MARKETING STRATEGIES ADOPTED TO GAIN A COMPETITIVE ADVANTAGE BY SUPERMARKETS IN KAKAMEGA TOWN, KENYA

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OCTOBER, 2014

DECLARATION

I declare that this research project is my original work and has not been presented for an academic award in any other university.

Muchere Purity Nkirote

REG. NO D61/61002/2013

Sign: ……………………………………….. Date: …………………

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

Dr. B.O. Wabuyabo

SUPERVISOR

Signed:___________________________________ Date:___________________________

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DEDICATION

I dedicate this research project to my parents, Gichunge and Rose Muchere and my siblings Tracy and Nicole whose help throughout the Project has been magnificent. This was a sacrifice for our better future. You are very special to me for you constantly kept vigil as I burned midnight oil.

ABSTRACT

Shopping in Kakamega and other major towns in Kenya has seen a shift from retail shops to supermarket chains. Shoppers will prefer to visit a supermarket and get all the products they want under one roof. Besides, there is no bargaining or haggling in a supermarket. This has seen the growth of supermarkets in Kakamega to four, namely; Tuskys, Nakumatt, Yako and Wallias. Buyers are becoming more aware of what they want and what they consume as most people are not only educated, but learned. When the buyer has full information about prevailing market conditions, actual prices and even supplier costs, the buyer gets greater bargaining leverage than when information is poor. The acquisition of such information has been facilitated by development of information technologies via the internet which has simplified the information sharing between consumers and suppliers, giving consumers greater bargaining power which in turn has forced supermarkets to devise strategies so that they can adopt to the ever-changing marketing environment in order to be competitive and it's for reason that this study evaluates promotion, price variation, location and improved customer as strategies adopted for competitive edge and identify a strategy with greater returns. This study will be conducted in supermarkets in Kakamega town using descriptive research. Questionnaires, interviews schedules and observation will be used as instruments of data collection. This will provide information that will help draw conclusions on the marketing strategy that the supermarkets employ to gain a competitive edge. The conclusion of the research can help the marketing managers of the supermarkets improve in their day to day operations and also help future researchers develop on this study.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The specific contribution of marketing in the organization lies in the formulation of strategies to choose the right customer, build relationships of trust with them and create a competitive advantage. Therefore, for the organization to cope with the outside world of customers and competitors, it is necessary to train and motivate all staff within the organization to provide the appropriate level of service to customers. Having accurate and reliable information on customers is an essential ingredient in strategic marketing; with aid of modern technology and appropriate software, organizations can develop a customer information file which is accessible and designed to aid decision making (Ma.cristina, 2012).

A competitor orientation in the business system views customers as the ultimate prize to be won at the expense of rivals. A competitor orientation implies that the organization attempts to capitalize on the weaknesses of vulnerable competitors to win market position and customers from them, which in turn produces a high level of sales and long-run profits. At the same time, the organization attempts to remove its own weaknesses to defend market position and to minimize the loss of customers to competitors (Frank, 2002). Successful marketing strategies take advantage of the organization's capabilities but recognize that no capability gives a permanent advantage and the choice of marketing strategies determines positioning choices which in turn determine not only which activities to perform and how to configure individual activities but also how they relate to one another (Ma. cristina, 2012).

The study was guided by Porter's theory of competitive advantage (1980), which identifies five competitive forces namely: Potential entrants, Buyers, Substitutes, Suppliers and Industry competitors that define the rules of competition in an industry. He notes that, the goal of competitive strategy for a business unit in an industry is to find a position in the industry where the company can best defend itself against these competitive forces or can influence them in its favor. Therefore, the essence of formulating competitive strategy is to relate a company to its environment.

Einsenhardt and Brown's (1998) theory of competitive on the edge as cited by (Whalley 2010) conforms to this study because it suggests that strategies based on flexibility, experimentation and continuous change and learning can be more important than rigorous analysis and planning. It further argues that, firms develop a 'semi-coherent strategic direction' which requires them to create and maintain balance between order and chaos. By competing at the 'edge of chaos', a firm creates an organization that can change and produce a continuous flow of competitive advantages, that forms a 'semi-coherent' direction. Firms should not just well react to change, but must also do a good job of anticipating and leading change. This theory is good for this study because of the dynamic nature of the business environment occasioned by changes in technological advancements and globalization.

According to Resource Based Theory resources are inputs into a firm's production process; can be classified into three categories as; physical capital, human capital and organizational capital (Crook, 2008). A capability is a capacity for a set of resources to perform a stretch task of an activity.

Each organization is a collection of unique resources and capabilities that provides the basis for its strategy and the primary source of its returns. In the 21st-century hyper-competitive landscape, a firm is a collection of evolving capabilities that is managed dynamically in pursuit of above-average returns. Thus, differences in firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics (Crook, 2008).

Competitive Strategy a ccording to John and Scholes (2006), strategy is the direction and scope of an organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of the markets and fulfill stakeholder’s expectation. Strategy formulation is vital to the well being of a company or an organization. Competitive strategy consist of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Thompson and Strickland, 2002). Competitive strategy therefore earns competitive advantage by establishing a favourable, profitable and sustainable position against the forces that determine industry competition (Porter, 1980).

Competitive advantage according to Porter (1980), competitive advantage is the strategic advantage one business entity has over its rival entities within its competitive industry, it can also be said to be the advantage that a firm ahs over its competitors, allowing it to generate greater sales or margins and retain more customers than its competitors. There can be many types of competitive advantages including the firm’s cost structure, product offerings, distribution network and customer support, achieving competitive advantage strengthens and positions a business between within the business environment.

As defined by Thompson and Strickland (2002) a company has competitive advantage whenever it has an edge over its rivals in securing customers and defending itself against competitive forces. They further argued that accompany competing in the market place with a competing advantage tends to be more profitable and is likely to earn higher returns than one competing with no advantage. Strategy is therefore mandatory for any firm that intends to succeed in its endeavors and must be distinct enough to set the organization apart from the rest of the competition. Therefore organizations that capitalizes on customers' active participation in organizational a activities can gain competitive advantage through greater sales volume, enhanced operating efficiencies, positive word of mouth publicity, reduced marketing expenses and enhanced customer loyalty.

1.1.1 The Concept of Marketing Strategies

Kotler (2003) has defined the marketing strategies as the set of marketing tools the firm uses to pursue its marketing objectives. Payne (1993) describes the marketing mix as the internal elements or ingredients that make an organization's marketing programmes. He however asserts that the 4P's model of product, place, promotion and price is unnecessarily restrictive and recommends an extended marketing mix that should include people, processes and physical ambience. Firms seek competitive advantage and synergy through a well integrated program of marketing mix elements (Walker, 2011). Brodrechtova (2008) explained that marketing strategy is a roadmap of how a firm assigns its resource and relates to its environment and achieves a corporate objective in order to generate economic value and keep the firm ahead of its competitors. The marketing strategies have a major impact upon the efficiency and cost structure of an enterprise.

Thuo (2008) looks at the broad perspective of the marketing mix and expounds that, for instance, price is more than simply the amount of money that the consumer pays when making the purchase. It also encompasses credit or finance deals, any discounts, special offers, and additional deliveries changes. Place or distribution is not just about the physical movement of products from manufacturer to consumer. It is also about the ease of access to products, the way they are displayed and the environment in which they are presented. Product is not just the physical item presented for sale; it also deals with the image that is created for the product through branding and the level of customer service that accompanies it and promotion is more than advertising. It should also cover alls aspects on the way in which the organization communicates with its customers and other interested groups including its own employees.

