FOREIGN MARKET ENTRY STRATEGIES USED BY MULTI-NATIONAL MOTOR VEHICLE COMPANIES TO ENTER THE KENYAN MARKET

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DECLARATION

STUDENT'S DECLARATION

I declare that this project is my original work and has never been submitted for a degree in any other university or college for examination/academic purposes.

Signature: ………………………………… Date:…………………………………

NDUNGU RUTH WANJIKU
REG NO: D61/79258/2012

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

Signature………………………………… Date…………………………………..

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DEDICATION

I dedicate this project to my dear parents Mr. and Mrs. Duncan Ndungu and my other family members.

ACKNOWLEDGEMENTS

I thank our Almighty God who has seen through this project and provided me with good health, strength and resources needed for this study.

Secondly am grateful to my lecturers and more so my supervisor Mr. Ndambuki who patiently guided me well while undertaking the study.

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ABSTRACT

Multinational corporations move to foreign countries for various reasons which include; to get access to raw materials, to increase their sales turnover, to take advantage of the reduced transport and distribution costs, avoidance of trade and non –tariff barriers, to get more proximity to their customers and finally to increase their profits. MNCs too just like the local companies face stiff and increasing competition from fellow multinational companies and other domestic firms. They also face other challenges in their host countries like cultural differences, language barriers, little brand awareness, political instability, currency fluctuations and instability, local opposition and great set up costs. Several research studies have been conducted on the market entry strategies. However, none of the previous studies to the best knowledge of the researcher has dealt exclusively on the entry strategies adopted by the Multinational motor vehicle companies to enter Kenya. Hence there exists a knowledge gap that warrants this study. The purpose of this study was to determine the market entry strategies used by the motor vehicle multinational corporations to enter the Kenyan market. The study was conducted in form of a descriptive survey. The population of interest for this study was the multinational motor vehicle companies in Kenya. Kenya association of motor industry (KMI) has 24 registered multinational motor vehicle companies. Primary data was collected through the use of semi structured questionnaires. Data collected was coded and entered into the Statistical Package for Social Sciences for analysis (SPSS) which helped in organizing and summarizing the data by the use of descriptive statistics. Frequency tables, bar graphs and pie charts were used to present the data. The study found that the directors participate in the decision making involving expansion strategies. The study deduced that the factors made the company to choose the Kenyan market to a very great extent include company's strategic orientations/objectives and proximity to customers. The study established that most of the company reviews their entry strategies after 3 years. Kenyan motor vehicle market was also described as a strong competition. The study revealed that the performance of the corporations since their entry in Kenya has improved. From the findings, the study concludes that there are various factors influencing the choice of foreign marketing strategy among motor vehicle companies such as company's strategic orientations/objectives, proximity to customers, availability of labor and country economic environment. The study further concludes that the main strategies used by the motor vehicle companies to enter the Kenyan include exporting, foreign direct investment, franchises, licensing and strategic alliances. This study therefore recommends that the institutions charged with the responsibility of licensing new firms to regulate the entry of new firms so as to avoid unhealthy competition. Motor vehicle companies should continuously improve on the quality of the products and also be innovative to keep abreast with emerging technology and trends. The study also recommends that motor vehicle companies should continue investing in various foreign marketing strategies so as to meet the company objectives and mission.

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ABBREVIATIONS

BOT	Built Operate Transfer
FDI	Foreign Direct Investment
KAM	Kenya Association of Manufacturers
KEBS	Kenya Bureau of Standards
KMI	Kenya Association of Motor Vehicle Industry
KRA	Kenya Revenue Authority
MNC	Multi-National Corporations
MNE	Multi-National Enterprise
PLC	Product Life Cycle
SME	Small and Medium Enterprise
SPSS	Statistical Package for Social Sciences for analysis

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

International business consists of business transactions between parties from more than one country. The parties involved in such transactions may include private individuals, individual companies, and groups of companies and / or governmental agencies. It refers to all those business activities, which involves cross border transactions of goods, services, resources between two or more nations. The expansion of trade between countries and globalization which is the growing integration of world's economy increase in foreign trade lead to the economic growth of nations and the world economy as a whole. Transactions of economic resources include capital, skills, people for international production of physical goods and services such as finance banking insurance, construction (Buckley, 2005).

Several theories have been used to facilitate the understanding of international business. Some of them include: the product life cycle (PLC) theory proposed by Ray Vernon in the mid 1960s and New Trade theory by Paul Krugman in the 1970s. These theories help to explain why some countries tend to trade more with each other and not with other countries and also why some countries are more dominant in international trade. Countries engage in international business because no country is self sufficient and hence they would need certain goods and services from other countries. This leads to the countries engaging in exports and imports to cater for their deficiencies and surpluses of their goods and services. This growth in trade has led to the need for business companies to come up with organizations to manage their business activities.

Managers of companies that engage in international business devise strategies to engage international markets in ways to boost the company's profitability and sustain its growth. The firm entering in foreign markets can adopt an international, multi-domestic, global, or transnational strategy. The heart and soul of any strategy are the actions and moves in the marketplace that managers are taking to improve the company's financial performance, strengthen its long term competitive position, and gain a competitive edge over rivals (Thompson, Strickland 2008). Strategy formulation is concerned with developing a corporation's mission, objectives, strategies, and policies. It begins with situation analysis: the process of finding a strategic fit between external opportunities and internal strengths while working around external threats and internal weaknesses (Wheelen, 2008).

Today, everything has changed. Globalization, the internalization of markets and corporations has changed the way modern corporations do business. Firms pursue internationalization strategies for a variety of reasons and motivations which include; to seek opportunities for growth through market diversification; to earn higher margins and profits; gain new ideas about products, services and business methods; better serve key customers that have relocated abroad; be closer to supply sources, benefit from global sourcing advantages, or gain flexibility in the sourcing of products, gain access to lower-cost or better –value factors of production, develop economies of scale in sourcing, production, marketing and research and development (Cavusgil, 2008).

Kenya is a sovereign state and it occupies an important place in international economic relations. Kenya is also part of the current international economic order and is a rightful member of the world comity of nations. Because of pressure from Britton woods Institutions that Kenya's economy be opened, the economy was liberalized gradually as from 1990 onwards. This therefore exposed Kenya's companies to international competition (Yabs, 2006). The motor industry in Kenya has been very vibrant in the past years in that Kenya has over 20,000 new registrations annually. The country attempted to build its first car in the late 80's the Nyayo Car but was not very successful.

1.1.1 Concept of International Business

International business refers to the performance of trade and investment activities by firms across national borders. Firms organize, source, manufacture, market and conduct other value adding activities on an international scale. They seek foreign customers and engage in collaborative relationships with foreign business partners. While International business is primarily carried out by individual firms, governments and international agencies also engage in international business transactions. The growth of international business activity coincides with the broader phenomenon of globalization of markets which refers to the ongoing economic integration and growing interdependency of countries worldwide. Globalization both compels and facilitates companies to pursue business activities and international expansion (Cavusgil, 2008)

1.1.2 Multi National Corporation

A multinational corporation (MNC) also known as Multinational enterprise (MNE) is an enterprise that engages in foreign direct investment (FDI) and owns or controls value adding activities in more than one country (Dunning 1997) .The rise and growth of Multi National Corporations (MNC) is traceable to the historical development of International Business, where international business was expanding their trade capabilities from one location to other areas. The expansions of trade lead to the need for business organizations to coordinate activities. The MNCs have been around for a long time. Multinational corporations have grown to play a centrally important role in the international economy. MNCs are, in many respects, the driving force behind the deepening integration of the global economy. Firms participating in international business must formulate international strategies that would enable the firm to compete in different markets. The strategy enables the firms to know the businesses to operate on, how to compete in the markets that they have chosen to enter and how to manage its functions of finance, marketing, operations, human resources and research and development.

