

**STRATEGIES AND CHALLENGES OF PROMOTING THE EXPORT OF LIVESTOCK
AND LIVESTOCK PRODUCTS BY FIRMS IN THE KENYAN LIVESTOCK
INDUSTRY: THE ANIMAL HEALTH PERSPECTIVE.**

By

Dr Peter Maina Ithondeka

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A Management Research Project Submitted in Partial Fulfillment of the Requirements of
the degree of Master of Business Administration, School of Business,
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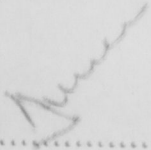
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DECLARATION

The management research project is my original work and has not been presented for a degree in any other University

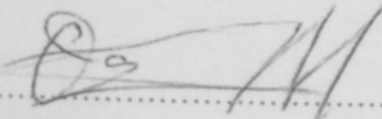
Signed: 

Date: 8/8/2007

Dr. Peter Maina Ithondeka

Registration Number D61/P/7016/05

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

Signed: 

Date: 19/10/2007

Dr. Martin Ogutu

Senior Lecturer

Department of Business Administration

School of Business

University of Nairobi

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This study is dedicated
to my dear wife, Leah,
daughters Jacqueline, and Angeline,
sons, Nicholas and George
and my family members and friends

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May God Bless you and Keep all of You Well!

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LIST OF ABBREVIATIONS

(ASAL)	Arid and Semi Arid Lands
(COMESA)	Common Markets of Eastern and Southern Africa
(DVS)	Director Veterinary Services
(ERWECR)	Economic Recovery Strategy for Wealth and Employment Creation
(EU)	European Union
(FAO)	Food Agricultural Organization
(GF-TADS)	Global Framework for Trans-boundary Animal Disease' Programme
(IDS)	Institute of Development Studies
(KDB)	Kenya Dairy Board
(KMC)	Kenya Meat Commission
(LMC)	Livestock Marketing Council
(MLFD)	Ministry of Livestock and Fisheries Development
(MOT)	Ministry of Trade
(NEPAD)	Partnership for African Development
(OIE)	World Animal Health Organization
(SPS)	Sanitary and Phyto sanitary Measures (Agreement)
(SRA)	Strategy for Revitalization of Agriculture
(WHO)	World Health Organization
(WISP)	World Initiative for Sustainable Pastoralism
(WTO)	World Trade Organization

ABSTRACT

Strategies are important and can be found at all levels of the organization. All types of enterprises need business strategies to give them direction and purpose. They need strategy to deploy resources in the most effective manner as well as coordinating the stream of decisions made by different members of the organization. Without strategy an enterprise is like a ship without radar to give direction. Firms in the livestock industry operate in highly competitive niche markets. The markets at which they operate are crowded and majority of other players compete to produce and sell similar livestock and livestock products. Despite the gloomy scenario, 79.6% of exporting livestock Firms are locally owned. This indicates that they have strategies in place for their survival. The study set out to investigate the specific livestock and livestock products exports promotion strategies they use. The study also sought to investigate the challenges the livestock and livestock products export Firms encounter.

The cross-sectional population survey design was used to collect data. The survey was used due to the size of the different categories of exporting Firms and need to make comparisons at same point in time. The findings found that Firms in the livestock and livestock products exports use various promotion strategies such as personal selling, internet, sales promotion, advertising and mass communication. The findings further indicate that the exporting firms operate on a challenging environment. The major challenge is the livestock disease control in Kenya. This has a strong bearing on achievements of optimal health (sanitary) standards required to promote exports.

The study further found out that other Tariff and non-Tariff barriers to the livestock and livestock products export trade exist. To address non-Tariff health (sanitary) related barriers, the WTO's Sanitary and Phyto sanitary Measures (SPS Agreement) that came into force in January 1995 delegates this to a competent authority, the World Animal Health Organization through the respective nations' competent veterinary authorities. The aim here is to minimize the negative effects of unjustified health barriers to international trade (OIE terrestrial code, 2005). It would be important that policy makers come up with polices geared to achieve the required standards which is a prerequisite to effective promotion strategies. It would be important to inculcate a political good will which will anchor livestock and livestock products exports in the pro-poor policies.

CHAPTER I: INTRODUCTION

1.1 Background.

1.1.1 Strategies and challenges in International Export Promotion.

Every product needs to be drawn to the attention of the market place and its benefits identified. Promotion is communication that secures understanding between a Firm and its customers to bring about a favorable buying action and achieve a long lasting customer confidence in the firm and the product or service it provides. Promotion strategies for exports should be designed to keep the product in the minds of the customer and should help to stimulate demand for the product. The challenge is that resources are scarce and there is immense international competition. Currently global competition is dynamic and forever changing and it is no longer possible to compete with the competitive tools that belonged to the past, but to innovate (Paliwoda 1993:25). An international promotion strategy helps to segment and position products in different geographical regions. The International promotion strategic objective is to have a geographical segmentation and positioning strategy that fit one another.

International marketing and promotion strategic direction need to address environmental variables from one country to another as well as different markets in the same foreign country. Appropriate strategies allow growth in market share due to venturing into foreign markets while enjoying economics of scale resulting from a large customer base. Export trade reduces risks of relying on a particular market or segment and facilitates increased trade between various nations, during which firms are able to get new ideas about new products.

The process of International trade allows firms to critically evaluate their promotion strategies by comparing themselves with their competitors. This may result to product invention, which could be backward invention that involves reintroducing earlier product forms or forward invention, which would involve creating a new product or differentiating it to meet the requirement in another country (Kotler 1988:396).

International trade further increases job opportunities, besides adding experience to firms by virtue of exposure to several promotion systems that firms use. This ensures wealth creation to the owners and further ensures firms' success.