Collier (1991) argued that the 4Ps traditional model should be expanded to become the 7Ps services management. These 7Ps can be used to formulate a marketing strategy by which a service company can achieve a competitive advantage. Each one of the 7Ps of the service management paradigm can be viewed as an opportunity to gain competitive advantage and define business strategy. Smith and Saker (1992) argued that the marketing mix elements are considered an essential element of any marketing strategy.

1.1.2 Supermarkets in Kenya

The Kenyan supermarket sector is composed of four main domestic retail chains: Uchumi, Nakumatt, Tusker Mattresses, and the Ukwala Group. There are two foreign-owned chains, Metro Cash & Carry and Woolworths. Although this is the case, the market concentration has kept on increasing and several independents supermarkets have also come up. Nairobi, with a population of 2.5 million has many supermarket chains due the growing trend of self service and because of the touch and feel nature of Kenyan customers (Kenyaweb 2002). Urban centres opportunities have also driven investment to spread over into other major cities and towns such as Mombasa, Nakuru, Eldoret, Kisumu and Kakamega. The high growth of this single stop shopping has placed Kenya as a supermarket hub in comparison to the rest of Eastern Africa in supermarkets presence. Kenya has approximately 206 supermarkets beside the existing hypermarkets. Uganda has one supermarket and Tanzania has four (Business Report 2000).

The McKinsey Global Institute (MGI 2010) projects that the number of African households with discretionary income over $5,000 will rise from 85 million to 128 million by 2020.The increase in income will further increase the retail branches, till rate and rise in competition. While most retail outlets tend to cherish competition and encourage growth, it is surprising that two third of these firms drop out of the growth curve of the product lifecycle. A significant fraction of these progress to maturity and stagnate shortly before crashing down. Most of these firms face this trend because retail business is volatile and there is also increasing competition in major markets due to inadequate contingency planning and incompatible growth retail models (Agarwal, &Audretsch, 2001).Moreover frequent changes in consumer trends and short business cycles are also some of the challenges in the retail supply chain requiring agile models. Global research by Siggelkow (2001) show that most business that has employed agility in their operations have succeeded. However for this to happen each industry needs to formulate their on model depending on its operation environment.

1.1.3 Overview of Supermarkets in Kakamega County

Kakamega County has four Supermarkets and mini supermarkets namely; Tuskys, Nakumatt, Yako, Wallias (Kenyaweb 2014). The rise of supermarkets in developing countries has received considerable attention in the development economies Literature over the past few years (Reardon et al, 2003). That literature shows that supermarkets are spreading quickly in urban areas and are modernizing their product procurement systems differentiating them from those used by traditional retailers and wholesalers. According to Neven & Reardon (2004) supermarkets in Kenya are giving an annual rate of 18% and have a 20% share of the urban food market overall.

1.2 Research Problem

The global business environment today and shifting economic activities between and within regions are imposing new competitive pressures on companies, which in turn create the necessity for competitiveness (Tharnurjan and Seneviratne, 2009). On the other hand, internet-based technologies have simplified the communication integration of consumers and suppliers, helping to achieve new competitive advantages driven by information technologies, building wider information sharing process and improving business performance (Borges-Tiago, 2008). The emergence of the two, have given consumers greater bargaining power by providing them with full information about actual market prices and even supplier costs.

Strategy implementation is usually a challenge to many organizations. Many companies develop good strategies that do not fully implemented due to various reasons. The success rate is very low. Only 10 to 30 percent of the chosen strategies get implanted Raps and Kauffman (2005). Companies do not find difficulty with formulation of strategy the difficulty comes with implementation as it is not each to implement a stagy (Sterling 2003 as a result Sterling (2003) states that a study that undertaken showed that only 30% of strategies are properly implemented by companies and this obviously needs improvement.

Lack of access to markets is one of the major obstacles to supermarkets development not only in Kenya but in the whole of Africa. The size of the market for many in the informal sector depends on personal relationships or the goods being customer designed.

Due to poor market research, there is frequently a big discrepancy between the supplies of a demand for consumer products. Oversupply, often occasioned by too many enterprises producing too many products, leads to dead stock and business stagnation. On the other hand, failure to respond to market demand with desired products in good time other takes business away from the supermarkets to more established firms who are better place to ague market trends. Thus unless, supermarkets can be assisted to come up with effective kiting and laws channels/techniques and streets, most of them are bound to continue performing at low legs or go out of business altogether (Mbugua, 1999).

To maintain competitive strategic posture, Supermarkets had adopted different strategies: Location, Price variation and Promotion and Improved customer services to serve a given segment of consumers. However, there is no unique strategy that succeeds for all Supermarkets in all situations and therefore necessary to consider organization's position in technology and its relationship to customers, competitors and suppliers. Therefore, there was therefore need to evaluate those strategies and then identify one with greater returns. The research will try to answer the general research question; which marketing strategies do supermarkets in Kakamega town, Kenya need to adopt in order to gain a competitive advantage in the market?

1.3 Research Objectives

The main objective of the research study is to evaluate the marketing strategies adopted by supermarkets of Kakamega town, Kenya to gain a competitive advantage.

1.4 Value of the Study

The study is of value to many stakeholders including Supermarket Managers, policy makers, and researchers among others. The study is intended to inform the supermarket management on the strategies to adopt in order to capture the market and also to identify a strategy that attracts customers as compared to others for greater market share. Consumers would benefit by understanding that supermarkets adopt various strategies and this would help them to associate themselves with supermarkets having strategies that gave them greater satisfaction.

The study would also assist the government and non-governmental organizations in formulating positive fiscal policies and in ensuring that supermarkets do not devise strategies that promoted monopoly as a way of protecting consumers against exploitation by businesspersons. Future scholars and researchers will find it important as the study will increase the body of knowledge in this area. It will also stimulate research based on proper needs assessment, identification of strategies and use of appropriate technologies by Supermarkets.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

To obtain competitive advantage, companies are required as soon as possible to adapt to the competitor's environment with fast answers, improving and/ or reforming processes and implementing strategies appropriately according to Price, (2003) as cited by Shiplap, (2009). Additionally, companies are required to develop their learning capacities since superior knowledge is what achieves competitive advantage and organizational competence creation, (Shiplap, 2009).

Competencies development is an essential element for organizational effectiveness in which organization members' knowledge plays a direct and central role in acquisition and organizational competence development (Andreadis, 2009). Different studies have indicated that companies that correctly leverage knowledge to extend competencies tend to increase efficiencies in operations and process innovation, while also improving service to clients to satisfy demands that arise in the market (Desouza and Awazu,2006; Thanurjan and Seneviratne, 2009), such that the extended organizational competences depends on management capability and implementation of business strategies (Bismuth and Tojo, 2008; De Long and Fahey, 2008; Roth, 2003). Competence creation depends more and more on processes (business strategies) development at operational level (Doving and Nordhaug, 2010). In the business environment, organizations seek to maximize returns by creating competitive advantage in identifying, providing, communicating and delivering value to customers.

In order to improve competitiveness, Supermarkets are growing rapidly, adopting aggressive strategies to attract customers due to emergence of new supermarket formats and competition between supermarkets. Thomas (as cited in Ma.cristina, 2012) in their study on rapid rise of supermarkets in developing countries, induced organizational, institutional and technological change on Agri-food systems, he highlights that with the rapid transformation of the retail sector, the share of supermarkets rose from roughly 15% in (1990) to 55% in (2002) in Latin America.

