows the responses of staff and customers when they were asked to indicate how Uchumi could increase its business using product development strategies.

**Table 7b: Respondents Answers on Product Development Element.**

| Product Development Strategies            | Staff                     |      | Customers                 |    |
|---|---------------------------|------|---------------------------|----|
|   | Number of Correct Members | %    | Number of Correct Members | %  |
| Add Product Features                      | 3                         | 20   | 39                        | 49 |
| Develop a New Generation Product          | -                         | -    | -                         | -  |
| Develop a New Product for the Same Market | 2                         | 13.3 | 12                        | 15 |
| Overall                                   | 5                         | 17   | 51                        | 32 |

Table 7b shows that overall for staff only, 17 % mentioned correctly the product development strategies while for customers 32 %. This is relatively low and therefore Uchumi should look for ways of informing and educating its customers and staff on this strategy if they intend to use it to increase their business.

## Market Development

The following table shows the responses given when staff and customers were asked about market development strategies.

**Table 7c: Market Development Elements**

| Market Development Strategies | Staff                     |      | Customers                 |      |
|-------------------------------|---------------------------|------|---------------------------|------|
|                               | Number of Correct Members | %    | Number of Correct Members | %    |
| Expanding Geographically      | 9                         | 60   | 52                        | 68.4 |
| Target New Segments           | 11                        | 73.3 | 35                        | 46.1 |
| Overall                       | 20                        | 67   | 87                        | 57   |

Table 7c shows that overall, 67 % of staff mentioned correctly the market development strategies while 57 % of customers did. This is relatively high and since the customers and the staff members are the major stakeholders, Uchumi can use this strategy to increase its business

## Diversification

When asked how Uchumi can increase its business using diversification strategy, the following were the responses as shown in table 7d.

**Table 7d: Respondents Answers on Diversification Strategy Elements**

| Diversification<br>of New<br>Products | Staff                           |      | Customers                       |      |
|---------------------------------------|---------------------------------|------|---------------------------------|------|
|                                       | Number of<br>Correct<br>Members | %    | Number of<br>Correct<br>Members | %    |
| Related                               | 6                               | 40   | 56                              | 73.7 |
| Unrelated                             | 5                               | 33.3 | 14                              | 18.4 |
| Overall                               | 11                              | 37   | 35                              | 46   |

From table 7d, diversification strategies by staff and customers were fairly known. This is shown by the fact that the staff who mentioned correctly were 37 % while the customers were 46 %.

### 4.3 Staff and customer's attitudes towards Uchumi's marketing growth strategies

As discussed earlier, attitudes are an expression of inner feelings that reflect whether a person is favourably or unfavourably predisposed to some object such as product, brand, service or a retail

establishment. Attitudes are an outcome of psychological processes; as such they are not directly observable but must be inferred from what people say or do.

Attitude is composed of cognitive, affective and behavioural patterns. Cognitive dimension is measured by the respondent's level of awareness, knowledge and beliefs; the affective dimension is measured by the respondents' degree of liking or disliking and preference; and the behavioral component is measured by the respondents' intentions and future plans about the product.

One objective of the current study was to assess the attitudes of customers and shareholders towards growth strategies pursued by Uchumi. The customers and staff respondents were therefore asked to indicate the extent to which they agreed or disagreed with a series of statements concerning Uchumi. The mean scores of their responses are summarized in table 8, where 1 indicates strong attitudes and 5 weak attitudes.