1.1.3: Foreign market entry

An important aspect of international strategy formulation is determining which markets to enter. To make this decision, a firm must consider many factors including market potential, competition, legal and political environments, and socio-cultural influences. It must also carefully assess the costs, benefits and risks associated with each prospective market. Once a firm has decided to expand its international operations and has assessed the potential foreign market, it must decide how to enter and compete most effectively in the selected foreign markets. Choosing an entry mode involves careful assessment of firm-specific ownership advantages, location advantages and internationalization advantages (Griffin, 2007)

Factors that influence foreign market entry include: Company strategic orientations, Company Strategic objectives, Company international competitiveness, networking, and own/accessible resources, Similarity/proximity of overseas market, investment payback period, risk factors and overseas market selection experience. Company strategic orientations which reflect their individual and group experience, values and attitudes of their employees (those currently employed and their predecessors), changes in their business environment and strategic objectives established for the company. Strategic orientation may predispose companies to more, or less, collaboration with their competitors; it is also likely to strongly influence the process of business international.

Company Strategic objectives may take many forms, their choice being dependent on company tradition, industry specificity, or personal preferences/interests of those in charge of formulating these objectives. They may refer to, for example, global/local market shares, growth of global/local market sales revenue, export/total sales revenue ratio or profit oriented objectives. Some of these may aim to establish/reinforce perception of the company as a market leader, or reduce strategic risks associated with company survival or growth (Koch 2001)

Company international competitiveness enhances its success. Success under the contemporary global business environment conditions is contingent on companies possessing, or being able to access, certain capabilities and skills considered being of critical importance for a wide array of industries and business situations. Apart from these, other industry-, company- and strategy-specific capabilities and skills may be required from a successful international marketer.

Companies that have more of their own resources, and/or have secured better access to resources of other companies through various forms of alliances, are less restricted, other things being equal, in their international market selection. Through measures such as participation in international trade fairs, exhibitions, sharing the same suppliers, buyers, through strategic alliances, joint ventures and contracts, companies develop their networks and increase their internationalization. Length and strength of cultural and business links between one's own and some foreign countries, stereotypes or dominant perceptions of these countries, company employees' familiarity with these countries and individual perceptions of decision makers or influencers exercise a considerable influence on the choice of markets and on the order in which they get selected. The role of relevant experience and that of expatriates in forming perceptions of foreign markets are difficult to underestimate in this respect.

Overseas market selection experience finally which ensures that evaluation of company international business experience involves examining its intensity, recency, relevance, character (positive versus negative). Experience is a major factor shaping strategic directions, company corporate culture and collective knowledge, or common wisdom. Without sufficient, relevant experience and knowledge, there tends to be a stronger sense of risk and uncertainty involved in the global marketing decisions, which in turn constrains at least the subjective, if not the objective, freedom of choice of market servicing modes (Koch, 2001)

International firms may choose to enter a certain foreign market through a variety of strategies. Some of the most common strategies include exports, licenses, contracts and franchises, joint ventures, wholly owned subsidiaries and strategic alliances. Licensing is used where one firm (the licensor)will grant to another firm (the licensee)the right to use any kind of expertise such as manufacturing processes(patented or unpatented), marketing procedures, copyrights and trademarks for one or more of the licensor's products.

Exporting is normally the first involvement for many companies in international business. It can be defined as the marketing of goods produced in one country into another (Terpstra & Sarathy, 1997). Contracts are used frequently by firms that provide specialized services, such as management, technical knowledge, engineering, information technology, education and so on, in a foreign location for a specified period of time period and fee. Turnkey contracts are a specific kind of contract where a firm constructs a facility, starts operations, trains local personnel, and then transfers the facility to the foreign owner. These contracts are usually for very large infrastructure projects, such as

dams, railways, and airports and involve substantial financing; thus they are financed by international financial institutions such as the World Bank (Buckler, 2005).
Franchising on the other hand is a means by which a company can market its goods and services by granting the franchisee the legal rights to use their business format (Doole & Lowe, 2001).

Joint venture is a management arrangement that involves the partnership of a foreign company and a local company based on the sharing of capital, technological resources and other benefits. According to Buchel et al., (1998) the reasons to form a joint venture include: to spread the cost and risk of going global, safeguarding resources which cannot be obtained via the market, improving access to financial resources, benefits of economies of scale and advantage of size, access to new technology and managerial practices. Strategic alliance is a business relationship established by two or more companies to cooperate out of the need to share risk in achieving a common objective (Cateora& Graham, 2002).

Wholly owned subsidiaries involve the establishment of businesses in foreign locations which are owned entirely by the investing firm. It involves the greatest commitment in capital and managerial effort. Foreign direct investment (FDI) is the establishment of production facilities in overseas countries and therefore represents a more direct involvement in the local economy (Worthinton & Britton, 2006).

1.1.4 The motor vehicle industry in Kenya

The motor industry in Kenya has been very vibrant in the past years in that Kenya has over 20,000 new registrations annually. The country attempted to build its first car in the late 80's the Nyayo Car but was not very successful. There has been entrant of many multinational companies in Kenya. Kenya's Motor vehicle assembly and components sub-sector is rapidly developing to supply to meet local content requirements. The plants assemble passenger cars commercial vehicles. This sector is very crucial in the Kenyan economy since it employs many people and according to the 2009 Statistical Abstract, formal employment in the motor vehicle assembly sector stood at 2,813 in 2008. These figures may be a bit higher when informal activities are included, but unfortunately the data is not available. According to Kenya National Bureau of Statistics data 5,456 vehicles were assembled in Kenya in the ten months to October 2012.Imports of parts used in local assembly are exempted from the 25 per cent import duty levied on fully built cars giving room to the assemblers to produce cheaper vehicles. The sector has 28 members in Kenya Association of Manufacturers (KAM) representing 4.17 per cent of the Association's total membership. The Sector is regulated Kenya Bureaus of Standards, Kenya Revenue Authority, Transport Licensing board, and the Kenya Vehicle inspection.

The industry faces stiff competition from second hand vehicles, following the liberalization of the economy in 1993. Massive importation of these vehicles may reduce the capacity utilization in vehicle assembly plants. However, the government has put up policies and regulations that restrict the importation of vehicles which are beyond 8 years since their first registration.

1.2 Research Problem

Strategy has been described as the game plan management has for positioning the company in its market arena, competing successfully, pleasing customers and achieving good business performance. A company's ultimate success or failure is influenced by how well the management team charts the company's direction, develops effective strategic moves and business approaches and pursues what needs to be done internally to produce good day-in, day-out strategy execution and operating excellence (Thompson & Strickland, 2008).

Welch and Luostarien,(1998) say that with the rapid development of globalization; some internationalization strategies have to be enacted not only by firms in developed countries but also in developing countries. The main aim for any business whether in domestic and international business is to make benefits .Multinational corporations move to foreign countries for various reasons which include; to get access to raw materials, to increase their sales turnover, to take advantage of the reduced transport and distribution costs, avoidance of trade and non –tariff barriers, to get more proximity to their customers and finally to increase their profits. According to Waverman (2001), companies come up with strategies of curbing competition and increase their market share. MNCs too just like the local companies face stiff and increasing competition from fellow multinational companies and other domestic firms. They also face other challenges in their host countries like cultural differences, language barriers, little brand awareness, political instability, currency fluctuations and instability, local opposition and great set up costs. Hence the management of such MNCs in order to reduce costs and increase the MNCs benefits in the host countries should give more attention on the market research and development of market entry strategies for the firm to gain competitive advantage in the foreign countries. The motor industry in Kenya has been very vibrant in the past years in that Kenya has over 20,000 new registrations annually. This sector is very crucial in the Kenyan economy since it employs many people and according to the 2009 Statistical Abstract, formal employment in the motor vehicle assembly sector stood at 2,813 in 2008.