The same situation prevails in East Africa. These changes have intensified competition and organizations are moving to centralized procurement decisions instead of relying on traditional whole. Supermarkets that have adopted new strategies continue to rapidly gain share at the expense of competitors who do not differentiate themselves in anyway. Brennan (1991) surveyed retailers in small towns in Minnesota regarding the actions they had taken to compete with discounters (low prices) and the success of those actions. Providing specialized services, Offering better quality products and Improved customer service were most successful strategies. On the other hand, increasing sales and promotions, Lowering prices and Increasing advertising were least successful. In Kenya, much has not been done to evaluate the strategies that have been adopted for competitive edge especially in the supermarkets operating in Kakamega town as a result of technological changes and globalization and it was therefore the purpose of this study to evaluate them and identify the strategy that yields more returns to the supermarket.

2.2 Theoretical Foundations of the Study

There are various strategies that firms can adopt in order to achieve competitive advantage over their competitors. These include Porter’s theory of Competitive advantage (1980), theory of competitive edge and resource based strategy.

2.2.1 Porter's Theory of Competitive Advantage

The study was guided by Porter's theory of competitive advantage (1980), which identifies five competitive forces namely: Potential entrants, Buyers, Substitutes, Suppliers and Industry competitors that define the rules of competition in an industry. He notes that, the goal of competitive strategy for a business unit in an industry is to find a position in the industry where the company can best defend itself against these competitive forces or can influence them in its favor. Therefore, the essence of formulating competitive strategy is to relate a company to its environment. Knowledge of these underlying sources of competition pressure highlights the critical strengths and weaknesses of the company, animates its positioning in its industry, clarifies the areas where strategic changes yield the greatest pay off and highlights the areas where industry trends promise to hold the greatest significance as either opportunities or threats.

All the five forces jointly determine the intensity of industry competition and profitability, and the strongest force become crucial from the point of strategy formulation. Competition moves by one firm have noticeable effects on its competitors and thus may incite retaliation or efforts to counter the move. Rivalry among existing competitors takes a form of jockeying for position using tactics like price competition, advertising battles, product introductions and increased customer service. Competition in an industry, therefore, is rooted in its underlying economic structure and goes beyond the behavior of current competitors but he notes that a firm is not a prisoner of industry structure and it can influence the five forces through their own strategies by critically analyzing and identifying key driving factors that define the industry.

For competitiveness and sustainable advantage, Supermarkets should endeavor to create value for customers which are only possible by responding with faster answers to the ever changing business environment driven majorly by technological changes. Porter however, does not include technology and government as forces that may influence competition in an industry which can be understood in isolation of the five forces. This theory will guide the study in determining the technological position and bargaining power of buyers in Supermarkets for competitive edge.

2.2.2 Competitive Advantage Theory

Einsenhardt and Brown's (1998) theory of competitive on the edge as cited by (Whalley 2010) conforms to this study because it suggests that strategies based on flexibility, experimentation and continuous change and learning can be more important than rigorous analysis and planning. It further argues that, firms develop a 'semi-coherent strategic direction' which requires them to create and maintain balance between order and chaos. By competing at the 'edge of chaos', a firm creates an organization that can change and produce a continuous flow of competitive advantages, that forms a 'semi-coherent' direction. Firms should not just well react to change, but must also do a good job of anticipating and leading change. This theory is good for this study because of the dynamic nature of the business environment occasioned by changes in technological advancements and globalization. However, the theory has not factored in technology and globalization but argues that, in successful businesses, change is time-paced, or triggered by the passage of time rather than events.

2.2.3 Resource Based Theory

A major stream of research in strategic management has focused on competitive advantages and their sources. The Resource Based View aims to answer the question of why some firms outperform other firms. The heterogeneity among firms within a particular industry and the success factors of the outperforming firms are the focus of this research stream. Beginning with the works of Penrose (1955, 1959) and her "theory of the growth of the firm," the internal view of resources and capabilities as a source of competitive advantage has received a high degree of attention. By keeping external market conditions constant, research in this area analyzes the resources and capabilities within a firm. With the seminal works of Wernerfelt (1984) and Barney (1991), research on internal focus has been reinforced.

Barney (1991) developed a framework that is based on two central assumptions. First, firms within an industry are heterogeneous regarding their resources and, second, these resources are not moveable across firms. A firm's resources can include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness. But not all resources have a positive impact on organizational outcomes. Firm resources that have the potential to generate a competitive advantage must have four characteristics. First, such resources have to be valuable, which means that a resource must have the potential to influence firm efficiency and effectiveness in a positive way. Second, they must be unique and only available to one firm.

Third, resources must be inimitable. Sustainable competitive advantages can only be generated if competitors cannot copy a resource or capability. The last attribute is the non-substitutability of a firm resource. In order to secure the strategy of a firm, resources must not be substitutable. When competing firms find a substitute for this resource, they have the possibility to implement a similar strategy and the competitive advantage will thus disappear. The resource-based approach suggests that firms should position themselves strategically based on their unique, valuable and inimitable resources and capabilities rather than the products and services derived from those capabilities. In this way, resources and capabilities can be thought of as platform from which the firm derives various products for various markets. While products and markets may come and go, resources and capabilities are more enduring (Leonardo, 2005).

2.3 Conceptual Review

This section examines the various theories and concepts on competitive advantage and supermarkets.

2.3.1 Factors Contributing to Competitive Advantage

Factors contributing to competitive advantage are those which helps to implement and the companies strategic posture over its rivals in the competitive environment.

Hill and Jones (2012) states that a company is said to have a competitive advantage over its rivals when its profitability is greater than the average profitability and profit growth of other companies competing for the same set of customers. When compared to competitors, if your business has higher profitability, it is also said to have a greater competitive advantage. Competitive advantage is obtained through the business' strengths and competencies, of which are not matched by other businesses in the market. Through these strengths and competencies, the business is able to differentiate its products and services, or significantly reduce its costs, in comparison with competitors.

Hill and Jones (2012) further state that there are four factors that allow a business to gain and sustain competitive advantage; first, efficiency: this refers to achieving a high level of output from minimal input. An efficient business will save on resources such as materials, labour, time and so forth, while producing a high level of outputs such as products or services. This enables the business to reduce costs, and ultimately, gain a competitive advantage over competitors. Secondly, quality: Customers appreciate products and services offered to them that are of superior quality, that is, the products and services exhibit attributes that satisfy the customers' needs and wants over those of competitors. High quality products and services will provide your business with a point of differentiation, and thus gaining competitive advantage.

Innovation involves creating or improving products, services or processes. The development of new products, services and processes stem from new ideas, creativity and an aim to provide something that is unique and meets the needs and wants of customers. Innovative products and processes garner significant competitive advantage as it provides your business with a position to shine and stand out from competitors. And lastly customer responsiveness: this factor addresses meeting the needs and wants of the business' target customers. Therefore, it very much intertwines with the previous three factors; efficiency, quality and innovation.

Customers seek products and services of a high caliber, at the lowest possible price, which will meet their needs, or solve a problem etc. Customer responsiveness relates to an understanding of the customers' needs and wants, and providing products and services that meets such needs in a superior way over competitors. It involves offering unique products and services at a low cost and of superior quality. Thus, achieving efficiency, quality, and innovation will lead to customer responsiveness, and ultimately garner competitive advantage.

2.3.2 Customer Satisfaction and Retention

Customer retention is defined by different studies in different ways like Gerpott, Rams and Schindler (2001) define customer retention as the continuity of the business relations between the customer and company. Retention and attraction of new customer are used as drivers to increase market share and revenues (Rust, Zohorik & Keiningham 1995). In the retention of customer, it is important for the firm to know how to serve their customers. After sales services is one of the important drivers for customer retention (Saeed, Grover & Hwang, 2005). It is important for product/service provider to emphasis on the quality of product and service.