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**Table 8: Customers and Staff Mean Scores**

| S/No. | Statement   | Customers  | Staff      |
|-------|---|------------|------------|
|       |   | Mean Score | Mean Score |
| 1.    | USL should continue to open more branches                   | 1.31       | 1.47       |
| 2.    | Expansion will enhance corporate image of USL               | 1.57       | 1.73       |
| 3.    | There should be Uchumi supermarket near you.                | 1.42       | 1.47       |
| 4.    | Uchumi supermarket should be made more efficient.           | 1.26       | 1.47       |
| 5.    | Opening of new branches Will help improve customer service. | 2.12       | 2.0        |
| 6.    | The newly opened branches are in good locations.            | 2.06       | 2.08       |
| 7.    | Uchumi supermarkets have their own unique characteristics.  | 2.25       | 1.13       |
| 8.    | Customers are well informed of the branches opened.         | 2.43       | 1.33       |
| 9.    | The variety of goods offered has increased.                 | 1.47       | 1.69       |
| 10.   | Uchumi supermarkets are very reliable.                      | 1.64       | 1.33       |
| 11.   | The hours of operation should be extended.                  | 2.57       | 2.36       |
| 12.   | The parking space for Uchumi is enough.                     | 3.74       | 3.47       |
|       | Sample size   | 80         | 15         |

Table 8 shows that customers and staff attitudes towards Uchumi Supermarket are highly positive as the mean scores of the majority of the statements were between 1 and 2.5.

The attitudes of both customers and staff can further be analyzed by computing attitude indexes. This was done in the following way. Ignoring the neutral scores the sample percentage of those who agreed

is computed and the percentage of those who disagreed with the statement is subtracted from it. The results of the attitude index for the staff and customers are summarized in table 9.

**Table 9: Staff and Customers Attitude Indexes**

| Statements   | Staff | Customers |
|--|-------|-----------|
| Uchumi Supermarkets should continue to open more branches.     | 86.7  | 90.0      |
| Expansion will enhance corporate image of Uchumi Supermarkets. | 60.1  | 81.3      |
| There should be Uchumi Supermarket near you.                   | 79.7  | 86.1      |
| Uchumi Supermarkets should be made more efficient.             | 73.4  | 93.8      |
| Opening of new branches will help improve customer service.    | 53.5  | 58.8      |
| The newly opened stores are in good locations.                 | 50.0  | 58.8      |
| Uchumi supermarkets have their own unique characteristics.     | 93.0  | 48.0      |
| Customers are well informed of the new branches opened.        | 93.0  | 33.0      |
| The variety of goods offered has increased.                    | 61.5  | 88.0      |
| Uchumi supermarkets are very reliable.                         | 86.6  | 82.0      |
| The hours of operation should be extended.                     | 42.8  | 29.9      |
| The parking space for Uchumi supermarkets is enough.           | -13.3 | -43.6     |

The attitude indices shown in table 9 indicate both **direction** and intensity of the relevant attitude statements. A positive index indicates a preponderance of agreement with the statement while a

negative index indicates disagreement. The magnitude of the index indicates the **intensity** of agreement or disagreement with the relevant statement.

As shown in table 9, the attitude indexes of both customers and staff are very favourable towards Uchumi's move to open more branches, reliability and efficiency. The highest attitude of 93.3 % index is statement number 1; Uchumi should continue to open more branches; Uchumi should be made more efficient 93.8 % and that of variety of goods offered has increased.

The statement, that the parking space for Uchumi is enough has a negative attitude index. This means that both customers and staff felt parking space for Uchumi is not enough. Overall, the attitude towards growth strategies of Uchumi as perceived by customers and staff is highly positive.

#### **4.4 Corporate Image as Perceived by Customers of Uchumi.**

Corporate image refers to a person's mental "picture" of a company. A person's image of something is what his or her mind carries about the object. This picture may be blurred or may be very sharp. It may show every detail or it may show only the most salient features of the object. It may be very accurate and precise, showing everything exactly as it is or it may be badly distorted.

Corporate image is most commonly measured using the semantic differential scaling device. This scale lists several pairs of bipolar adjectives and phrases usually separated by a five-point scale and instructs



the respondents to rate the company and its products on each of several attributes ordinarily used to measure such image.

In this study, 21 bipolar phrases, which were considered relevant to Uchumi, were used for the scale. The respondent rated the various attributes of Uchumi using the five-point scale. Table 10 below shows mean scores of customers while figure 1 depicts the corresponding customer image profile.