Several research studies have been conducted on the market entry strategies. Mwangi (2012) carried out a study on the entry strategies used by atlas Copco eastern Africa Ltd to enter into the Eastern Africa. Mugambi (2011) conducted a study on foreign market entry strategies adopted by firms in the Export Processing zones, Ndwiga (2012) researched on the foreign market strategies used by the British Multinationals in Kenya. Cheptegei (2012) also did a study on foreign market entry strategies used by multinationals in Kenya: A case study of Coca Cola in Kenya.

However, none of the previous studies to the best knowledge of the researcher has dealt exclusively on the entry strategies adopted by the Multinational motor vehicle companies to enter Kenya. Hence there exists a knowledge gap that warrants this study. The study hence sought to answer the following research question. What are the market entry strategies adopted by the multinational motor vehicle companies to enter the Kenyan market?

1.3 Research Objective

The objective of this study was to determine the market entry strategies used by the motor vehicle multinational corporations to enter the Kenyan market.

1.4 Value of The study

The study will add more knowledge about foreign market entries that are used by MNCs to enter Kenyan market thereby forming a good literature base upon which further studies and references will be drawn. Academicians will, thus, benefit from the findings of this study as it will add to the body of existing knowledge in international business. These will comprise of the Kenyan current and future scholars and researchers since it will broaden their knowledge on the how multinational companies adopt entry strategies to enter Kenya.

The government of Kenya will also benefit from the study especially in the agencies like the Transport Licensing board, Kenya Bureau of Standards (KEBS), Kenya Revenue authority (KRA) in the formulation of policies regarding taxes, Motor vehicle registration and safety. The government of Kenya requires taxes in order to meet the need of its citizens and the motor industry in Kenya is one of the leading revenue generator in the country, through the import duties, value added tax, excise duty, license fees and the import declaration fees.

The findings of this study will also be of importance to the multinational corporations more so the motor vehicles companies in the development of entry strategies. Knowledge about market entry strategies will be useful for the companies while making strategic decisions involving internationalizing and expanding their businesses in foreign territories.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter focuses on information obtained from other researchers who have carried out their research in the same field of study. The specific areas covered in this chapter are theories of international business, multinational corporations (MNCs), behavioral orientation of international firms and foreign market strategies.

2.2 Theoretical background

Theories in international business are important because they help one to understand why countries whether big or small engage in international trade. They also underscore the rationale for importing and exporting.

2.2.1 New Trade Theory

This theory was proposed by economists led by Paul Krugman in the 1970s who observed that increasing returns to scale, especially the economies of scale are an important factor in some industries for superior international performance. Some countries succeed best as their volume of production increases. As a nation specializes in the production of such goods, productivity increases and unit cost fall, proving significant benefits to the local economy. Because many national markets are relatively small, the domestic producer may not achieve economies of scale because it cannot sell products in large volume. The theory implies that firms can solve this problem by exporting, thereby gaining access to the much global marketplace.

The effect of increasing returns to scale allows the nation to specialize in a smaller number of industries in which it may not necessarily hold factor or comparative advantages. The nation then imports the products that it does not make from other countries. The end result is that the nation: (1) increases the variety of products that it consumes, and (2)obtains these products at lower costs, both due to international trade and economies of scale of its domestic industries. Thus trade is beneficial even for countries that produce only a limited variety of products (Cavusgil, 2008).

2.2.2 International Product Life Cycle Theory

The product life cycle theory was proposed by Ray Vernon in the mid-1960s and states that the production of certain manufactured products shifts as they go through their life cycle. The cycle consists of four stages which are introduction, growth, maturity, and decline (Daniels, 2013). It shows that as products mature both the location of sales and the optimal production location will change affecting the flow and direction of trade. At this time most of the world’s new products were developed by U.S. firms and sold first in the U.S

According to the product life-cycle theory the size and wealth of the U.S. market gave U.S. firms a strong incentive to develop new products .Initially, the product would be produced and sold in the U.S.As demand grew in other developed countries, and U.S. firms would begin to export.

Demand for the new product would grow in other advanced countries over time making it worthwhile for foreign producers to begin producing for their home markets. U.S. firms might set up production facilities in advanced countries with growing demand, limiting exports from the U.S.As the market in the U.S. and other advanced nations matured, the product would become more standardized, and price would be the main competitive weapon. Producers based in advanced countries where labor costs were lower than the United States might now be able to export to the United States .If cost pressures were intense; developing countries would acquire a production advantage over advanced countries. Production became concentrated in lower-cost foreign locations, and the U.S. became an importer of the product (Hill, 2007).

2.3 Foreign Market Entry Strategies

An important aspect of international strategy formulation is determining which markets to enter. To make this decision, affirm must consider many fact ors including market potential, competition, legal and political environments, and socio-cultural influences. It must also carefully assess the costs, benefits and risks associated with each prospective market. Once a firm has decided to expand its international operations and has assessed the potential foreign market, it must decide how to enter and compete most effectively in the selected foreign markets. Choosing an entry mode involves careful assessment of firm-specific ownership advantages, location advantages and internationalization advantages.

Root (1994) defines an entry mode as an institutional arrangement that a firm uses to market its product in a foreign market in the first three to five years which is generally the length of time it takes a firm to completely enter a foreign market. Expanding into a foreign country is one of the most critical business strategies made by a firm relative to the international market. Nowadays, firms are internationalizing in more different ways than ever before by using combinations of market entry strategies in accessing foreign markets, firms commonly face a particularly difficult decision to plan when it is best to enter a foreign market. International firms may choose to enter a certain foreign market through a variety of strategies. Some of the most common strategies include exports, licenses, contracts and turnkey operations, franchises, joint ventures, wholly owned subsidiaries and strategic alliances.

Exporting is normally the first involvement for many companies in international business. This method requires little in the way of investment and is relatively free of risks. It is an excellent means of getting a feel for international business without committing any great amount of human or financial resources. When the company’s management decides to export, it must choose between direct or indirect exporting. Indirect exporting is simpler than direct exporting because it requires neither special expertise nor large cash outlays. Exporters or independent intermediaries based in their home country will do the work. Management merely follows instructions. Among the intermediaries available are; manufacturers’ exports agents who sell for the manufacturer; export commission agents who buy for their overseas customers; export merchants, who purchase and sell for their own account; and international firms which use the goods overseas. Indirect exporters however pay a price for such service: (1) they will pay a commission to the first three kinds of exporters; (2) foreign business can be lost if exporters decide to change their sources of supply; and (3) firms gain little experience from these transactions. This is why management that begins in this manner generally change to direct exporting. Active exporting takes place when the company makes a commitment to expand into a particular market (Hill, 2003).

A company can carry on direct exporting in several ways: Domestic –based department or division: Might evolve into a self-contained export department operating as a profit center. Overseas sales branches or subsidiary: The sales branch handles sales and distribution and might handle warehousing and promotion as well. It often serves as a display and customer service center. Travelling export sales representatives: Home based sales representatives are sent abroad to solicit for business. Foreign based distributors or agents: These distributors and agents might be given exclusive rights to represent the company in that country or limited rights only (Meyer and Tran, 2006).