International promotion strategies have challenges brought about by differences in, Economic, Political – Legal Social-Cultural including Religion, Technological barriers varying from different regions and countries. It's easier to understand buyer needs in the home market than in foreign markets unless one has a local branch in the foreign market. In domestic markets, one is familiar with the extent of political risk, the nature and extent of government policy towards the business, human resource issues and products standards required unlike International trading (Paliwoda 1993: 16). An example of this variation is France where wholesalers don't care to promote products. They just ask their retailers what they want and deliver it. Therefore if an American firm builds its strategy around the French wholesalers cooperating in promotions, it is likely to fail. (Kotler 1988:386) Advertising and promotion regulations can hinder global promotion. Cultural differences could make similar messages to be interpreted or perceived differently as each nation has its own values, customs, and taboos (Kotler 1988:385). Market life cycles stage (maturity) can also create difficulties in global promotion. Local commitments to campaign might be low as the people might not be keen on the foreign products as they may have an attitude of 'not-produced here.'

The local competitive situation may cause a high expenditure in the organizations promotion budget. The degree of state control over the content and form of promotion advertising may limit the impact of promotions. Global/ International advertisement is bound to be very expensive since it seeks to create competitive advantage against global giants. It takes a considerable amount of time and costs to carry out an effective promotion exercise in a foreign market. In nations where there are sophisticated and demanding buyers the promotion standards may be very high for the investing firms. Communication in foreign languages may be a barrier to the promotion strategies, as Interpretation may create different meanings and suppresses demand. Non-tariff barriers (quantitative restrictions) are distortions, which reduce potential gains from trade. They include Quotas, import licenses, foreign domestic ratios, minimum import price limits, embargoes, bilateral agreements, orderly marketing agreements, government participation

in trade, procurement policies, export subsidies and incentives, customs administrative rules, valuation systems, anti dumping rules, documentation requirements, standards, import supplementary duties and border levies. This study will mainly address promotion strategies and challenges of livestock and livestock products international exports with an animal health standards perspective in Kenya.

1.1.2 Overview of the Livestock Industry in Kenya

The livestock sector in the developing world is growing at a rate of up to 7 per cent per annum, much faster than the agricultural sector as a whole and by 2020 it is predicted to become the most important sub-sector in terms of added value (Scoones I and Wolmer W, 2006). Export trade in livestock and livestock products constitutes approximately one sixth of the global agricultural trade. Livestock and livestock products for export in Kenya consist of live animals and their products, namely; live cattle, their milk, meat, hides and the respective processed value added products; sheep and goats for meat, skins and milk from dairy goats and poultry for meat and eggs. Other livestock and livestock products include camels for meat, milk and hides; bees for honey and wax; and fish for meat, the others will not be included in this study. The trade is demand-driven and is primarily spurred by growing human population, urbanization and incomes in the developing world (Perry et al 2005). Barriers to the export trade include Tariff and non-Tariff issues. To address non-Tariff health (sanitary) related barriers, the World Trade Organization (WTO)'s Sanitary and Phyto sanitary Measures (SPS Agreement) that came into force in January 1995 aim at minimizing the negative effects of unjustified health barriers to international trade (OIE terrestrial code, 2005).

Firms in Kenya find it challenging to satisfy the required international export health standards necessary in their international promotions. This is mainly due to the lack of knowledge of their existence as well as the big capital outlays involved to fulfill them. The present status of livestock and livestock products exports in Kenya necessitates a complete review of the situation in order to identify goal-oriented strategies. An example of this is seen in Kenya quota under EU/AZP agreement, which is 142 metric tones of meat. Currently it is difficult to take advantage of this quota due to assumed sanitary (health) barriers. Although there is evidence of previous interventions and strategies to

facilitate livestock export trade; these efforts have not been properly documented. The study aims to establish and document the strategies and challenges in promoting livestock and livestock products export trade from an animal health (sanitary) perspective. Consequently this will help generate information that will be used in strategic interventions to promote and re-capture Kenya's share of international livestock markets.

1.2 Statement of the Problem.

From the mid 80's, following economic liberalization, the livestock sub-sector has experienced negative trend in growth. Despite the high livestock population, exports of livestock and their products are below 5 % (Perry et al 2005). This scenario has been attributed largely to lack of strategies in addressing animal health issues, necessary in promoting international exports (Perry et al 2005). An example of this challenge is, despite predictable disease outbreaks like Rift Valley Fever, which broke out in 1997 during El Nino rains, and currently December 2006-February 2007 the Middle East countries banned livestock and livestock products imports from Kenya. According to African Union –International Bureau of Animal Resources (report 2001) Kenya lost an estimated 350-500 million USD due to ban on livestock exports to Saudi Arabia and Yemen. The current outbreak has resulted to a similar ban according to Director Veterinary Service's (DVS 2007) reports. This has posed a serious challenge to among others the recently opened Kenya Meat Commission (KMC). The much internationally cherished, naturally produced Kenyan livestock that is without artificial feed additives and growth factors considered detrimental to human health are still not promoted enough to fetch niche international export markets. There is therefore need to effectively promote the livestock and their products abroad. It is important to find out the challenges such promotion would encounter.

Besides challenges in promotions, the loss in exports has been linked to among others failure to meet international animal health standards in terms of quality and quality controls (Sanitary and Phyto sanitary –SPS measures). Despite the multiplicity of constraints, previous studies carried out have ranked livestock diseases and inadequate water supply during droughts as the top two production constraints in the Arid and Semi Arid Lands (ASALs) (Wesonga et al, 2006). This has a strong bearing on achievements

of optimal health (sanitary) standards required to facilitate promotion of international exports. Though a lot of studies in livestock industry have been conducted, these studies have been mainly studies on planning and production practices within the livestock sector. Among them include (A.M.Kimball, K-Y Wong and K Taneda (2005). (Perry et al 2005), (Scoones I and Wolmer, 2006) and (Aklilu, Y. 2002), There is virtually no published study on strategies and challenges by firms in Kenya towards promotion of livestock and livestock products exports. This study aims to fill this knowledge gap by identifying the strategies and challenges of promoting export of livestock trade from an animal health perspective. The research questions in the study are;

- (i) “Which strategies do firms in the livestock industry use in promoting exports of livestock and livestock products?”
- (ii) “Which challenges do firms in the livestock industry face in promoting exports of livestock and livestock products?”