According to Lin & Wu (2011) there is statistically a significant relationship between quality commitment, trust and satisfaction and customer retention and future use of product, as retention is influenced by future use of product. Lin and Wu (2011) argued further that there is solid relationship between customer retention and quality of service/or products. It was examined that loyalty program with monetary compensation is steps toward great customer retention (Verhoef, 2003). Evidence is available in previous literature that Emotional commitment and loyalty program that gave financial incentives have positive impacts on customer retention (Verhoef, 2003).

2.3.3 Factors Influencing Customer Satisfaction

Customer satisfaction is the overall impression of customer about the supplier and the products and services delivered by the supplier. Customer satisfaction can be influenced by the following factors; department wise capability of the supplier, type and quality of response provided by the supplier, supplier's capability to commit on deadlines and how efficiently they are met, customer service provided by the supplier, complaint management, cost, quality, performance and efficiency of the product, supplier's personal facets like etiquettes and friendliness, supplier's ability to manage whole customer life cycle, and compatible and hassle free functions and operations (Eniola 2006).

Challenges associated with implementing competitive advantage are those factors that within outside the company that are not well addressed hence leading to failure in implementation of the competitive strategy. According to Awino et al (2012) in their research they identified challenges as; core competence, such as training, skills, leadership, technology, design, branding, pricing and research. Others include resource-based which consists of personnel, finance, and people. Moreover, environmental challenges such as culture, governmental, societal and compliance with international standards and stiff Competition from the competitors.

2.4 Operationalization of Conceptual Framework

Conceptualization is the identification and explanation of the research variables that will be measured by the study. A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Biklen, 2003). In conducting the study, a conceptual framework was used to show the relationship between the independent variables and dependent variable.

2.4.1 Location as a Competitive Strategy

This the convenient place where the customers can get easy access to the services or the products. This creates convenience to the customers of different categories where they can get advantage in cutting transport costs for the buyers. It means creation of storage facilities, better delivery process directly or through intermediaries. According to Thompkins, (2006), location strategy consists of strategic decisions that are impacted by manufacturing location and facilities or support functions for each company area, handling of materials, information systems, the acquisitions and the series of logistic activities. Location has a connection backward to suppliers or forward to customers for contributing to improved performance of the supply chain, being basic to developing core competencies as argued by (Shilpa, 2009). Store location has received much attention in research on store choice.

According to Bell (1998), location explains up to 70% of the variations in the choice of grocery store based on industry research in the US. Even though location is critical as a first in a consumer decision process that requires search or the retail options and formats available that best match the consumers' needs, the case may be different for the case of supermarkets in Kenya as consumers have different perceptions towards the supermarkets and therefore need to find out the relationship from this study.

2.4.2 Price Variation as a Competitive Strategy

Price variation occur when exactly the same good or service is sold at different prices at the same moment of time, International Monetary Fund (2004) Consumer Price Index Manual; Theory and Practice. Consumers are increasingly confronted with intense market place competition. Saturation, Overstoring and a rapid proliferation of new formats have changed competitive dynamics in retail markets. Low prices produced by price warfare would change consumer's perceptions of all prices. In other words, consumers' concept of 'low' price conforms to the context. Consumers might be persuaded to switch to the new low price stores unless loyalty keeps them from it, (Seiders, 1994). Even if price is the only one aspect of the determinant mix, the various theories of search behavior and choice still do not explain how consumers use price in the decision process, especially when they do not know the price at all or where their guess is considerably outside of an acceptable range of price knowledge (Von, 2002).

Rampant price communications will cause consumers to place relatively more importance on price than on other attributes for determining store patronage. Expanded variation of one attribute among stores increases that attribute's impact on market share. This reinforces our expectation that attribute reweighting will occur when price variation increases as in our price warfare scenario. We expect price to increase in importance for store choice. For consumers to perform inter-store price comparisons usually requires that they retain price information in memory for later recall. Mazumdar and Monroe (1992) note that it is difficult to simplify retailer's price comparisons because they are few printed price lists and advertisements feature a small proportion of merchandise. Furthermore, advertisements often report only sale prices, leaving consumers uninformed about retailers 'everyday' price levels.

The 'new breed of thrifty consumer, who willingly treks from supermarkets to warehouse clubs' as having a 'frugality habit'. The speculation is that retailers place extreme emphasis on price through a variety of initiatives and communication tactics, are advancing price sensitivity among consumers. Consumers appeared to change their reference point for 'low price'. Those who switched stores said that price was particularly important to their store choice. Increased price variation also caused price to gain relative importance in determining store choice. This provided field study support for Eagle's laboratory findings that increased variation in one attribute enhances that attribute's impact on market share (Seiders, 1994).

2.4.3 Promotion as a Competitive Strategy

Promotions are marketing events limited in duration, implemented to directly influence the purchasing actions of customers, with underlying intention of achieving the objectives set out in the marketing strategy for the retailer and or manufacture (Kotler, 1988).

The use of promotions in retailing has increased rapidly in recent times, yet more often than not promotions are being implemented with an inadequate understanding of which mechanisms are most effective, for which products and for which shoppers segments as observed by (Felgate, 2012). The use of promotions in the UK has increased significantly over the past decade, particularly in grocery retailing where competition between retailers has intensified.

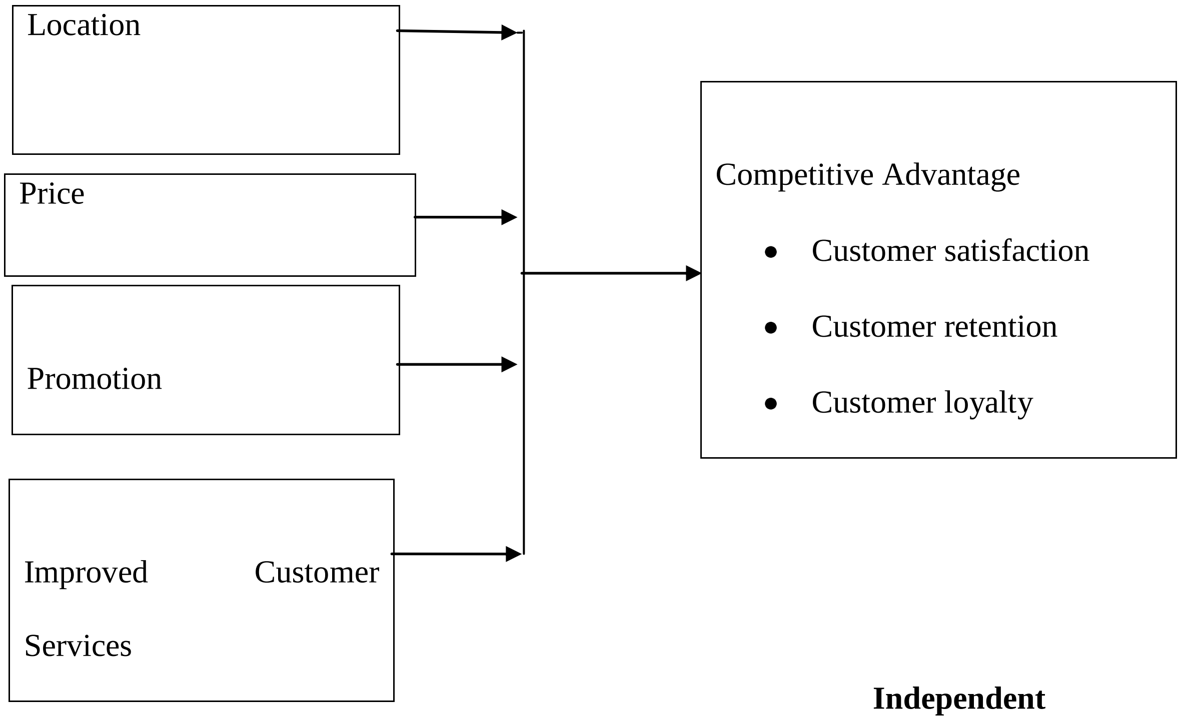
This has resulted in both UK supermarkets and branded suppliers becoming increasingly dependent on promotional activity to drive sales growth. Hence, price promotions often result in large sales effects for a promoted item, but this influence does not necessarily mean that the sales increase is truly beneficial for retailers Hence, deep price cuts should result in more additional purchases and consumer stockpiling than lower price reductions, because deep price cuts induce non-loyal consumers to switch stores and loyal consumers to engage in heavier stockpiling and consumption (Felgate, 2012).Though promotions are driving sales in UK supermarkets, the case may be different in Kenya because of income levels and cultural up-bringing and geo-demographic factors.