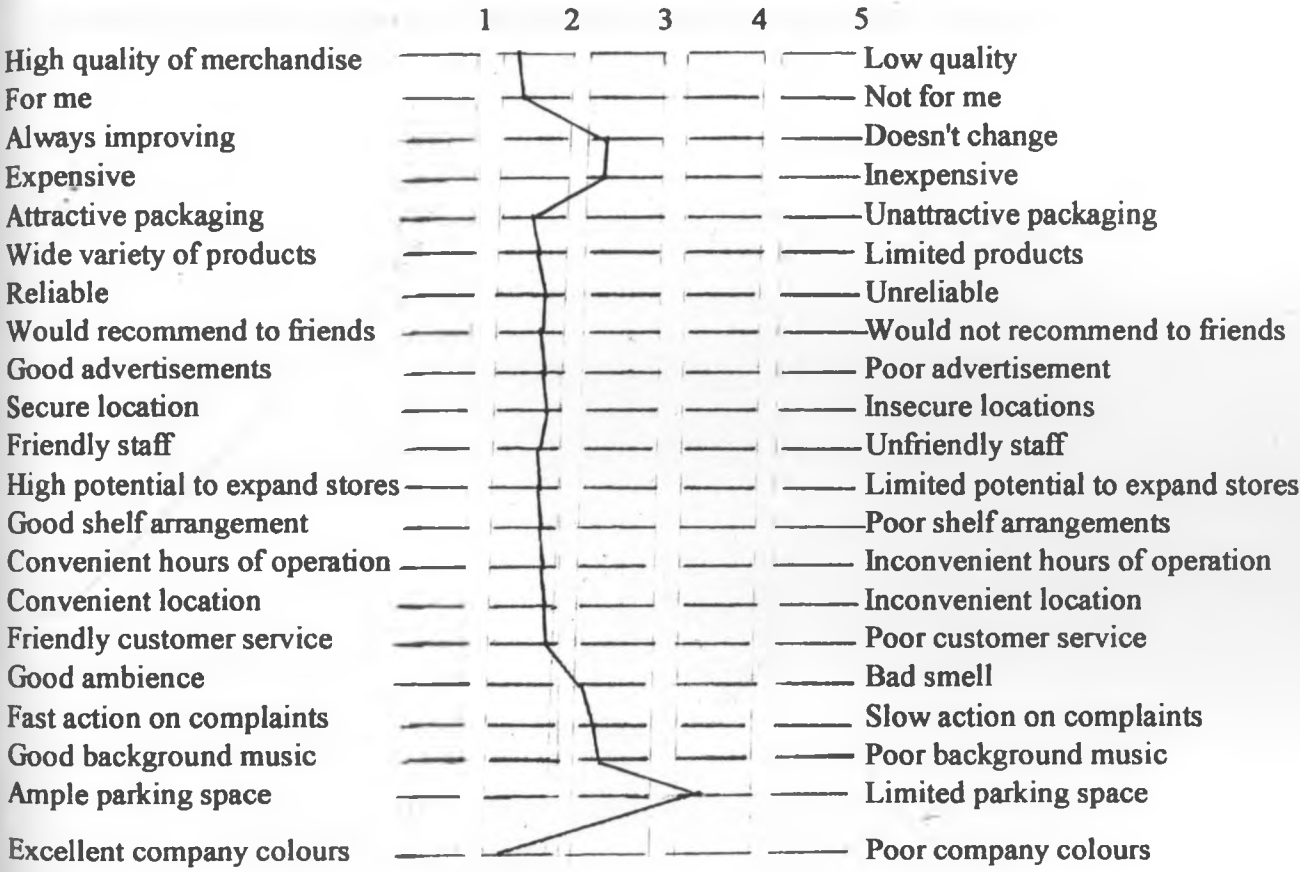
The respondents were given a series of phrases to which they scored.