1.3 Research Objective

- (i) Identify strategies that firms in the livestock industry use in promoting exports of livestock and livestock products.
- (ii) Establish the challenges that firms in the livestock industry face in promoting exports of livestock and livestock products

1.4 Justification of the Study

The Economic Recovery Strategy for Wealth and Employment Creation (ERWECR 2003-2007), the Strategy for Revitalization of Agriculture (SRA 2004-2014)) which aims to commercialise Agriculture, and the Ministry of Livestock Development and Fisheries (MOLD&F) Strategic Plan (2005-2009) identify the livestock sub-sector as one with a high potential to contribute to alleviation of poverty and food/nutrition security. This will be through creation of gainful employment and a wide range of value adding activities at modest levels of investment. There is further justification of the study considering that the livestock sub-sector in Kenya contributes about 10 % of national GDP and 30 % of the farm gate value of agricultural commodities (Economic survey 2000). The sub sector currently employs about 50% of the agricultural labour force. In the arid and semi-arid

lands (ASAL), which comprise of 80% of Kenyans land area where low input natural livestock production is suited, it contributes 95% of the livelihoods in these areas.

Records exist of past intervention efforts towards harnessing of this high potential of the livestock sub sector. These include the Kenya Livestock Development Project (1968-1982), the National Dairy Development Programme (1980-1995), National Poultry Development Programme (1980-1995) and the Integrated Small Ruminant Programme (1991-1998). However, their efforts were hampered by among others; inadequate marketing infrastructure, limited access to credit, high cost of drugs and other inputs, ineffective disease control and animal health service delivery systems, lack of private abattoirs/slaughterhouses in strategic areas for ease of marketing, poor transport systems for rapid extraction and marketing of animal/products, inadequate water, predominance of genetically inferior traditional livestock breeds, weak research-extension linkages responsive to community needs, recurrent droughts, insecurity and ineffective policy and legislative environments. Most of the past interventions focused on production. Marketing and in particular export promotion, despite indicators of an internationally competitive advantage of Kenyans livestock and livestock products have been inadequately addressed, hence the justification of this study.

1.5 Importance of the Study

Very little information is available on the strategies in livestock export promotion practices in Kenya in the livestock industry. Scholars and livestock stakeholders in the livestock export value chain will use the study for reference and further empirical research. Future livestock investors will use the study to assess the livestock industry performance. This will help in making informed decisions on the sector. The information gained from this study will be useful in guiding policy formulation in order to optimize gains from international livestock trade in line with the government's poverty reduction strategy.

CHAPTER TWO: LITERATURE REVIEW

2.1 Concept of Strategic Management

The core concept of strategic management is strategy. A strategy is a choice among others and each option has an element of risk. It is fundamental in the planning process since strategic decisions align and keep re-aligning organizations to the environment. (Schendel and Hofer (1979), define strategy in terms of its function. They assert that the purpose of strategy is to provide directional cues that permit achievement of objectives while responding to opportunities, threats in the external environment and strengths and weakness in the internal environment. Ansoff (1965) while writing on the concept of strategy sees strategy as both the common thread in an organization business as well as the product market scope of an organization.

According to Juach and Gluek (1984), strategy is a unified comprehensive and integrated plan that relates the strategic advantages to the challenges of the environment and is designed to ensure that basic objectives are achieved through proper execution. Strategic management in simplicity is then the business of evaluating where the organization is, where you want it to be and how to get there within a given time frame. A good strategy is then good for the firm while a poor one may wipe out the organization. Strategies are then a critical element in institutional function.

According to Hax and Majluf (1991), strategy selects the business the organization is to be in or is in. Strategy determines and reveals the organizational purpose in terms of long-term objectives, action plans and resource allocation priorities. Strategy attempts to achieve a long-term sustainable advantage in each of its business by responding properly to opportunities and threats in the environment. It aims primarily to internally turn its weakness to strength and externally turn its threats to opportunities. To achieve this, understanding the organization itself and its environment is paramount. This understanding allows the strategist to make informed decisions.

According to Ansoff and McDonnell (1990) strategic management is a systematic approach in managing change. The change process consists of positioning a firm through systematic management of resistance during strategic implementation. Johnson and Scholes (1999) however look at strategic management from the perspective of what it includes. According to them strategic management includes strategic analysis, strategic choice and strategic implementation. Strategic choice involves understanding the underlying basis guiding future strategy, generating strategic options for evaluating and selecting from among them. Strategic analysis is concerned with understanding the strategic position of the organization in terms of its both internal and external environment to be able to gauge its competences and hence achieve realistic expectations to itself and the environment.

Pearce and Robinson (1997) define strategy as large scale, future oriented plans for interacting with the competitive environment to optimize achievement of objectives. Strategic implementation is concerned with translation of the strategy into the organization's action plan through organizational structure and design, resource planning and management of strategic change (Pearce and Robinson 1997). Strategy is therefore a coherent, unifying and integrative pattern of decisions, engages all the hierarchical levels of the firm, and defines the nature of the economic contributions it intends to make but whereas most organizations have good strategies, successful implementation remains a major challenge. This is because as the notion of strategy implementation might seem quite straight forward, transforming strategies into action is a far more complex, difficult and challenging undertaking than one would assume. Organizations and institutions, engaging in either profit or non-profit find it necessary to engage in strategic management process in order to achieve their targeted objectives.

2.2. International Trade

2.2.1 Concept of Advantage

International trade is the exchange of goods and services across international borders or territories. International trade has been known for civilizations. The international trade economics, social and political importance has been on the rise in recent times.

The issue of industrialization, advanced transportation, globalization, Multinational Corporation and outsourcing, all has a major impact on international trade (Paliwoda S J, 1993:1). In both the past and the present, the concept of standardized products is adhered to through specifications of manufacture. The current practice today is that when people travel abroad they may take certain standardized products from home known to them or imports them from known sources. In the past empires held monopoly over supply, as they owned the factors of production (Paliwoda 1993:1). The scenario has since moved further from Ricardo theory of comparative advantage to the point where in some sections of industrial activity, the competition, which exists, is global rather than national. An example is the computers or automobile where the sourcing of components and assemblies is sometimes a multinational activity (Paliwoda S J, 1993:1). Home markets are no longer rich in opportunities. Various new firms are aggressively entering other countries with their products. Firms that stay at home in order to play safe might not only loose in their best chance to enter other markets but also face losing in home markets (Kotler, 1985).