2.4.4 Improved Customer Service

Supermarkets today face increasing competition prompting them to focus on improved customer service and promotion strategies to improve their shares of consumer purchases and wallets. Supermarket services are likely to directly expand demand for all items sold by attracting more consumers (Shilpa, 2009). On the cost side, the process of enhancing store quality through services generates an increase in costs (Ellickson, 2006).

Borges-Tiago (2008) argues that improved customer service allows the identification of customers' needs and put more emphasis on superior customer value and gives opportune answers to their needs or requirements and consequently obtaining satisfaction and loyalty. In addition to equipping the organization to cope with the outside world of customers and competitors, it is also necessary to train and motivate all staff within the organization to provide appropriate level of service to customers. Close relationship between customers and supermarket employees is not always in the best interest of the supermarket cautions (Shilpa, 2009).

Fig 1.1 Conceptual Framework



Independent Variables

Dependent variable

Source: Author, 2014

2.5 Knowledge Gap

In a hypercompetitive economy with increasingly rational buyers faced with abundant choices, a supermarket can only win by fine-tuning the value delivery process and choosing, provide and communicating superior value. Kotler, (2007) argues that with the rise of digital technologies such as the internet , today's increasingly informed customers expect companies to do more than to connect with them, more than satisfy them and even more than delight them. A study by Brennan (1991) in Minnesota regarding the actions small retailers had taken to compete with discounters revealed that providing specialized services, offering better quality products and improved customer service were most successful strategies. To ensure competitiveness, supermarkets have adopted various strategies as evidenced in the literature review above. However, no supermarket can adopt all the strategies and no strategy that succeeds in all situations. Therefore it is for this reason that this study evaluated these strategies to identify the one with greater returns.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter explores the methodological approach for the study and it covers the research, design, population sample design and sample size data collection technique, study limitations, data analysis and presentation, ethical issues and expected outcome.

3.2 Research Design

Descriptive research was adopted in this research in order to answer questions concerning current behavior of consumers. The design is preferred because it makes enough provision for protection against bias and maximizes reliability (Onen and Oso, 2005). In addition, the design can be used to determine the relationship (correlation) between independent variables and depended variable (Mugenda and Mugenda, 1999). The method therefore enhances understanding and interpretation of findings.

3.3 Population of Study

A population is a group of individual person, objects or items from which samples are taken for measurements, it is a group of the investigation which is used to make reference from (Babbie, 2002). The research targeted Supermarkets and Mini-Supermarkets operating in Kakamega town namely: Tuskeys, Nakumatt, Yako and Wallias with a population of four hundred (400) respondents on average. Kakamega town was selected because it is a cosmopolitan and attracts inhabitants from all parts of Kenya. The study was conducted by census because questionnaires were administered to the Marketing managers and consumers of all the supermarkets. In this study, 30% of the target population was randomly sampled representing a sample size of one hundred and twenty (120) respondents. Thirty percent (30%) was selected as proposed by Roscoe (1975) in Uma Sekaran and Roger Bourgie’s book (2009).

3.4 Data Collection

The study used questioning method to collect data, according to Kothari (2006), questioning method assist in collection of accurate and reliable information since respondents answer questions freely without any influence The researcher personally collected data from the selected sample. The study mainly relied on primary data where two questionnaires were developed whereby one questionnaire with both open and closed ended questions was administered to twenty nine (29) respondents from each supermarket sampled randomly.

Another questionnaire which is semi-structured was used to carry out an in-depth interview for marketing managers one from each supermarket to get vital information regarding formulation and implementation of strategies. Observations was done to check the prices of sampled items across the shelves from each supermarket. The study also used secondary data to obtain prices of the goods that are not labeled. Date and time for administration of the instruments was done in consultation with supermarket management. Areas of confidentiality and anonymity, intentions of the study and how the information would be used was explained to the respondents.

The researcher used in-depth interview for marketing managers using semi-structured questionnaire to get vital information regarding competitive strategies according to objectives which guided the study and another questionnaire was issued to customers to collect data from them using structured questionnaire designed in such a way as to allow the researcher to use both closed and open ended questions in order to solicit ideas and answers related to the problem. Observations were helpful in the study in enhancing its accuracy by observing the prices of the sampled items on shelves across the identified supermarkets to compare variations of prices in supermarkets.

3.5 Validity and Reliability of Research Instruments

Validity is the accuracy and meaningfulness of inferences based on research results (Mugenda and Mugenda, 1999). To ensure content validity of the instrument, expert judgment of the supervisor was sought; this resulted in improvement of the instrument. The construct validity was enhanced through combination of data collection instrument such as observation, interview and questionnaire (Onen and Oso, 2005).

Reliability is a measure of the degree to which research instruments yield consistent results after repeated (Mugenda and Mugenda, 1999). The reliability of the instrument was tested using a test and re-test method. A pilot study was carried out before actual research on 30% of the target respondents in a mini-supermarket in Kakamega town in order to test the validity and reliability of the instrument. Data so obtained was scrutinized for any errors in the instruments (umaSekaran and Roger, 2009). Questionnaires were preferred because they cover a large population with little time, personnel and cost.

3.6 Data Analysis

Since the study used both closed and open end questionnaires, quantitative and qualitative data will be generated. Completed questionnaires were coded and analyzed to ensure accuracy of information, and then the data collected was summarized and classified both qualitatively and quantitatively. Qualitative analysis of opinions was organized into themes and patterns relevant to the research method. Quantitative data was analyzed using descriptive statistics such as measures of central tendency of mean and frequency tables and correlation using Microsoft excel. Frequency distribution tables and graphs were used to organize and give a summary of the collected data and display in a meaningful and understandable manner so as to aid in describing and interpreting the outcome of the research.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This section relied mainly on inductive reasoning process and basic exploratory statistics to interpret and structure the meanings that could be derived from the data collected. The main objective of this section was to use qualitative data in a process of inductive reasoning within the context of economic theory in order to generate ideas, as opposed to hypothesis testing. Much of the qualitative analysis was focused on the strategies supermarkets should put in place in order to retain the existing customers and at the same time attract the potential clients.

4.2 Presentation of Response Rates

Customers from the four supermarkets in Kakamega town were studied and were tabulated as shown in Table 4.1

Table 4.1: Customer Distribution

Supermarket	No. of Customers	Percentage (%)
Nakumatt	27	23
Yako	51	44
Turskys	31	27
Wallias	7	6
Total	116	100

Source: Research Data, 2014

Most customers preferred Yako to other supermarkets, this was evidenced from the tabulated information which showed that 44% of the respondents died eir shopping at Yako followed by Turskys with 27%, Nakumatt with 23% and las was Wallias with 7%. It is imperative to note that in all supermarkets, customers paid for their purchases in cash. This was an indication that most people lacked information about other modes of payment like their use of visa cards, travel card and other electronic means of payment.