**Table 10: Image of Uchumi as perceived by customers**

|    | <b>Statement</b>                             | <b>ni</b> | <b>Customers Mean Score</b> |
|----|--|-----------|-----------------------------|
| 1  | High / low quality of merchandise            | 80        | 1.44                        |
| 2  | For me / not for me                          | 78        | 1.46                        |
| 20 | Excellent / poor company colours             | 80        | 1.46                        |
| 7  | Attractive / unattractive packaging          | 78        | 1.49                        |
| 9  | Wide / narrow variety of products            | 80        | 1.54                        |
| 21 | Reliable / unreliable                        | 80        | 1.55                        |
| 5  | Would / would not recommend to friends       | 79        | 1.56                        |
| 10 | Secure / insecure location                   | 80        | 1.58                        |
| 6  | Good / poor advertisement                    | 80        | 1.58                        |
| 8  | Friendly / unfriendly staff                  | 80        | 1.65                        |
| 19 | High / low potential to expand stores        | 78        | 1.69                        |
| 15 | Good / poor shelf arrangement                | 80        | 1.74                        |
| 16 | Convenient / inconvenient hours of operation | 79        | 1.76                        |
| 11 | Convenient / inconvenient location           | 80        | 1.76                        |
| 17 | Friendly / unfriendly customer service       | 80        | 1.81                        |
| 12 | Good / poor ambience                         | 69        | 2.10                        |
| 3  | Always improving / doesn't change            | 79        | 2.13                        |
| 4  | Expensive / Inexpensive                      | 78        | 2.18                        |
| 18 | Fast / Slow action on complaints             | 76        | 2.30                        |
| 13 | Good / poor background music                 | 60        | 2.38                        |
| 14 | Ample / limited parking space /              | 80        | 3.47                        |

The mean scores of 1.44 to 2.38 suggest a strong corporate image on most statements apart from ample parking space because the smaller the mean score, the more favourably is that attribute perceived by respondents. The image profile is also depicted in figure 2.

**Fig. 2 Image Profile of Uchumi as perceived by staff.**



From the figure, the respondents' image of Uchumi is generally very favourable as the mean scores lie between 1.44 to 2.38 with ample parking space, having a mean of 3.47.

Overall, customer image of Uchumi is very favourable. In summary, therefore, the awareness and knowledge of marketing growth strategies by both customers and staff is low and Uchumi should

devise ways of training its staff and informing customers of their strategies accordingly. This is because it is a company strategy in the strategic plan and therefore all stakeholders should be aware of them. The attitude of customers and staff is however favourable and therefore should be enhanced. This has been demonstrated by the results of the findings on attitudes. Finally, the corporate image as perceived by customers of Uchumi is very positive. Uchumi should therefore continue with its marketing growth strategies but it should also intensify stakeholders' education.

# CHAPTER FIVE

## SUMMARY, CONCLUSION AND RECOMMENDATIONS

### Summary

The objectives of this study were to assess customer and staff awareness and knowledge of growth marketing strategies pursued by Uchumi; to assess attitudes of customers and staff towards those strategies and to measure corporate image of Uchumi as perceived by customers. The research objectives were satisfied by collecting and analyzing data using questionnaires.

The questionnaires were of two types. One was distributed to members of staff while the second one was distributed to customers of Uchumi. The questionnaires had both structured and unstructured questions and statements. Once collected, the data was analyzed by use of descriptive statistics particularly the percentages. Semantic differential scale and profile were also used. The conclusions based on the research findings and their managerial implications are discussed here under.

### Conclusion

Uchumi has embarked on a marketing growth strategy that is aimed at protecting the group's leading and dominant position in the retail market.

This has been implemented through opening of new branches and mining of the existing market. As a result the customers and staff being among the major stakeholders in Uchumi consider this move very positively. The corporate image is also perceived very positively by customers.