Absolute advantage which is traced back to Adam Smith showed that trade would take place between two nations each having something the other wanted to buy and could not produce (Paliwoda S J, 1993: 2). Adam Smith made it clear that nations benefited more by exporting what they were good in producing while importing what they were not good at production. The instances of Absolute advantage are few and so the Ricardo theory of comparative advantage then took hold (Paliwoda S J, 1993: 2). This then made sense that it was possible to trade even when there was no Absolute advantage. Current theories in trade have not completely eroded the thinking of some nations. Taiwan today still practices some elements of mercantilism by attempting to retain net trade surplus in all products while accumulating massive amounts of foreign country reserves and gold.

According to (Paliwoda1993: 2), Porter (1990) sees the key to whether a nation is competitive as an industry as not through whether it trades, but whether it has a combination of trade and investment that reflects advantage and skills that have been created at home. Porter (1990) sees classical economic theory to be deficient in explaining trade and investment in advanced nations for three reasons.

1. Globalization, which Porter says, decouples the firm from the sector endowment of its home nation.
2. Factor pools of many nations have reached certain comparability and he sees comparative advantage in terms of sector costs as only temporary.
3. Technology and materials where he argues that when labour costs are too high automation can be introduced. Similarly if materials prove too expensive cheaper synthetic ones become the choice.

Thus Porter (1990) argues for the source of advantage to be "relentlessly broadened and upgraded." To (Kotler 1988: 386) "Not all countries need to enter into foreign markets in order to survive."

Governments are eager to help companies but while Porter (1990) finds this Government help to be an advantage, he further argues that it is better where the firms are self-sustaining and competing independently. Government intervention may include antitrust or monopoly control. Porter sees the Government help useful in terms of public image where it can have decisive effect in stimulating industry, taxation incentive for Greenfield investment and policies designed to cater for the societies of the future. To achieve optimal international trade planning is essential and the process of planning will logically take place in all levels of the corporate organization. Current evidence, which exists, shows that firms exercise planning at the domestic sales more than international sales (Paliwoda S.J 1993: 354).

Governments everywhere have generally failed to keep pace with the demands of the business world. An example of this is so in the question of extra-territorial legislation in which international trade takes place. A Multinational Corporation is incorporated under Articles of Association in a particular sovereign country. There is no single international body as yet equipped to standardize International Articles of Association for Multinational Corporations (Paliwoda S.J 1993:16). There is no such thing as International law, only the application of domestic law to international disputes (Paliwoda S.J 1993:16). For joint ventures, which are increasingly very important very often, a neutral third country may be chosen but whereas neutrality reassures on impartiality of judgment, there is as yet no National Code or Constitution sufficiently comprehensive to easily embrace all the problems of International trading.

2.2.2 Foreign Market Selection and Entry

In deciding types of countries to enter there are five modes of entry into foreign markets. It is important to ensure that the foreign market is the best match for the firm. Some models can be used to help search for the best foreign market. Good selection models require incorporating SWOT analysis in the evaluation process. These models include competitive Advantage model, Return on investment, General Electric model and BCG Growth Share Matrix. A prudent strategist uses more than one model. This is because qualitative characteristics are difficult to harness and by use of more than one model you increase the chances of capturing the best. The best approach would be to take one that qualifies in each of the four models.

The important decisions to make here are to know what proportion of foreign to local trade is required. Marketing in one country or another will mainly be dictated by costs in market entry, product adoptions costs, population and incomes in initial countries as compared to targeted countries, and the type of dominant foreign firms, which can establish high barriers to entry. Modes of entry include indirect exporting, direct exporting, licensing, joint ventures and direct investment.

2.3 International Trade in Livestock

Strategies determine which countries get a competitive advantage and therefore reap the greatest benefit. Global trends of demand and supply for food of naturally produced animals give Kenya a competitive advantage. For many years' African livestock production was seen as a poor investment for development. Assumptions about low productivity, 'backward' management systems, lack of market orientation and poor growth potentials consigned the livestock sector to the sidelines (Scoones I and Wolmer W, 2006). But after years of being ignored, livestock issues are beginning to be put back on Africa's development agenda. Livestock are being recognized as essential assets for livelihoods, as key to moving out of poverty, as a way into lucrative markets, as a source of foreign exchange, as well as important cultural resources, social safety nets and means of saving (Scoones I and Wolmer W, 2006).

It is argued that Africa, Kenya included can and should capitalize on its enormous wealth in livestock, gain access to new markets opening up in Asia and particularly the relatively affluent and nearby Middle East, and expand exports to Europe and North America (Scoones I and Wolmer W, 2006). This could be the key to the much-needed growth impetus for stagnating agricultural economies. This positive promotion vision is picked up by many recent policy documents and initiatives. Partnership for African Development (NEPAD) argues for investments in rural infrastructure to underpin market access and the sustainable development of livestock. In this context, the African Union describes livestock as a 'sunrise sector'. More specific assessments of the African livestock sector have highlighted the need for a pro-poor livestock development focus (Ashley 2004; ILRI 2000; Perry et al. 2005; Heffernan et al. 2003; IFAD 2004; Owen et al. 2005) – relating to the increasing emphasis on the role of greater market access for agricultural products from the developing world as a pathway out of poverty (Perry et al. 2005).