4.3 Qualitative and Quantitative Analysis

The researcher applied both qualitative and quantitative analysis for this research. Observation of prices of commodities, observing distance of supermarkets from the main stage and interview to marketing managers composed of the quantitative analysis while the correlation analysis, means and percentages presented the quantitative techniques.

4.3.1 Location

For easy accessibility of resources, location of a business enterprise is an important ingredient and need be considered. To capture the attention of customers, their convenience ought to be looked after. The researcher took a keen consideration into the distance each supermarket is located within Kakamega town from the main bus stage. The main reason was to determine the causal effect of distance on customer preference on supermarkets for their household items.

Table 4.2: .Location Vs. Supermarket preference

Supermarket	Distance (Metres)	No. of Customores	Percentage (%)
Nakumatt	1000	27	23
Yako	300	51	44
Turskys	500	31	27
Wallias	1000	7	6
Total		**116**	**100**

Source: Research Data, 2014

Table 4.2: shows that 44% of the respondents shopped at Yako which is situated three hundred (300) metres form the stage and is also opposite Kenya Commercial Bank, Kakamega Branch, followed by Turskys with 27%, Nakumatt with 23% an f inally Wallias with 6%. It is evident that the location of the business palys an important role in customer satisfaction besides other factors. Determination of the degree of association between the location and preference of supermarket Coefficent of correlation is given by

r =

$$\frac{N(\sum XY)-(\sum X)(\sum Y)}{\sqrt{\left(N(\sum X^2)-(\sum X)^2\right)\left(N(\sum Y^2)-(\sum Y)^2\right)}}$$

Where;

r is the correlation coefficient

N is the number of elements

X (Distance) is the independent variables

Y (Number of customers is the dependent variables

r = - 0.89

This indicates that the distance impacts negatively on the number of customer each supermarket serves as shown in Figure 4.1.

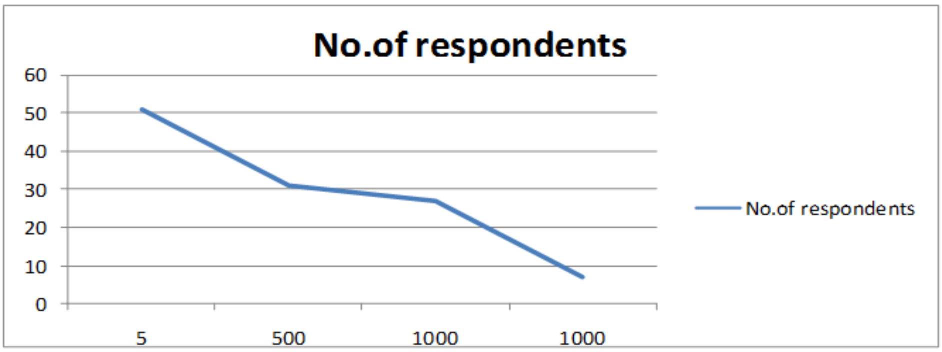


Figure 4.1: Supermarket Preference Vs. Location.

Source: Research Data 2014

4.3.2 Price Variation

This is the amount of money a seller is willing to accept in exchange for a product at a given time and under certain circumstances. It is worth to note that price allocates goods and services among those who are willing and able to buy them. It is therefore an important ingredient in business as it allocates financial resources among producers according to how well they satisfy customers' needs. Price is the exchange value of a good or service. An item is worth only what someone else is willing to pay for it.

In a primitive society, the exchange value may be determined by trading a good for some other commodity. The pricing strategy is influenced by factors which intervene in the production and distribution process. These factors include but not limited to; cost of raw materials, salaries and wages, transport expenses and storage factors. The price of a product should be above the break-even point in the production process if it has to make a profit. The break-even point is the point where an organization makes no profit or loss as shown in Figure 4.2

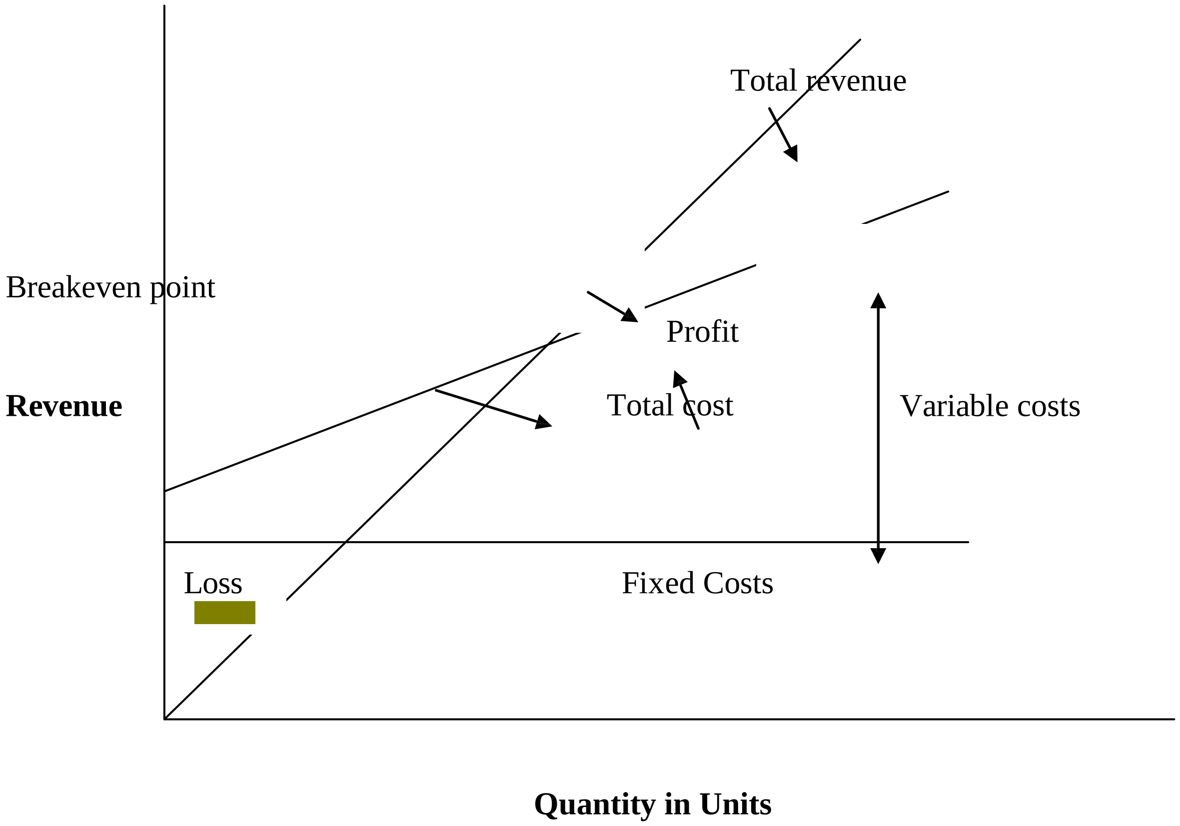


Figure 4.2: Revenue Vs Quantity in Units

Source: Research Data, 2014

Ninety six (96) respondents were aware of the price variation among supermarkets as opposed to twenty four (24) who got external motivation to do their shopping at the supermarket irrespective of the availability of information about prices with respect to each supermarket. The information below indicates that Tuskys charged more on the selected items than other supermarkets and yet it attracted more customers.

Table 4.3: Summary of Consumer Goods

Supermarket	**Elianto**	**Menengai**	**Match**	**Maize**	**Wheat**	**Ken**	**Sugar**	**KeTePa**
Yako	670	150	20	150	140	30	130	200
Nakumatt	665	148	25	145	135	25	135	180
Wallias	672	145	28	130	130	25	130	190
Tuskys	655	145	20	135	138	28	140	195

Source: Research Data, 2014

It is evident that supermarkets in town execute their services, of similar nature, at different prices. Even though the majority were aware of the price variation, they did very little to move to cheaper supermarkets because they got attracted with other factors other than prices of goods.