However the location of some of the branches opened by Uchumi is perceived to be poor, while parking space of the Uchumi is rated as very poor. Therefore, given the intensifying competition and increased customer choice in the retail industry, Uchumi should consider carefully the location of branches before opening them. This can be done by carrying out a research on the area concerning security, space, convenience and the target customers.

Uchumi should embark more on aggressive communication, through advertisements, sales promotions and personal selling in order to improve their appeal to the intended potential customers. This can help enhance its acceptability by potential customers.

Since most of the staff respondents have worked for more than one year, it is important that they are trained and informed of what Uchumi is doing so that they can own the growth strategies but not “something” being done by management. They should also include other stakeholders as well so that decisions do not seem to be just for the management but for all by all.

Corporate image by customers was very high and therefore Uchumi should enhance this by acquiring locations with ample parking space, good ambience and acting fast on customer complaints. Some branches of Uchumi should be modernized to keep up with the times.

## Recommendations

Since the attitudes towards marketing growth strategies are positive, Uchumi should continue with its strategic plan. From the research findings of the study, the location of the newly opened branches should be given preference as some are too near and thus sharing the same customer base while some areas are not perceived to be secure enough to support the stores. Location should be researched on and planned before selecting an area.

Uchumi should also involve its stakeholders more. This can be achieved through more aggressive promotions. However, to cut the costs and increase profitability, it should advertise through the media that reach potential customers like radio and television. Stocking of a variety of products can be used to serve more people.

Limitations of the study and suggestions for further research.

The primary limitation of this study has been the inability to reach a wider population base. This means there are various major stakeholders in Uchumi like shareholders, suppliers, regulatory authorities, whose views could have made the current research richer. Further, the fact that it was done in Nairobi only, means the results may not wholly be generalized across Kenya. There is therefore room for a more comprehensive national study to be carried out on the same topic but on a national level and using other stakeholders of Uchumi. To be even of more use to the retailing industry as a whole, the same research should be done for other leading retail stores like Nakumatt, Ukwala and Tusker Mattresses among others.

## APPENDICES

List of Uchumi Supermarkets in Nairobi

|                      |                     |
|----------------------|---------------------|
| Uchumi Supermarket : | City Square         |
| Uchumi Supermarket : | Railway Station     |
| Uchumi Supermarket : | Koinange Street     |
| Uchumi Supermarket : | Kimathi Street      |
| Uchumi Supermarket : | Taveta Road         |
| Uchumi Supermarket : | Sarit Centre        |
| Uchumi Supermarket : | Westlands           |
| Uchumi Supermarket : | Kahawa Wendani      |
| Uchumi Supermarket : | Langata             |
| Uchumi Supermarket : | Buruburu            |
| Uchumi Supermarket : | Ngong Road Hyper    |
| Uchumi Supermarket : | Mombasa Road        |
| Uchumi Supermarket : | Market Branch       |
| Uchumi Supermarket : | Temple Road         |
| Uchumi Supermarket : | Parklands Branch    |
| Uchumi Supermarket : | Jogoo Road          |
| Uchumi Supermarket : | Nairobi West Branch |
| Uchumi Supermarket : | Langata Hyper       |



Appendix II

Questionnaire

Melioth W. Njenga  
P.O Box 1273 - 00200  
Nairobi

Dear respondent,

I am a postgraduate student at the University of Nairobi doing a research project as part of the requirements for the degree of Master of Business Administration [MBA]. My research project aims at analyzing attitudes of selected stakeholders towards growth strategies pursued by large-scale retailers in Kenya.

As a key stakeholder of Uchumi supermarkets, I am kindly requesting you to participate in this study by filling the attached questionnaire to the best of your knowledge and ability. Your responses will go a long way in fulfilling the goals and objectives of the study.

Please rest assured that the information that you provide will be used solely for academic purposes and all responses will remain confidential.

Thanking you in advance.