Licensing is used where one firm (the licensor)will grant to another firm (the licensee)the right to use any kind of expertise such as manufacturing processes(patented or unpatented), marketing procedures, copyrights and trademarks for one or more of the licensor's products. The licensee generally pays a fixed sum when signing the licensing agreement and then pays royalty depending on the amount of assistance given and the bargaining power of the two parties. The licensing contract typically runs from 5 to 7 years and is renewable at the option of the parties. While the licensor usually must provide technical information and assistance to the licensee, once the relationship is established and the licensee fully understands its role, the licensor has little or no additional role. The licensor typically plays an advisory role, but has no direct involvement in the market and provides no ongoing managerial guidance. Most firms enter into exclusive agreements, implying that the licensee is not permitted to share the licensed asset with any other company within a prescribed territory. In addition to operating in its domestic market, the licensee may also be permitted to export to third countries. (Cavusgil, 2008)

Contracts are used frequently by firms that provide specialized services, such as management, technical knowledge, engineering, information technology, education and so on, in a foreign location for a specified period of time period and fee. Turnkey contracts are a specific kind of contract where a firm constructs a facility, starts operations, trains local personnel, and then transfers the facility to the foreign owner. These contracts are usually for very large infrastructure projects, such as dams, railways, and airports and involve substantial financing; thus they are financed by international financial institutions such as the World Bank (Buckler, 2005). The arrangement involves construction, installation, and training, and may include follow-up contractual services, such as testing and operational support.

Build-operate-transfer (BOT) is an arrangement in which the firm or a consortium of firms contracts to build a major facility abroad, operate it for a specified period and then hand it over to the project sponsor, typically the host country government or public utility. Governments often grant BOT concessions to get needed infrastructure built cost-effectively. Typical projects include sewage treatment plants, highways, airports, bridges, tunnels and telecommunication networks. Management contract on the other hand, is an arrangement in which a contractor supplies managerial know-how to operate hotel, resort, hospital, airport, or other facility in exchange for compensation. The contractor provides its unique expertise in running a facility without actually owning it (Cavusgil, 2008).

Franchising on the other hand is a means by which a company can market its goods and services by granting the franchisee the legal rights to use their business format Doole & Lowe (2001). Franchising permits the franchisee to sell products or services under a highly publicized brand name and a well proven set of procedures with a carefully developed and controlled marketing strategy. Franchising is more comprehensive than licensing because the franchisor prescribes virtually all of the business activities of the franchisee. The franchisor tightly controls the business system to ensure consistent standards. Firms prefer franchising when they lack capital or international experience to get abroad through foreign direct investment, or when offering the product abroad through independent distributors or traditional licensing is ineffective as an internationalization strategy. Franchising emphasizes standardized products and marketing. A major challenge for the franchisor is to become familiar with foreign laws and regulations. From the perspective of the franchisee, franchising is especially beneficial to the SME. Most firms lack substantial resources or strong managerial skills. The big advantage of franchising to the franchisee is the ability to launch a business using a tested business model. It greatly increases the small firm's chances for success by duplicating a tried –and-true business format. McDonald's, Subway, Hertz and FedEx are well established international franchisors (Cavusgil, 2008).

Joint venture is a management arrangement that involves the partnership of a foreign company and a local company based on the sharing of capital, technological resources and other benefits. According to Buchel et al., (1998) the reasons to form a joint venture include: to spread the cost and risk of going global, safeguarding resources which cannot be obtained via the market, improving access to financial resources, benefits of economies of scale and advantage of size, access to new technology and managerial practices. The extent of control of the foreign and local firms in the joint venture depends upon the agreement and the legal limitations (Meyer and Tran, 2006). Limitations of being in a joint venture include: Partners do not have full control of management, it may be impossible to recover capital if need be , disagreement on third party markets to serve and, partners may have different views on expected benefits (Keegan & Schlegelmilch, 2001).

Strategic alliance is a business relationship established by two or more companies to cooperate out of the need to share risk in achieving a common objective (Cateora& Graham, 2002). Their aim is to achieve faster market entry and start up; to gain access to new products, technologies, and markets; and to share costs, resources and risks. Wholly owned subsidiaries involve the establishment of businesses in foreign locations which are owned entirely by the investing firm. It involves the greatest commitment in capital and managerial effort. Where control is important and the firm is capable of the investment, it is often the preferred choice.

Foreign Direct Investment (FDI) is the establishment of production facilities in overseas countries and therefore represents a more direct involvement in the local economy, Worthinton & Britton, (2006). FDI is a high-control strategy for entering foreign markets. The firm invests equity or capital in foreign countries for the purposes of building or acquiring manufacturing plants, subsidiaries, sales offices, or other needed facilities. Ownership abroad facilities, enables the firm to maintain a physical presence and secure direct access to customers and partners. Local presence is especially critical when significant value-chain activities must be performed in the market. Large firms such as Sony, Nestle, Nokia, Motorola and Toyota have extensive FDI-based operations around the world (Cavusgil, 2008).

2.4 Behavioural Orientations of Multinational Corporations

The form and substance of a company's response to global market opportunities depend greatly on management's assumptions or beliefs- both conscious and unconscious- about the nature of the world. The world view of a company's personnel can be described as ethnocentric, polycentric, regiocentric, and geocentric (Keegan 2008).Ethnocentricity is a strong orientation toward the home country**.** Markets and consumers abroad are viewed as unfamiliar and even inferior in taste, sophistication, and opportunity**.** Ethnocentrism is sometimes associated with attitudes of arrogance or assumptions of national superiority. In an ethnocentric international company foreign operations are viewed as being secondary or subordinate to domestic ones .The usual practice is to use the home base for the production of standardized products for export in order to gain some marginal business **(**Keegan 2008).

Polycentricity is a strong orientation to the host country. The management assumes that each market is unique and consequently difficult for outsiders to understand. This assumption lays groundwork for each subsidiary to develop its own unique business and marketing strategies in order to succeed. This point leads to a localized or adaption approach that assumes that products must be adapted in response to different market conditions.A drawback of polycentricity is that it often results in duplication of effort among overseas subsidiaries (Keegan 2008).

Geocentricity is an orientation that considers the whole world rather than any particular country as the target market.A geocentric company might be thought of as denationalized or supranational. Geocentricity is a compromise between the two extremes of ethnocentricity and polycentricity.A Company with a regiocentric orientation, a region becomes the relevant geographic unit; management's goal is to develop an integrated regional strategy (Keegan 2008).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods and procedures that were used in execution of the study with the aim of answering the research question. It includes the research design, target population, data collection and data analysis.

3.2 Research Design

A research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement, and analysis of data (Kothari, 2004). The study was conducted in form of a descriptive survey. According to Mugenda and Mugenda (1999), a descriptive survey is used to obtain information concerning the current status of the phenomenon to describe what exists with respect to variables in a situation, by asking individuals about their perceptions, attitudes, behaviors or values. A Census was conducted since the target population is small. A census is the complete enumeration of all the items in the population (Kothari 2004). Census ensures that no element of chance is left and highest accuracy is obtained.

3.3 Population

The population of interest for this study was the multinational motor vehicle companies in Kenya. Kenya association of motor industry (KMI) has 24 registered multinational motor vehicle companies as listed in appendix II which are drawn from the assembling, manufacturing and dealers sectors.

3.4 Data Collection

The study used both secondary and primary data. Primary data was collected through the use of semi structured questionnaires that were administered by the researcher to the respondents who include the marketing directors and other officials of the multinational multivehicle companies in Kenya. The questionnaire had two parts; Part A for general information about the respondent and the company, and Part B for the entry strategies used. Using the questionnaire was advantageous to the researcher since they are less costly, are free from the bias of the interviewer, respondents who are not easily approachable can be reached conveniently and that the respondent has adequate time to give well thought answers (Kothari, 2004). Secondary data was collected by use of desk search techniques from published reports which include the journals, periodicals, motor industry publications and the newspapers.

3.5 Data Analysis

The data collected was edited for accuracy, uniformity, consistency and completeness. Data analysis involved the computation of certain measures along with searching for patterns of relationship that exist among data groups (Kothari 2004). Data collected was coded and entered into the Statistical Package for Social Sciences for analysis (SPSS) which helped in organizing and summarizing the data by the use of descriptive statistics such as measures of central tendency which are the mean, mode and median and measures of dispersion. Frequency tables, bar graphs and pie charts were used to present the data.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the analysis of data and discussion of the research findings. The chapter outlines the findings based on the research objectives. The purpose of this study was to establish the strategies adopted by building and construction firms and the challenges that they face as they operate in turbulent environmental conditions in Nairobi, Kenya. SPSS was used to generate the descriptive statistics and to establish the relation between the dependent and the independent variables of the study. The research findings were presented in form of tables, graphs and charts. Tabulation helped to summarize the data whereas graphs and charts were used to present the study results.