4.3.4 Promotional Activities

They are necessary to communicate to the market. This means that it is important to inform customers about a new product or service, its value, the producer and other benefits for customers, in order to stimulate their purchasing and consumption. Promotion serves to create a psychological effect to customers, which encourages the decision to purchase the product.

Promotion is a communication process between companies and customers, aimed to create positive attitude about products and services, which favors the products and services stand in the buying and consumption process.

It is an ongoing process of communication between the company on one side and existing and potential customers on the other side. Promotion as a marketing mix instrument influences the company's market position and business efficiency (Gronroos, 1994). The objectives of promotional activities are numerous and various, such as providing product information, stimulating demand, increasing store traffic, differentiating products, building a brand image, reminding current customers about product benefits, countering competitors' offers, responding to the news, smoothing out seasonal demand fluctuation, and improving customer relationships (Uva, 2000).

Promotion can influence in creating the image of a company or its products, informing customers with characteristics of existing products and new products that will be introduced in the market. While considering products which are in declining phase, promotion makes efforts to preserve their popularity. Basically, promotion is necessary for those products for which consumers must be informed with the advantages which they possess, in comparison with other competitive products for which consumers were not informed. Companies consider many factors in developing their promotional programs, where the most important are the type of product, the target market, the buyer's decision process, the product life cycle stage and the distribution channels (Belch and Belch 2003).

4.3.5 Level of Customer Service

People develop different attitude for goods and services offered in the market. According to Hogg and Vaughan (2005), attitude is defined as a relatively enduring organization of beliefs, feelings, and behavioral tendencies towards socially significant objects, groups, events or symbols. Nonetheless, Eagly and Chaiken (1993) argues that it is a psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor.

It is therefore worthwhile to note that if someone develops a negative attitude towards something, then he/she may not see its importance. According to Eagly and Chaiken (1993), attitude is influenced externally. Social class, being a status hierarchy in which individuals and groups are classified on the basis of esteem and prestige acquired mainly through economic success and accumulation of wealth, contributes majorly to changing of attitude. The researcher studied various strategies as employed by supermarkets in Kakamega town and observed that the impact on the competition was significant.

4.4 Correlation Analysis

This a flexible method of data analysis that may be appropriate whenever a quantitative variable, the dependent or criterion variable, is to be examined in relationship to any other factors, expressed as independent or predictor variables. Relationships may be nonlinear, independent variables may be quantitative or qualitative, and it could examine the effects of a single variable or multiple variables with or without the effects of other variables taken into account (Cohen, 2003).

Correlation is a measure of association between two numerical variables and its range is given by $-1 \leq r \leq 1$. Being a ratio, it is given as;

$$\mathbf{r} = \frac{N(\sum XY)-(\sum X)(\sum Y)}{\sqrt{\left(N(\sum X^2)-(\sum X)^2\right)(N(\sum Y)^2-(\sum Y)^2)}}$$

r is the correlation coefficient

N is the number of elements

X (Distance) is the independent variables

Y (Number of customers is the dependent variables)

Table 4.4: Association of Competitive Strategies

	Cor r_ R^2	(%)
Awareness of Supermarket and physical and technological location	0.76	58
Awareness of supermarkets and price change	0.99	98
Awareness of supermarkets and price offered	0.26	7
Awareness of supermarkets and promotional activities	0.86	74
Physical and technological location and price change	0.84	73
Physical and technological location and price offered	0.69	48
Physical and technological location and promotional activities	0.51	26
Price change and price offered	0.34	12
Price change and promotional activities	0.86	74
Price offered and promotional activities	-0.1	1

Source: Research Data, 2014

From the correlation statistics above, it was worth noting that all aspects had positive correlation coefficient and that correlation was very strong. Promotional activities were affected by the price offered even though it was found that it was weak.

The marketing managers were also interviewed and issued with a questionnaire each. Their responses on the extent to which the four strategies of Location, price, promotion and improved customer service have an impact on competitive edge is as tabulated below:

Table 4.5: The Marketing Managers Interviewed through Questionnaire

Supermarkets	Location	Price	Promotion	Improved Customer Service
Nakumatt	5	4	3	4
Yako	5	4	3	4
Tuskys	5	5	4	5
Wallias	4	4	4	4

Source: Research Data, 2014

The managers are of the opinion that location plays a major role in determing the supermarket that consumers shop. Improved customer service and price variation also determine the shopping choice of customers and lastly promotion which seems to have the least influence of the four.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

Supermarket services are likely to directly expand demand for all items sold by attracting more consumers (Shilpa, 2009). Supermarkets, like other forms of enterprises, do business with the core reason of making profit. As per the established research, Nakumatt, Tuskys have expanded their operations across East Africa. Others have branches across the country, hence a sign of expansion. Therefore, their core objectives which include; increased profit, increased added value, survival and service to community are met.

5.2 Summary

Price management rarely attracts customers. The image of the business is one of the main elements in customer satisfaction and high stock turnover which translate to high profits for customers. The research underscored the same thought as Yako charged high prices on household items as compared to other supermarkets and yet it attracted more customers. People identify themselves with successful entities. Yako, Tuskys and Nakumatt have put in place strategies which have shown them grow.

They have optimized ICT systems which have improved their operation efficiency. However, it was observed that 100% of the responded paid cash for the goods and services they bought from supermarkets. Contrary to the optimization of ICT, people lacked information about the importance of using such moneyless transactions with supermarkets. It is important to note that they are supposed to embark on a serious campaign on the usage and importance of such cards. Through this, ICT systems would be fully optimized.

The current location of supermarkets is not likely to change soon but they are supposed to put in place strategies that would encounter distance issue. This was evidenced when the supermarkets near the bus stage and a bank received large numbers of customers irrespective of their high prices they charge. The observation and subsequent determination of the impact of strategies on competitive edge was reached after systematic analysis which was afforded by regression analysis, averages and observation and were represented by graphs, charts and tables.

The quality of the products and customer care should match the information communicated to them. It is worth noting that people's loyalty is captured if only the right information is communicated to the intended recipients. Other important factors which underscore the aforesaid strategies are prices, social status, level of customer service and professionalism among others. Therefore in strengthening the strategies, care must be taken in ensuring that the right proportion is being employed so that the enterprise could make profit enough for its shareholders.

5.3 Conclusion

The factors underlying the buying behavior need be improved. The majority who shop at supermarkets normally are middle class and upper class people. To improve the customer base, the supermarkets need to position themselves strategically, in terms of location and space. For example, the high numbers of customers who shop at Tuskys do so because it is near to the bus stage, irrespective of the high prices for their items and the rest are located far from the main bus stage. However, with the existing laws regarding town planning, supermarkets which are situated far away from the bus stage should embrace other styles, like transporting bulky items on behalf of customers to the bus stage by using trolleys and carts.

Promotion could influence the creation of the image of a company or its products, defining the characteristics of existing products and new products that will be introduced in the market. While considering products which are in declining phase, promotion makes efforts to preserve their popularity. Basically, promotion is necessary for those products for which consumers must be informed with the advantages which they possess, in comparison with other competitive products for which consumers were not informed. Companies consider many factors in developing their promotional programs, where the most important are the type of product, the target market, the buyer's decision process, the product life cycle stage and the distribution channels (Belch and Belch, 2003).