The World Bank – with support from the World Animal Health Organization (OIE) and the Food Agricultural Organization (FAO) Animal Health Division (AGAH) – has launched the African Livestock Platform (ALive) which is geared at promoting the livestock sector with a particular emphasis on animal health both for the reduction of poverty and for the facilitation of regional and international trade of animals and animal products produced in Africa. This is linked in turn to a major effort to control and eradicate major diseases through the OIE-FAO-AGAH 'Global Framework for Trans-boundary Animal Disease' Programme (GF-TADS) set up in 2004. In the meantime, UNDP and IUCN have launched a major network – the World Initiative for Sustainable Pastoralism (WISP) - aimed at promoting the sustainable management of pastoral lands. In the crowded and competitive world of development, this is unprecedented activity and interest for what has been seen in the recent past as a very marginal, almost no-go area.

In the past the control of livestock diseases was perhaps of a lesser concern compared to production and management constraints in many African systems. But today this has all changed. With a focus on export, animal health standards imposed by importing countries and through the WTO must be met. As the world struggles to adjust to the fairer international trading system, one with fewer trade distorting tariffs, there is fear that non-

Tariff barriers in health and food safety standards are increasingly being used as alternative means of restricting free and fair trade (Perry et al 2005). This is because developed countries dominate the WTO and the standard setting bodies. Effective participation by the developing countries is very limited and as a result the rules and standards emanating from them are often loaded in favour of the developed countries interests.

This then means that the USD 33 billion beef trade excluding intra European Union (EC), the value of meat and live animals a year business mainly ends up benefiting the developed countries (Perry et al 2005). Developing countries, Kenya included find it difficult to satisfy the standards due to the high investment costs. Examples of this challenges includes; when cholera broke out in Mozambique, Kenya, Tanzania and Uganda in 1997 the European Union (EU) citing the protection of human health to limit imports of fish products filed an urgent measure with the SPS committee of the (OIE). Using previous specific import trends the above countries lost US\$332,217,415 for the year 1998 to 2002 (A.M.Kimball, K-Y Wong &K Taneda (2005).

From the mid 80's, following economic liberalization, the livestock sub-sector in Kenya has experienced a negative trend in growth. This resulted from the unprepared ness of the private sector to take up functions ceded to it by the government. In addition the government did not provide the necessary enabling environment for the private sector to thrive. These failures resulted in among other things, the inability to effectively control diseases resulting in the loss of the country's share in the livestock and livestock products export market such as chilled beef to European Union (EU). The loss of export meat markets has occasioned serious damage to the economy of the country, which has lost potential export earnings in the very competitive international market. This situation among others has been linked to failure to meet international standards in terms of quality and quality controls (Sanitary and Photo sanitary –SPS measures) (Perry et al 2005).

On milk, per capita production is 80 litres while per capita consumption is 72 litres. Out of the current 3.8 billion litres of milk produced in 2005 only 330 million litres was processed as the milk processors only collect the milk they can process and market according to Kenya Dairy Board (KDB) records 2006. Besides production the other

source is imports of milk and milk products from both the Common Markets of Eastern and Southern Africa (COMESA) region and Europe. The countries export to COMESA region is only 10 million metric tones a year and currently none to Europe.

In 2003, Zambia a potential market for the Kenyan milk rejected and returned 24,000litres of Kenyan milk citing unsatisfactory sanitary standards particularly the coliform forming units (bacterial counts), which were 500,000 in the Kenyan milk as opposed to the accepted World Health Organization (WHO) limit of 200,000 coliform forming units per litre. Other Zambian sanitary conditions include regular medical check ups for milk handlers and source of milk to be from disease free livestock zones. This rejection crippled the Zambian market that had only been in existence for two months. Based on the two examples of milk and meat above, lack of achievement of sanitary standards impacts greatly as a challenge in promoting international exports of livestock and livestock products and this has resulted in livestock producers falling into abject poverty and there is need for a strategy to address the same.

In Eastern Africa alone there are an estimated at 119.8 million cattle, 86.8 million sheep, 93.3 million goats and 10.7 million camels in 2001 (Belachew and Hargreaves 2003). Through formal trade channels the region exported 2.55 million sheep, 830 million goats, 70770 camels and 33310 cattle in 2003 (Belachew and Hargreaves 2003). In the past export promotion strategies were centered on large-scale, state-led efforts, involving cumbersome and inefficient marketing boards and authorities. Very often they dismally failed, and pastoral areas across Africa, from Ethiopia to Niger are littered with the relics of such investments (de Haan 1994). The Kenyan scenario was the government owned livestock marketing division with investments in infrastructure like out spans and quarantine stations but like most such investments this collapsed with most of the marketing infrastructure acquired by well connected individuals. Currently, the emphasis is more on reduced state or external development support and there is need to encourage private investment and entrepreneurship.

A major hurdle to meeting ambitious promotional export related objectives is attaining international standards. These standards are set primarily by the importing country and usually guided by the Sanitary and Phytosanitary (SPS) agreement of the WTO (World Trade Organization). The animal health standards within the SPS agreement being determined by the World Animal Health Organization (OIE) and food safety standards are determined by the Codex Alimentarius, jointly managed by FAO (Food Agricultural Organization) and WHO (World Health Organization). The OIE puts an emphasis on the national or regional eradication of a list of serious trans-boundary animal diseases commonly known, until recently, as the List A diseases (OIE terrestrial code, 2005). If national eradication is not yet feasible then the OIE advocates establishment of either disease free zones or compartments of production that are free of disease e.g. a poultry unit certified free of a given disease – the overriding principle being that no disease means no risk to trade and hence easier to promote the international exports (OIE terrestrial code, 2005).

Freedom from disease is determined according to criteria and pathways stipulated by the OIE and importing country inspection teams. This in turn requires a major emphasis on the surveillance of such trans-boundary animal diseases, with a re-engineering of veterinary service provision to meet eradication and control objectives. This is because livestock are important in highly diverse settings across Kenya and no one strategy will fit all settings. With emphasis being increasingly towards market orientation, disease eradication and meeting export standards – strategy should put central emphasis on market development, exports and meeting SPS standards in order to facilitate export promotion strategies. This is of course argued for the sustainability of livelihoods, poverty reduction and pro-poor initiatives.