4.1.1 Response Rate

The study targeted a sample size of 24 respondents from which 21 filled in and returned the questionnaires making a response rate of 87.5%. This response rate was good and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

4.2 General Information

The study sought to establish the background information of the respondents and the companies including the duration that the company had been operating in Kenya, duration that the respondents had been working for the corporation and the number of branches/plants/service centers that the companies have in Kenya.

The study sought to establish the duration that the companies had been operating in Kenya. The findings are shown in Figure 4.3.

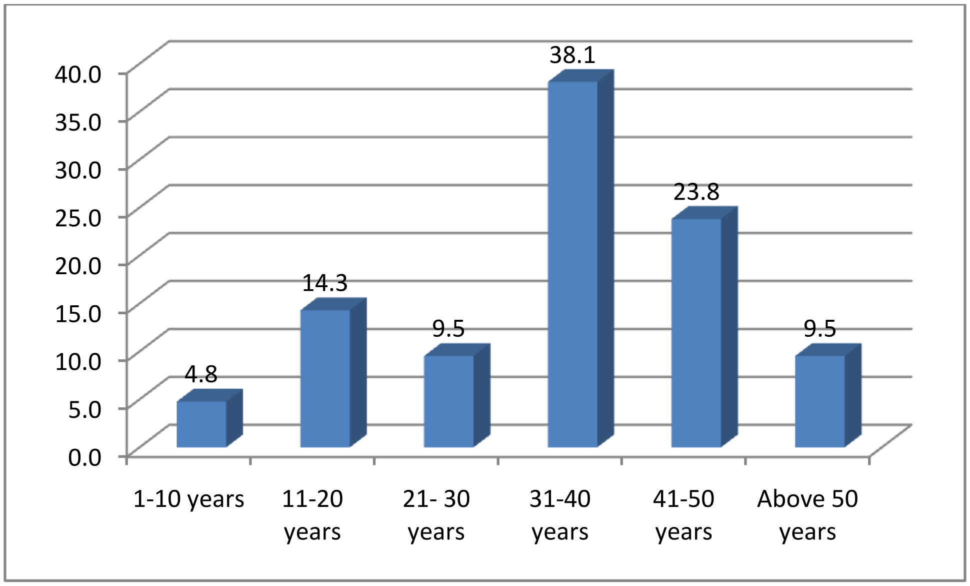

Figure 4. 1: Duration that the companies had been operating in Kenya

From the findings in Figure 4.3, 38.1% of the companies had been operating in Kenya for a period of 31-40 years, 23.8% had been operating in Kenya for a period of 41-50 years, 14.3% had been operating in Kenya for a period of 11-20 years, 9.5% had been operating in Kenya for a period of 21- 30 years, 9.5% had been operating in Kenya for a period of above 50 years while 4.8% had been operating in Kenya for a period of 1-10 years.

The respondents were requested to indicate the duration that the respondents had been working for the corporation.

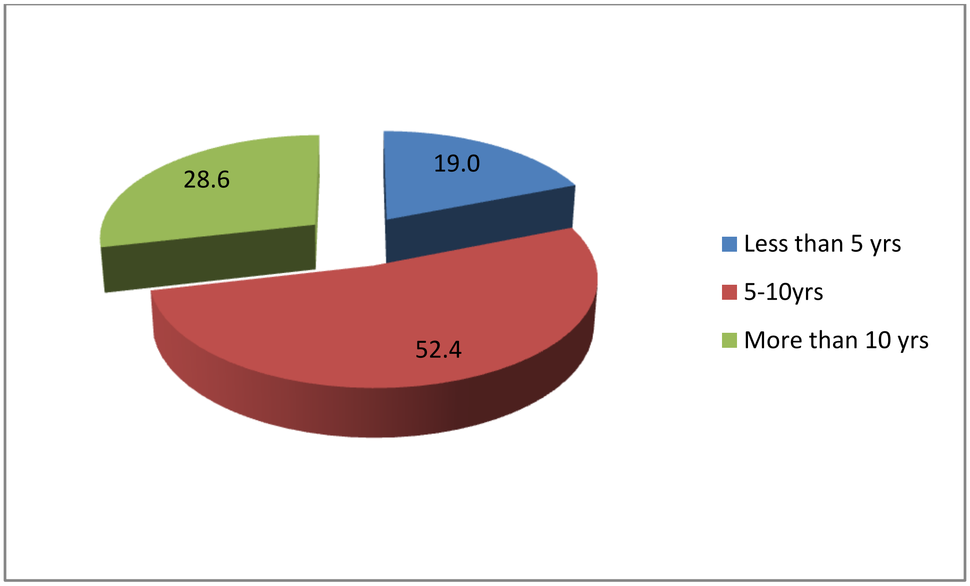

Figure 4. 2: Duration that the respondents had been working for the corporation

On the years that the respondents had been working for the corporation, the findings in figure 4.4 show that 52.4% of the respondents had worked for a period of between 5-10 years, 28.6% of the respondents had worked for a period of more than 10 years and 19% of the respondents had worked for a period of less than 5 years.

The respondents were requested to indicate the number of branches/plants/service centers that the companies have in Kenya.

Table 4.1: Number of branches/service centers that the companies have in Kenya

	Frequency	**Percentage**
Less than 5	11	52.4
5-10	8	38.1
Above 10	2	9.5
Total	**21**	**100.0**

The study established that majority (52.4%) of the companies had less than 5 branches/plants/service centers that the companies have in Kenya, 38.1% had 5-10 branches/plants/service centers while 9.5% had above 10 branches/plants/service centers

4.3 Factors that Made the Companies to Choose the Kenyan Market

The researcher requested the respondents to indicate the people in the company that participates in the decision making involving expansion strategies. The results were as shown in Table 4.2.

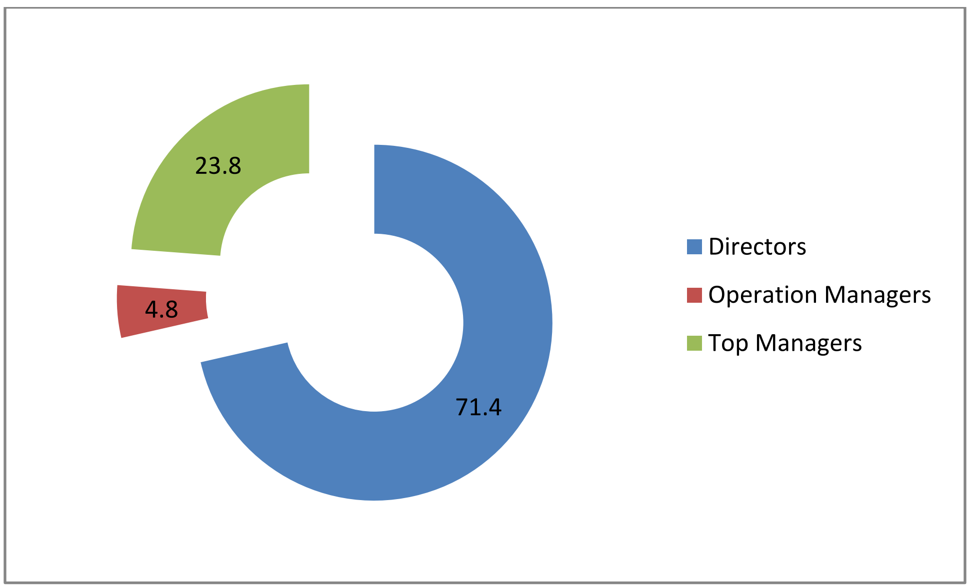

Figure 4.3: People in the company that participates in the decision making involving expansion strategies

According to the findings, majority (71.4%) of the respondents indicated that the directors participates in the decision making involving expansion strategies, 23.8% said it was the top managers while 4.8% said it was the operation managers.