Yours sincerely,

**Melioth W. Njenga**  
MBA Student

**Prof. Francis N. Kibera PhD**  
MBA Supervisor

**Questionnaire for Customers**

1. Are you a regular customer of Uchumi Supermarkets Ltd.? YES  NO

2. Which branch(es) do you frequent most?.....  
 Why?.....  
 .....

3. Name all the branches of Uchumi Supermarkets that you know.....  
 .....

4. Please rate each of the following terms as they relate to Uchumi Supermarket.

|                                     | 1 | 2 | 3 | 4 | 5 |                                    |
|-------------------------------------|---|---|---|---|---|------------------------------------|
| 1. High quality of merchandise      | - | - | - | - | - | Low quality                        |
| 2. For me                           | - | - | - | - | - | Not for me                         |
| 3. Always improving                 | - | - | - | - | - | Doesn't change                     |
| 4. Expensive                        | - | - | - | - | - | Inexpensive                        |
| 5. Would recommend to friends       | - | - | - | - | - | Would not recommend to friends     |
| 6. Good advertisements              | - | - | - | - | - | Poor advertisements                |
| 7. Attractive packaging             | - | - | - | - | - | Unattractive package               |
| 8. Friendly staff                   | - | - | - | - | - | Unfriendly staff                   |
| 9. Wide variety of products         | - | - | - | - | - | Limited products                   |
| 10. Secure location                 | - | - | - | - | - | Insecure location                  |
| 11. Convenient location             | - | - | - | - | - | Inconvenient location              |
| 12. Good ambience                   | - | - | - | - | - | Bad smell                          |
| 13. Good background music           | - | - | - | - | - | Poor background music              |
| 14. Ample parking space             | - | - | - | - | - | Limited parking space              |
| 15. Good shelf arrangement          | - | - | - | - | - | Poor shelf arrangement             |
| 16. Convenient hours of operation   | - | - | - | - | - | Inconvenient hours of operation    |
| 17. Friendly customer service       | - | - | - | - | - | Poor customer service              |
| 18. Fast action on complaints       | - | - | - | - | - | Slow action on complaints          |
| 19. High potential to expand stores | - | - | - | - | - | Limited potential to expand stores |
| 20. Excellent company colours       | - | - | - | - | - | Poor company colours               |
| 21. Reliable                        | - | - | - | - | - | Unreliable                         |

5. How does Uchumi Supermarket Limited increase its business to current customers using

(a) Current products

1. \_\_\_\_\_

2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

(b) Selling current products to new customers.

1. \_\_\_\_\_
2. \_\_\_\_\_

(c) Marketing new products to the current customers.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

(d) Marketing new products to new customers.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

6. Assess the extent to which you agree or disagree with the following statements as they apply to you using the five-point scale and ticking the appropriate box. Tick one box only for each statement.

| Attribute / Rating   | Strongly Agree | Somewhat Agree | Neutral | Somewhat Disagree | Strongly Disagree |
|--|----------------|----------------|---------|-------------------|-------------------|
| Uchumi Supermarkets should continue to open more branches.     |                |                |         |                   |                   |
| Expansion will enhance corporate image of Uchumi Supermarkets. |                |                |         |                   |                   |
| There should be Uchumi Supermarket near you.                   |                |                |         |                   |                   |
| Uchumi Supermarkets should be made more efficient.             |                |                |         |                   |                   |
| Opening of new branches will help improve customer service.    |                |                |         |                   |                   |
| The newly opened stores are in good locations.                 |                |                |         |                   |                   |



## Appendix IV

### Questionnaire for Staff

1. How long have you worked for Uchumi Supermarkets?

Less than 1 year

5 - 9 years

over 10 years

1 - 4 years

10 - 15 years

2. Assess the extent to which you agree or disagree with the following statements as they apply to you using the five-point scale and ticking the appropriate box. Tick one box only for each statement.