2.4 International Promotion

Promotions deal with how marketers communicate with the target market yet the communication goes beyond its target market. It extends to its public image, employees' morale and shareholders' perception of corporate efficiency based on analysis and readings of annual reports. (Paliwoda S J, 1993) The promotional budget links marketing objectives with media, message, and control decisions. It acts as a control mechanism and

provides direction on type of promotion, including the promotion mix. International Promotion has been made easier through the advent of communication, which has eliminated geographical distance. Communication helps the firm to cope with change.

Types of international promotions include;

1. Personal selling
2. Exhibition
3. Public relation
4. Sales promotion
- 5 Advertising
- 6 Internet promotion

2.4.1 Personal Selling

Personal selling is particularly useful in high valued industrial goods. Sound product knowledge and the ability to relate to customer needs are paramount (Paliwoda S.J. 1993). Proper training is crucial to success. It is necessary to identify members of "Decision making unit" within one domestic market. The problem of identification becomes great in foreign trade. In the foreign situation the aim is identification of buyers, deciders, users, influences and gatekeepers. This is made difficult as it means trying to identify individuals within different institutions who have influence on the purchase decision.

In international marketing the use of flying sales person is expensive. That of domestics sales person who moves a great deal, is seen as spreading himself too thinly leading to personal exhaustion and poor company representation. Direct Mail is a form of personal selling which involves the sending of publicity material to a named person within an organization. Organizations can pay handsomely for databases, which contain names and addresses of potential customers. Direct mail allows an organization to use their resources more effectively by allowing them to send publicity material to a named person within their target segment. By personalizing advertising, response rates increase thus increasing the chance of improving sales. Here use of constrain whereby different small companies may use services of an expert sales person is one way in which to defray the costs. Specialized markets, highly specialized industries and high-risk countries move

high demands on the use of personal selling. The costs may be high but so are the potential rewards without which no company would enter (Paliwoda S.J. 1993; 311)

2.4.2 Exhibition and Trade Fairs

Some associations usually as annual events mainly practice exhibition and Trade Fairs. For agricultural products, annual trade shows are a common feature. Among the usually heavily attended is the annual Royal Agricultural Show in London. Specialists in global competition are seen to gather together in such fairs for the duration of the show to gather what their competitors are doing. The International exhibitions provide some degree of image building to the participants, the value of which usually exceeds the actual sales achieved during the exhibition (Paliwoda 1993: 311).

Trade enquiries are usually turned to sales in such exhibitions. The problem here is that the expense of exhibition has to be set against the cost of not exhibiting and the problem with trade fairs is the costs are high and returns uncertain (Paliwoda 1993:311). In the Kenyan scenario agricultural shows are annually held in different regions in the country with Nairobi and Mombasa attracting international participation.

2.4.3 Public Relation/Publicity

Publicity promotion is defined by (Kotler 1988:588) as non personal stimulation of demand, service or business unit by planting commercially significant news about it in a published medium or obtaining favourable presentation of it upon radio, television or stage that is not paid by the sponsor. It is a form of free advertising whose value cannot be underestimated. Any company can benefit from a favorable unsolicited media report; Television, Radios and press often look for new stories of this kind. Press releases are then distributed to the various media stations with details like improved media charges, foreign contracts won, technological breakthrough, merger, acquisition or strategic alliances.

Public relations also deal with fire fighting sales, such as when a tanker explodes and starts loosing its cargo of oil that will affect the ecology and general regional or global environment. Public Relations (PR) builds images. PR's goal is to provide understanding

and acceptance. PR provides internal and external acceptance for the organization. Internally, PR functions to provide information through internal publications (e.g. newsletters and intranets), which help create the appropriate corporate culture. Externally, PR in multinational corporations is concerned with building a global identity to build sales, product and service differentiation. It takes a lead role in crisis management. The major tools in public relation are; news, speeches, events, public service activities, written material, audio visual material, corporate identity media and telephone information service. The major objective decisions are to create awareness, build credibility, and stimulate the sales force in dealers and in so doing reduce other promotion costs (Kotler1988: 688)

2.4.4 Sales Promotion

Sales promotion is defined by (Kotler1988: 587) as short-term incentive to encourage purchase or sale of a product or service. It relates to the so called 'below the line' activities such as point of sale display and demonstrations as well as leaflets contests premiums, couponing, sampling premiums, education and demonstration, point-of-purchase and direct mail. Sellers use the sales promotion as incentive type promotion to attract new triers, to reward loyal customers and to increase the repurchase rate of occasional users (Kotler 1988:646). The customers recognize traditional sales promotions since it entitles them to a commission. The important strategic decisions in sales promotion will be; size of incentive, conditions for participation, distribution vehicle for promotion, timing of the sales promotion and the total sales budget.

2.4.5 Advertising

Advertising as defined by Kotler (1988:587) is 'any paid form of non-personal presentation and promotion of ideas, goods or services by an individual sponsor.' Advertising is often viewed as promotion and promotion viewed as advertising. Advertising objectives aims to inform, persuade or remind. Informative advertising is more useful in the introduction of the product. Persuasive advertising features more in the competitive stage, while reminder advertising features more in the mature stage of the

product (Kotler1988: 619). International advertising should address standardization of adverts. This allows firms to maintain a consistent image and identity throughout the world, minimizes confusion among consumers who travel frequently, allows a singly coordinated advertising campaign across different markets. This results in considerable savings in media costs, advertising costs, and advertising illustrative materials. Products suitable for standardized advertising include luxury products, high-tech products and products that give a favorable country image. Planning promotional campaigns should bear in mind that the target audience promotional campaigns affect more than consumers who purchase the product or service. It also affects suppliers, intermediaries, government, local community, bankers and creditors, media organizations, shareholders, and employees

Decision-Making Authority is important and various options include Centralized or decentralized decisions about advertising. Centralization has value in the scale, synergy and consistency. Decentralization has value in proximity and flexibility. Overall organization goal is to continually improve advertising quality at all levels. Coordinated decentralized approach to pan-regional advertisement campaigns improves strong central control due to knowledge of local markets. There is need of measuring of advertising effectiveness using typical effectiveness-testing techniques. This includes pre-testing of copy appeal, brand recognition, post-testing of product or brand recognition and measuring campaign's impact on sales. The sale measures include Sales increases and sales pattern changes. Increases in consumer awareness, recall, intention to buy and coupon return. There are no universally accepted parameters of measurement and analysis to compare one country audience to another.