The study sought to establish the extent that various factors made the company to choose the Kenyan market.

Table 4.2: Extent to which various factors made the company to choose the Kenyan market

	Mean	Std. Deviation
Availability of labor	4.1373	.65893
Availability of raw materials	3.3552	.87335
Proximity to customers	4.5104	.61102
Availability to capital/technology	3.6597	.71522
Company's strategic orientations/objectives	4.5940	.67955
Anticipated market risks	3.7030	.67554
Proximity to suppliers	3.2373	.93468
Inducement by the government	3.4941	.96770
Country political environment	3.9363	.96827
Country economical environment	4.0164	.59813
Country socio-cultural environment	3.5373	.70342

On the extent to which various factors made the company to choose the Kenyan market, the respondents indicated that the factors made the company to choose the Kenyan market to a very great extent include company's strategic orientations/objectives and proximity to customers as illustrated by a mean score of 4.5940 and 4.5104 respectively.

The respondents also indicated that the factors made the company to choose the Kenyan market to a great extent include availability of labor as shown by a mean score of 4.1373, country economical environment as shown by a mean score of 4.0164, country political environment as shown by a mean score of 3.9363, anticipated market risks as shown by a mean score of 3.7030, availability to capital/technology as shown by a mean score of 3.6597 and country socio-cultural environment as shown by a mean score of 3.5373. However, those that had a moderate effect include inducement by the government as shown by a mean score of 3.4941, availability of raw materials as shown by a mean score of 3.3552 and proximity to suppliers as shown by a mean score of 3.2373.

The study also required the respondent to rate the competition in the Kenyan motor vehicle market.

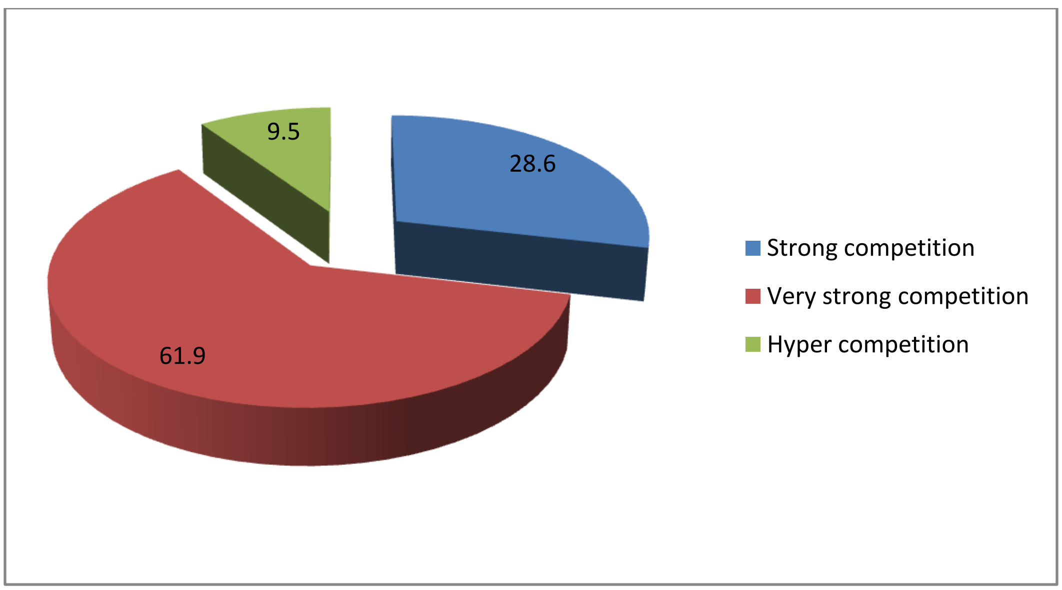

Figure 4.4: Respondents rating of the competition in the Kenyan motor vehicle market

From the study findings, majority (61.9%) of the respondents rated the Kenyan motor vehicle market as very strong competition, 28.6% rated it as strong competition while 9.5% rated it as hyper competition.

4.4 Entry Strategies Used By Companies

The study further sought to find out the extent that the companies had used various strategies to enter the Kenyan Market.

Table 4.3: Extent that the companies had used various strategies to enter the Kenyan Market

	Mean	Std. Deviation
Exporting	4.6716	.56106
Licensing	4.5373	.63552
Franchises	4.5925	.68253
Mergers	2.1926	.68253
Joint ventures	4.4166	.49875
Strategic alliances	3.6269	.51745
Foreign Direct Investment	4.6418	.59548
Contracts	2.9254	.85835
Wholly owned Subsidiaries	3.4718	.79898

According to the findings, majority of the respondents indicated that the strategies used by the companies to enter the Kenyan market to a very great extent included exporting as shown by a mean score of 4.6716, foreign direct investment as shown by a mean score of 4.6418, franchises as shown by a mean score of 4.5925 and licensing as shown by a mean score of 4.5373. They also indicated that joint ventures, strategic alliances were used to a great extent as shown by a mean score of 4.4166 and 3.6269 respectively while the entry strategies used to a moderate extent include wholly owned subsidiaries as shown by a mean score of 3.4718 and contracts as shown by a mean score of 2.9254. The respondents indicated that mergers used by the companies to enter the Kenyan Market to a low extent as shown by a mean score of 2.1926.

The study sought to establish how often the companies review their entry strategies.

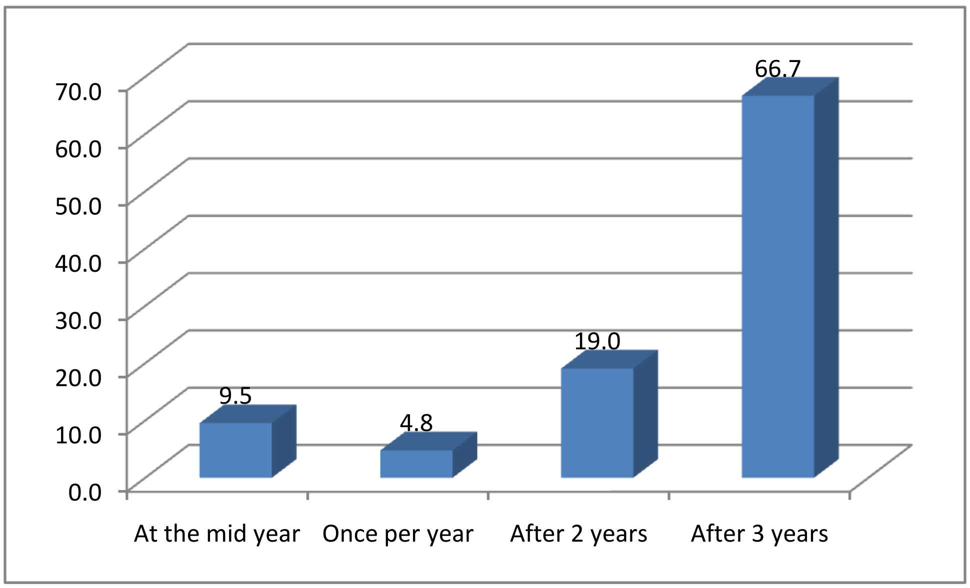

Figure 4.5: How often the companies review their entry strategies

From the findings, majority of the respondents (66.7%) indicated that their company reviews their entry strategies after 3 years, 19% after 2 years, 9.5% at the mid year while 4.8% indicated once per year.

The study also sought to find out the description of the competition in the Kenyan motor vehicle market.