However promotional activities do not work in isolation. The study also conformed to Brennan's (1991) survey of retailers in small towns in Minnesota regarding the actions they had taken to compete with discounters (low prices) and the success of those actions where Providing specialized services, Offering better quality products and Improved customer service were most successful strategies. On the other hand, increasing sales and promotions, Lowering prices and Increasing advertising were least successful.

5.4 Recommendations

Supermarkets' management is supposed to continuously train their employees to help them improve and maintain the quality that consumers demand. Manpower training often enables the manager to cope with challenges by ensuring relevance and effectiveness in today's dynamic business environment. The image of the enterprise is protected by the employees who are knowledgeable and focused. Customer-seller relationship serves as an important ingredient in service delivery and overall enterprise growth. Sales and marketing, finance, public relations, administration and management do not work in isolation. If these departments got the right training, then flow of service through to the consumer would be efficient.

The employees work efficiently when they are convinced in the mind that they are the owners of the business activity. It would be worthwhile if the employees were allowed to buy shares in the supermarkets they work. This would increase efficiency in service delivery and reduce wastage that would have been avoided. They would also be eager to come up with ideas which would be beneficial to the entire organization to achieve its overall objectives. Supermarkets need also to go African. With diversity of culture and tradition, people love to identify themselves with their culture. Business thrives well in the environment which the owners appreciate the culture and tradition that prevail in it. Supermarkets are no exception. The researcher felt that for any supermarket to increase its customer base, it needed to integrate cultural values to their advertisement/promotions. In addition, to communicate price changes to their customers, management should establish customer data bank and effectively use mobile technology for communication as the study found out that customers were not aware of these promotional activities.

The study was a success in that the objectives were met as per the expectation of the researcher. It paves way for further researches to determine the proportional level each strategy needs to be employed to maximize the performance of supermarkets within the region.

5.5 Limitations of the Study

The outcome of this study cannot be completely satisfactory because of a couple of the following limitations:

The researcher was not able to gather data and information from all the target population. Secondly, most of the marketing managers were unwilling to give information claiming to be busy. They delegated this responsibility to the staff in the marketing department.

5.6 Recommendation for Further Study

Modification by doing a case study of the market leader in the industry can be carried out to actually determine the marketing strategies that they use that enable them remain at the top of the game.

Further research should be carried out to determine the other factors that can increase competitive advantage of supermarkets other than the researched strategies. Research can also be carried on other industries other than the Supermarket Industry.

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Appendices

Appendix I: Introduction Letter

Muchere N. Purity

P.O. Box 190 – 50100

KAKAMEGA

3rd October, 2014

Dear Respondent,

I am a student pursuing a Master of Business Administration (MBA) program at the University of Nairobi. I have designed the following questionnaire for a study about at Strategies adopted by Supermarkets to Gain a Competitive Advantage in Kakamega Town, Kenya as an intergral part of my course requirement.

Your organization has been identified as a critical player in this field and your input in this study would be valuable. Any information that you will provide will be used for academic purposes only and will be treated with utmost confidentiality.

Any assistance accorded in filling this questionnaire will be highly appreciated.

Thanking you in advance.

Yours faithfully,

Muchere N. Purity
0727 151987
Email:puritynkirote@yahoo.com.

Appendix II:Questionnaire

PART A – GENERAL INFORMATION- CONSUMER

Instructions

- *Please answer the following questions in the spaces provided &*
- *Tick in the appropriate box where applicable.*

1. You name (optional)

   ……………………………………………………………………

2. Gender a) Male ( ) Female ( )
3. Which is your preferred supermarket of shopping
   i. Nakumatt ( )
   ii. Tuskeys ( )
   iii. Yako ( )
   iv. Wallias ( )
4. Highest level of education
   a. Secondary School ( )
   b. Certificate Holder ( )
   c. Diploma Holder ( )
   d. University Graduate ( )
   e. Post Graduate ( )
   f. Any other (specify) ………………………….
5. What is your average supermarket shopping per month?
   i. Less than 1,000 ( )
   ii. 1,001 – 5,000 ( )
   iii. 5,000 – 10,000 ( )

iv. Above 10,000 ( )

PART B – COMPETITIVE STRATEGIES

Kindly indicate by ticking in the appropriate space in the table below the extent to which the following influence your shopping at the supermarket. Use thefollowing grid; 1- Very small extent; 2- Small Extent; 3-Moderate Extent; 4- Large Extent; 5- Very Large Extent (VLE)

Competitive Strategy	VLE	LE	ME	SE	VSE
	5	4	3	2	1
Location					
Location of supermarket near my area of residence/ stage is easily accessible and the opening hours are convenient					
Well merchandized and properly arranged supermarket					
Price					
Reduced prices compared to other retail stores					
Use of end month, mid month and other special day offers like Christmas and Easter.					
Promotion					
Sponsorship events					
Participation in corporate social responsibility					
Road shows and other communication methods					
Below the line advertising; i.e., internet, social media, magazines					
Customer loyalty scheme					
Improved Customer Service					

The supermarket's customer care handles questions and complains effectively and in a friendly manner					
Complain handling mechanism					
Well trained and skilled personnel					
Staff at the supermarket treat you well					
There is a close relationship with the supermarket staff					

Appendix III: Questionnaire 2 Marketing Manager

PART A – GENERAL INFORMATION

Please answer the following questions in the spaces provided.

1. Name of your firm

   ………………………………………………………………………..

2. You name (optional)

   ………………………………………………………………………

3. You position

   ……………………………………………………………………………….

4. How long have you held this position

   ………………………………………………….

5. What is the ownership structure of your firm? Please tick as appropriate.

   i. Local ( )

   ii. International ( )

   iii. Both Local and International ( )

6. For how long has your firm been operational?

   i. Less than 5 years ( )

   ii. 5 – 10 years ( )

   iii. 11 – 15 years ( )

   iv. 16 – 20 years ( )

   v. Above 20 years ( )

7. Highest level of education

   g. Secondary School ( )

   h. Certificate Holder ( )

i. Diploma Holder ( )

j. University Graduate ( )

k. Post Graduate ( )

l. Any other (specify) …………………………

8. Number of employees in the firm

i. Below 50 employees ( )

ii. 51 – 100 employees ( )

iii. 101 – 150 employees ( )

iv. 151 – 200 employees ( )

v. Above 200 employees ( )

9. What is the annual turnover of the firm?

v. Less than 1 M ( )

vi. 1 M – 5 M ( )

vii. 5 M – 10 M ( )

viii. Above 10 M ( )

PART B – COMPETITIVE STRATEGIES

Kindly indicate by ticking in the appropriate space in the table below the extent to which the following have improved your supermarket's competitiveness in the market.

Competitive Strategy	**To a very large extent**	**To a large extent**	**To a moderate extent**	**To a small extent**	**To a very small extent**
	5	**4**	**3**	**2**	**1**
Location					
The location is easily accessible and the					

opening hours are convenient					
Well merchandized and properly arranged supermarket					
Proper location has led to improved customer satisfaction, retention and loyalty					
Price					
Reduced prices compared to other retail stores					
The use of end month, mid month and other special day offers like Christmas and Easter					
Proper price strategies have led to improved customer satisfaction, retention and loyalty					
Promotion					
Sponsorship events					
Participation in corporate social responsibility					
Road shows and other communication methods					
Below the line advertising; i.e., internet, social media,					

magazines					
Customer loyalty scheme					
Proper promotion strategies have led to improved customer satisfaction, retention and loyalty					
Improved Customer Service					
The supermarket's customer care handles questions and complains effectively and in a friendly manner					
Complain handling mechanism					
Well trained and skilled personnel					
Staff at the supermarket treat you well					
There is a close relationship with the supermarket staff					
Improved customer service has led to improved customer satisfaction, retention and loyalty					

Thank you!