2.4.6 Internet Promotion

The development of the World Wide Web has changed the business environment forever. The e-commerce revolution delivers a more efficient way of conducting business. Shoppers can now purchase from the comfort of their home at any time. However, the e-commerce revolution is hindered by two factors such as the cost of logging on to the net

and the time-spent surfing. The high cost is slowing down the take-up and if e-commerce businesses are to succeed, the home penetration rate of Internet access needs to increase with reduced costs. Another issue is that most homes are linked to modems of low kilobytes. As the growth of people signing on-line grows the access speed slows down. The future seems to be with networks, which will speed up access to the Internet dramatically at affordable cost. Owning a website is now a crucial ingredient to the marketing mix strategy of an organization. Consumers can now obtain instant information on products or services to aid them in their crucial purchase decision.

2.5 International Promotional Strategies

A successful product or service means nothing unless the benefit of such a service can be communicated clearly to the target market. It has been argued that coordinated plans and strategies are the hallmarks of the truly global company. Every country in the world is trying to get its business firm to internationalize or at least to start exporting (Kotler 1998: 378). Promotion policy is the key factor in foreign trade. The type of promotion will be related to the distribution systems available in the foreign markets. Promotion policy is in itself a strategy in foreign trade and works within the structure of the marketing mix. Promotion policy applies to each of the countries to which the firm wishes to export. International promotional strategies need to address local environmental determinants. These include cultural environment, economic conditions, legal conditions, competition, advertising infrastructure, consumer profile and country of origin image. Internally the firm needs to consider its environment determinants. Included here are managerial characteristics, corporate strategy, internal culture, decision-making authority, and financial condition of organization and nature of product. Audience characteristics are important in advertising and the strategy is to reach the intended target audience with the minimum of waste.

Marketing strategists need to know media distribution (number of copies), media audience composition, advertising exposure, advertising perception and consumer response. To address cultural barriers and ease entry in some markets sponsorship marketing can assist. Here marketers provide funds as sponsors of sports and cultural events. Expected

benefits are the firm's association with the foreign customers that gives the firm a positive image as is seen to express the organization's social vision and support for a planned long-term social policy.

2.5.1 Product Promotion Strategies

Straight extension of the product requires introduction without any change. Here one takes the products as is and finds the customers for it. Product adaptation involves altering the product to meet local conditions or preferences and finally there can be a complete product invention, which involves creation of something new (Kotler 1988:396). The complete invention can take the form of backward invention or forward invention. The backward invention involves re-introducing the earlier version of the product that happens to be well adapted to the needs of the country while forward invention involves creating a brand new product to serve a need in another country.

2.5.2 Mega Marketing Strategy

Mega marketing approach strategy is defined as the strategic co-ordination of economic, psychological, political and public relations skills to gain the co-operation of a number of parties in order to enter and /or operate in a given market (Kotler 1998: 385). Coca-cola faced a problem in the Indian market and was asked to leave. Pepsi-cola saw the opportunity in the Indian market and to ease entry Pepsi-cola agreed to help market India's agro-processed products in a volume that would more than give the cost of importing soft drinks. Pepsi further agreed to transfer food processing and water treatment to treatment technology in India. "Pepsi's strategy here was to bundle a set of benefits that would win the support of various interest groups in India. "Thus the Pepsi market strategy was not the normal 4 P's but rather the problem of getting it. Pepsi solved up 'marketing problem' with politics and 'public opinion' constituting the two additional Ps. Olivetti enters new markets by building housing for staff and engaging local managers (Kotler, 1986:117-124).

2.5.3 Message and Media Strategy

In developing the promotional messages there is need to know customer habits and motivations. There is need to know what are consumers really need. Factors in developing the message include diffusion of the product or service into the market and the criteria on which customers evaluate the product. This includes the product's positioning. The ideal is to have an international brand that is manufactured, packaged, and positioned the same way internationally. The other strategy is to localize international symbols with regional or country area themes and personalities.

An effective communication campaign should comprise of a well thought out message strategy. The message should reinforce the benefit of the product and should also help the company in developing the positioning strategy of the product. International media strategy includes print publications providing global coverage with regional language and content editions. This makes use of Pan-regional, radio, television and the Internet. Important international media characteristics include target ability client-compatibility and to achieve them editorial quality is an asset. Airline, financial services, telecommunication, automobile, and tobacco companies mainly advertise on global media.

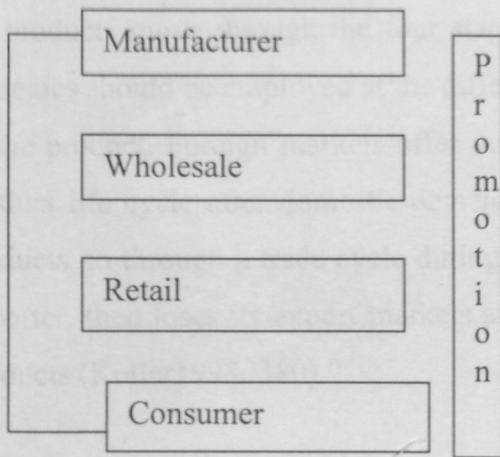
Media strategy refers to how the organization is going to deliver their message. What aspects of the promotional mix will the company use to deliver their message strategy? Where will they promote? Clearly the company must take into account the readership and general behaviour of their target audience before they select their media strategy. What newspaper does their target market read? What TV programmes do their target markets watch? Effective targeting of their media campaign could save the company on valuable financial resources