| Attribute / Rating   | Strongly Agree | Somewhat Agree | Neutral | Somewhat Disagree | Strongly Disagree |
|--|----------------|----------------|---------|-------------------|-------------------|
| Uchumi Supermarkets should continue to open more branches.     |                |                |         |                   |                   |
| Expansion will enhance corporate image of Uchumi Supermarkets. |                |                |         |                   |                   |
| There should be Uchumi Supermarket near you.                   |                |                |         |                   |                   |
| Uchumi Supermarkets should be made more efficient.             |                |                |         |                   |                   |
| Opening of new branches will help improve customer service.    |                |                |         |                   |                   |
| The newly opened stores are in good locations.                 |                |                |         |                   |                   |
| Uchumi supermarkets have their own unique characteristics.     |                |                |         |                   |                   |
| Customers are well informed of the new branches opened.        |                |                |         |                   |                   |
| The variety of goods offered has increased.                    |                |                |         |                   |                   |
| Uchumi supermarkets are very reliable.                         |                |                |         |                   |                   |
| The hours of operation should be extended.                     |                |                |         |                   |                   |
| The parking space for Uchumi supermarkets is enough.           |                |                |         |                   |                   |
| Other specify  |                |                |         |                   |                   |
| Other specify  |                |                |         |                   |                   |

3. How does Uchumi Supermarket Limited increase its business to current customers using

(a) Current products

1. \_\_\_\_\_
2. \_\_\_\_\_
4. \_\_\_\_\_

(b) Selling current products to new customers.

1. \_\_\_\_\_
2. \_\_\_\_\_

(c) Marketing new products to the current customers.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

(d) Marketing new products to new customers.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

**Demographics**

4. Marital status? Tick one.      Single                       Married   
 Others specify.....
5. Age? Tick one      0 – 30                       31 – 40                       41 – 50                       Over 50
6. Gender?              Female                       Male
7. Tick the appropriate income bracket
- |  |   |
|--|---|
| Kshs. 0 – 15,000      per month <input type="checkbox"/> | Kshs.15,001 – 30,000 per month <input type="checkbox"/> |
| Kshs.30,001 – 45,000      “ <input type="checkbox"/>     | Kshs.45,001 – 60,000      “ <input type="checkbox"/>    |
| Kshs.45,001 – 60,000      “ <input type="checkbox"/>     | Over Kshs.60,001      “ <input type="checkbox"/>        |

Appendix V

Mean Scores for Customers

|    | Statement                                    | ni | Customers Mean Score |
|----|--|----|----------------------|
| 1  | High / low quality of merchandise            | 80 | 1.44                 |
| 2  | For me / not for me                          | 78 | 1.46                 |
| 20 | Excellent / poor company colours             | 80 | 1.46                 |
| 7  | Attractive / unattractive packaging          | 78 | 1.49                 |
| 9  | Wide / narrow variety of products            | 80 | 1.54                 |
| 21 | Reliable / unreliable                        | 80 | 1.55                 |
| 5  | Would / would not recommend to friends       | 79 | 1.56                 |
| 10 | Secure / insecure location                   | 80 | 1.58                 |
| 6  | Good / poor advertisement                    | 80 | 1.58                 |
| 8  | Friendly / unfriendly staff                  | 80 | 1.65                 |
| 19 | High / low potential to expand stores        | 78 | 1.69                 |
| 15 | Good / poor shelf arrangement                | 80 | 1.74                 |
| 16 | Convenient / inconvenient hours of operation | 79 | 1.76                 |
| 11 | Convenient / inconvenient location           | 80 | 1.76                 |
| 17 | Friendly / unfriendly customer service       | 80 | 1.81                 |
| 12 | Good / poor ambience                         | 69 | 2.10                 |
| 3  | Always improving / doesn't change            | 79 | 2.13                 |
| 4  | Expensive / Inexpensive                      | 78 | 2.18                 |
| 18 | Fast / Slow action on complaints             | 76 | 2.30                 |
| 13 | Good / poor background music                 | 60 | 2.38                 |
| 14 | Ample / limited parking space /              | 80 | 3.47                 |

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