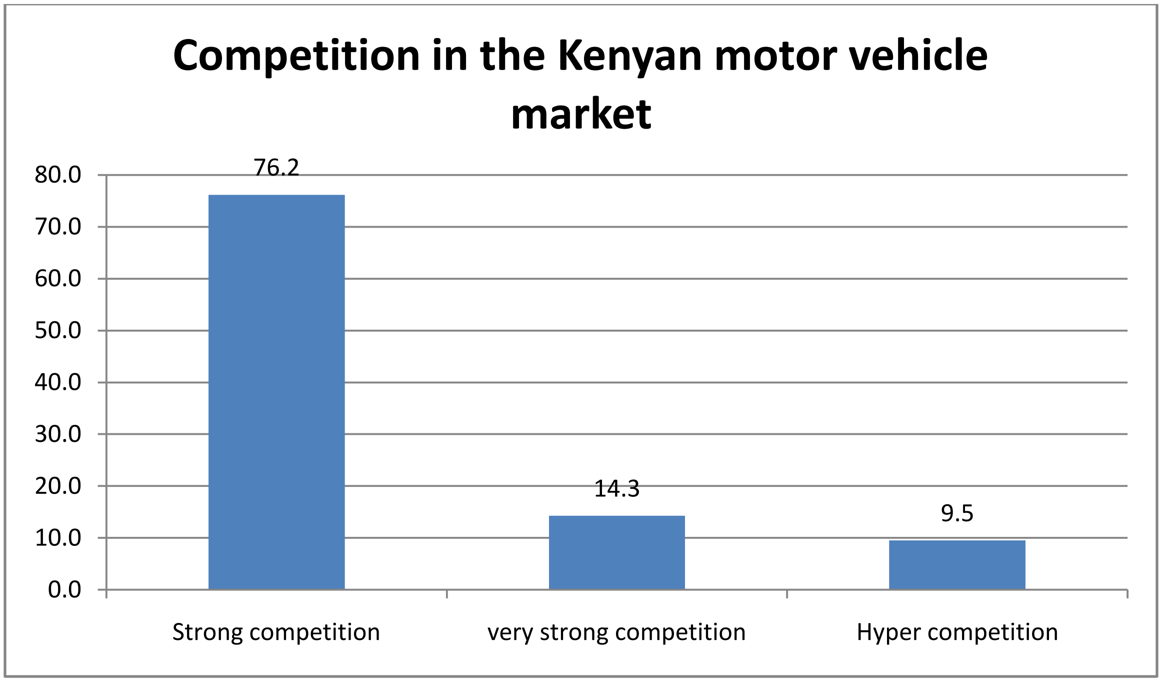

Figure 4.6: Description of the competition in the Kenyan motor vehicle market

According to the findings majority of the respondents (76.2%) described the competition in the Kenyan motor vehicle market as strong competition, 14.3% as very strong competition while 9.5% described it as hyper competition.

Further the study sought to establish the rating of the performance of the corporations since their entry into the Kenyan market.

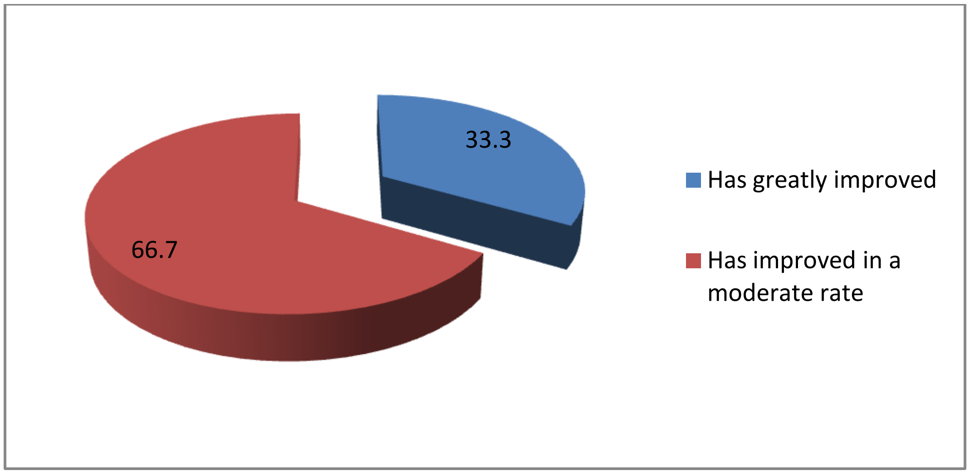

Figure 4.7: Rating the performance of the corporations since their entry into the Kenyan market

From the findings, the majority of the respondents (66.7%) indicated that the performance of the corporations since their entry in Kenya has improved in a moderate extent while 33.3% indicated that it had greatly improved.

On the foreign market entry strategies that motor vehicle companies can use to enter the Kenyan Market the respondents suggested: compliance to laws and regulations; develop originality; maintain quality; to become oriented to market strategies that other factors has effect e.g. politics; customer follow up is important; more branches/ distributors/ dealers are of great importance to increase penetration; companies choosing to enter the Kenyan market should do a good market; and Kenya has readily available and cheap labour and the assembly sector is vibrant hence one can bring unassembled vehicles parts to be assembled in the country.

4.5 Discussion of Findings

The study found that that the directors participate in the decision making involving expansion strategies. The factors made the company to choose the Kenyan market, the respondents indicated that the factors made the company to choose the Kenyan market to a very great extent include company's strategic orientations/objectives and proximity to customers. This is in line with Griffin (2007) who indicated that an important aspect of international strategy formulation is determining which markets to enter. To make this decision, a firm must consider many factors including market potential, competition, legal and political environments, and socio-cultural influences. Choosing an entry mode involves careful assessment of firm-specific ownership advantages, location advantages and internationalization advantages.

It was clear that the factors which made the company to choose the Kenyan market to a great extent include availability of labor, country economical environment, country political environment, anticipated market risks, availability to capital/technology and country socio-cultural environment. However, those that had a moderate effect include inducement by the government, availability of raw materials and proximity to suppliers. This concurs with Koch (2001) who listed the factors that influence foreign market entry as: Company strategic orientations, Company Strategic objectives, Company international competitiveness, networking, and own/accessible resources, Similarity/proximity of overseas market, investment payback period, risk factors and overseas market selection experience.

The strategies used by the companies to enter the Kenyan market to a very great extent included exporting, foreign direct investment, franchises and licensing. They also indicated that joint ventures, strategic alliances were used to a great extent while the entry strategies used to a moderate extent include wholly owned subsidiaries and contracts. The respondents indicated that mergers used by the companies to enter the Kenyan Market to a low extent. This correlates with Buckler (2005) who indicated that international firms may choose to enter a certain foreign market through a variety of strategies. Some of the most common strategies include exports, licenses, contracts and franchises, joint ventures, wholly owned subsidiaries and strategic alliances.

The study deduced that their company reviews their entry strategies after 3 years and that the competition in the Kenyan motor vehicle market is strong. The study also found that the performance of the corporations since their entry in Kenya has improved in a moderate extent. This agrees with Thompson and Strickland (2008) who indicated that a company's ultimate success or failure is influenced by how well the management team charts the company's direction, develops effective strategic moves and business approaches and pursues what needs to be done internally to produce good day-in, day-out strategy execution and operating excellence

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter outlines the summary of findings derived from the study. The purpose of this study was to establish the foreign market entry strategies used by multi-national motor vehicle companies to enter the Kenyan market.

5.2 Summary

Regarding the factors that made the companies to choose the Kenyan market, the study found that the directors participate in the decision making involving expansion strategies. The study deduced that the factors made the company to choose the Kenyan market to a very great extent include company's strategic orientations/objectives and proximity to customers. It was also clear that the factors made the company to choose the Kenyan market to a great extent include availability of labor, country economical environment, country political environment, anticipated market risks, availability to capital/technology and country socio-cultural environment. However, those that had a moderate effect include inducement by the government, availability of raw materials and proximity to suppliers. The study also revealed that Kenyan motor vehicle market as very strong competition.

On the entry strategies used by motor vehicle companies, the study established that the strategies used by the motor vehicle companies to enter the Kenyan market to a very great extent included exporting, foreign direct investment, franchises and licensing. The study further found that joint ventures, strategic alliances were used to a great extent while the entry strategies used to a moderate extent include wholly owned subsidiaries and contracts. The study also deduced that mergers used by the companies to enter the Kenyan Market to a low extent.

The study established that most of the company reviews their entry strategies after 3 years. Kenyan motor vehicle market was also described as a strong competition. The study revealed that the performance of the corporations since their entry in Kenya has improved.

On the foreign market entry strategies that motor vehicle companies can use to enter the Kenyan Market the respondents suggested: compliance to laws and regulations; develop originality; maintain quality; to become oriented to market strategies that other factors has effect e.g. politics; customer follow up is important; more branches/ distributors/ dealers are of great importance to increase penetration; companies choosing to enter the Kenyan market should do a good market survey; and Kenya has readily available and cheap labour and the assembly sector is vibrant hence one can bring unassembled vehicles parts to be assembled in the country.

5.3 Conclusions

From the findings, the study concludes that there are various factors influencing the choice of foreign marketing strategy among motor vehicle companies such as company's strategic orientations/objectives, proximity to customers, availability of labor and country economical environment. The study also concludes that the Kenyan motor vehicle market as very strong competition.

The study further concludes that the main strategies used by the motor vehicle companies to enter the Kenyan include exporting, foreign direct investment, franchises, licensing and strategic alliances. It was clear that the performance of the motor vehicle companies since their entry in Kenya had improved.

5.4 Recommendations for Policy and Practice

Foremost, the study has established that the firms face cut-throat competition due to the steadfast entry of many foreign competitors as a result of liberalization of the economy. This study therefore recommends that the institutions charged with the responsibility of licensing new firms to regulate the entry of new firms so as to avoid unhealthy competition.

Secondly, this study established that the increasing need to deliver high quality products due to increased customer demand for quality is a challenge being faced by many of the firms in Kenya. This study therefore recommends that motor vehicle companies should continuously improve on the quality of the products and also be innovative to keep abreast with emerging technology and trends.

The study also recommends that motor vehicle companies should continue investing in various foreign marketing strategies so as to meet the company objectives and mission. They should consider opening more branches/distributors/ dealers throughout the country to increase their penetration.

The study further recommends that the motor vehicle companies choosing to enter the Kenyan market should do a good market survey so as to establish the customers need gaps. The study also recommends the companies should improve on their customer services and also engage in customer follow up.

5.5 Limitation of the Study

A limitation for the purpose of this research was regarded as a factor that was present and contributed to the researcher getting either inadequate information or responses or if otherwise the response given would have been totally different from what the researcher expected. The main limitations of this study were;

Some respondents refused to fill in the questionnaires. Further some respondents decided to withhold information which they considered sensitive and classified. This reduced the probability of reaching a more conclusive study. However, conclusions were made with this response rate.

Most of the respondents were busy throughout and had to continuously be reminded and even persuaded to provide the required information. Communication with the respondents was a challenge since most contact details were out-dated which made tracking down the sampled organizations difficult. Time- Due to official duties time was a major concern.

Fear and victimization by respondents limited the study some employees were unwilling to divulge information for fear of victimization by their superiors and finally slow pace of respondents also limited the study.

5.6 Suggestion for Further Research

The researcher recommends that a similar study should be embarked on different international companies in Kenya dealing with other commodities to verify the study results. The researcher also recommends that future researchers should investigate on the influence of investment policies on foreign market entry by international companies in the country. A further study should focus on the challenges faced by multinational motor vehicle companies in the country.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 22/9/2014

TO WHOM IT MAY CONCERN

The bearer of this letter NDUNGU RUTH WANJIKU

Registration No. D61/79258/2012

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
22 SEP 2014
P.O. Box 30197 – 00100, NAIROBI

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

APPENDIX II: QUESTIONNAIRE

Part A: GENERAL INFORMATION

1. Indicate the registered name of your company…………………………………..

2. How long has your company been operating in Kenya? ……………..................

3. What is the name of your department/division? ....

4. How long have you been working for this corporation? ………….........................

   Less than 5 yrs [ ]   5-10yrs [ ]   More than 10 yrs [ ]

5. How many branches/plants/service centers does your company have in Kenya?

   Less than 5 [ ]   5-10 [ ]   Above 10 [ ]

6. How many employees has your company employed in Kenya?

   Less than 50 [ ]   50-100 [ ]   100-200 [ ]   Above 200 [ ]

7. What is your company's target market? ....

PART B

8. Who in your company participates in the decision making involving expansion strategies?

   Directors [ ]   Operation Managers [ ]

   Top Managers [ ]   All Staff Members [ ]

9. Indicate the extent to which these factors made your company to choose the Kenyan market? (Please rate 1: Very great extent 2.Great extent 3.Moderate extent 4. Little extent, 5. No extent at all)

Extent / Factors	1	2	3	4	5
Availability of labor					
Availability of raw materials					
Proximity to customers					
Availability to capital/technology					
Company's strategic orientations/objectives					
Anticipated market risks					
Proximity to suppliers					
Inducement by the government					

10. Did your company consider other factors? …………………………………….

YES [ ] NO [ ]

If yes which ones? ....

……………………………………………………………………………………….

11. Please tick the extent to which your company has used the following strategies to enter the Kenyan Market. Please rank in this order

1: Very great extent 2.Great extent 3.Moderate extent
4. Little extent, 5. No extent at all

Extent / Mode of Entry	1	2	3	4	5
Exporting					
Licensing					
Franchises					
Mergers					
Joint ventures					
Strategic alliances					
Foreign Direct Investment					
Contracts					
Wholly owned Subsidiaries					

12. How often does your company review its entry strategies?

At the mid year [ ] After 3 years [ ]

Once per year [ ] After 2 years [ ]

Never at all [ ]

13. Has the country's political, economical or socio-cultural environment influenced your decisions to do business in Kenya?

YES [ ] NO [ ]

14. How can you describe the competition in the Kenyan motor vehicle market?

Very weak competition [ ] weak competition [ ]

Strong competition [ ] very strong competition [ ]

Hyper competition [ ]

15. How do you rate the performance of your corporation since its entry into the Kenyan market?

Has greatly improved	[ ]	Has improved in a moderate rate	[ ]
Has improved in a lesser rate	[ ]	Has not improved at all	[ ]
Has worsened	[ ]		

16. What suggestions do you have on the foreign market entry strategies that motor vehicle companies can use to enter the Kenyan Market?

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17. Any other comment?

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APPENDIX III: LIST OF REGISTERED MULTINATIONAL MOTOR VEHICLE COMPANIES IN KENYA

1. Associated Vehicle Assemblers,
2. Auto Sueco Kenya Ltd
3. Bavaria Auto
4. Car & General (K) Ltd,
5. CMC Motors Group Ltd
6. DT Dobie & Co (Kenya) Ltd (CFAO),
7. Foton East Africa Ltd,
8. General Motors East Africa
9. Hyundai (E.A) Holdings,
10. Kenya Coach Industries,
11. Kenya Grange Vehicle Industries Limited,
12. KIA Motors –Marshalls,
13. Porsche Centre Nairobi Limited,
14. RT (East Africa) Limited,
15. Ryce Motors,
16. Sameer Africa,
17. Simba Corporation Ltd,
18. Stantech Motors Limited,
19. Subaru Kenya / ECTA Group,
20. TATA Africa Holdings,
21. Toyota East Africa Limited / Toyota Motor Corporation,
22. TransAfrica Motors,
23. Xylon Motors
24. Zonda E.A. Ltd