2.5.4 Push and Pull Strategies

Communication by the manufacturer is not only directed towards consumers to create demand. A push strategy is where the manufacturer concentrates some of their marketing effort on promoting their product to retailers to convince them to stock the product. A combination of promotional mix strategies are used at this stage aimed at the retailer

including advertising, personal selling, and direct mail. The product is pushed onto the retailer, hence the name. A pull strategy is based around the manufacturer promoting their product amongst the target market to create demand. Consumers pull the product through the distribution channel forcing the wholesaler and retailer to stock it, hence the name pull strategy. Organizations tend to use both push and pull strategies to create demand from retailers and consumers. The car industry uses the push strategy through its distribution network while most convenience goods use the pull strategy in the fight against competitors for space in the retailer's shelves (Paliwoda 1993:315)

Pull Strategy



Push Strategy

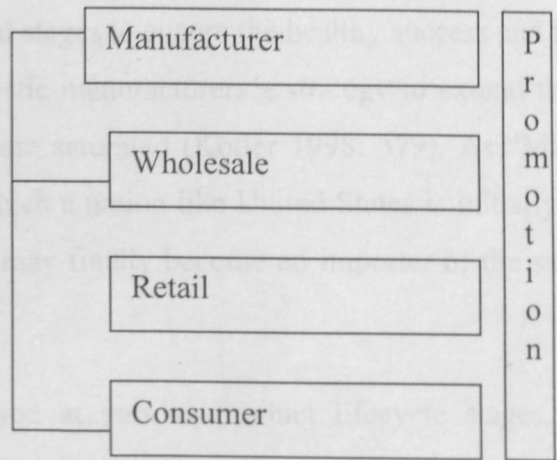


Figure 1: Push and Pull strategies

Source: www.learnmarketing.net

2.5.5 Communication Model – AIDA as a strategy

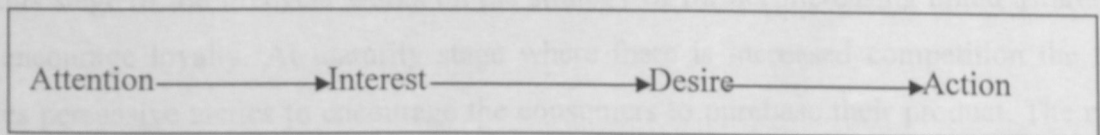


Figure 2: AIDA Strategy Model

Source: www.learnmarketing.net

AIDA is a communication model, which can be used by firms to aid them in selling their product or services. AIDA is an Acronym for Attention, Interest, Desire, and Action.

When a product is launched the first goal is to grab attention. The firm needs to use skills to do this. This can be achieved by using well-known personalities to sell products. Once the product has grabbed attention the firm's promotion need to hold interest, through promotion features, clearly stating the benefit the product has to offer. The third stage is desire, and the firm requires charting a strategy that makes the product desirable to the consumers. The final stage is the purchase action. If the firm has been successful with its strategy then the target customer should purchase the product.

2.5.5 Promotion through the Product Life Cycle

As products move through the four stages of the product lifecycle different promotion strategies should be employed at the different stages to ensure the healthy success and life of the product. Foreign markets offer domestic manufacturers a strategy to extend their product life cycle after domestic demands are saturated (Kotler 1998: 379). As "Many products go through a trade cycle during which a nation like United States is initially an exporter, then loses its export markets and may finally become an importer of the same products (Kotler1998: 380)."

Different promotion strategies are employed at various product lifecycle stages. At introduction when a product is new the firm's objective will be to inform the target audience of its entry. Television, radio, magazine, coupons etc may be used to push the product through the introduction stage of the lifecycle. Push and Pull Strategies will be used at this crucial stage. During growth as the target market accepts the product, the firm at this stage of the lifecycle works on the strategy of further increasing brand awareness to encourage loyalty. At maturity stage where there is increased competition the firm takes persuasive tactics to encourage the consumers to purchase their product. The main strategy here is to communicate clearly any differential advantage to the target audience. During decline stage the strategy will be reminding people of the product to slow the inevitable.

Promotion through PLC

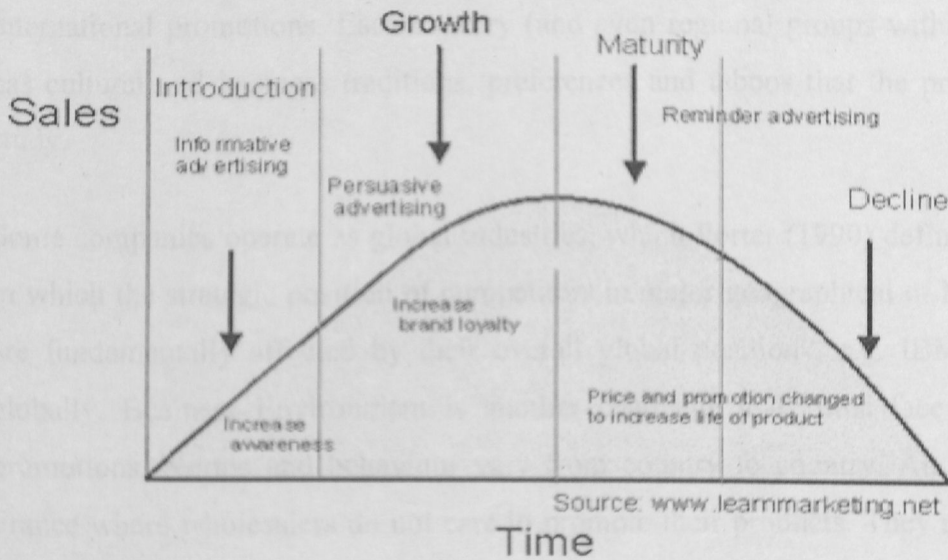


Figure 3: Product Life Cycle Strategy Model

Source: www.learnmarketing.net

2.6 International Promotion Challenges

The main challenge is that of psychological or 'psychic' distance which may be felt to be great between two neighbouring countries. Some countries have psychologically reduced the distance by entering in trading blocs. There has been a multiplicity of ties between some countries e.g. Britain and Countries of the Commonwealth like New Zealand and Canada and lately the European Union (EU). In attempting to sell abroad a company will face many trade restrictions e.g. tariffs either designed to raise revenue or protect domestic markets. Exporters can also face a quota that seeks how much it can sell at a time. The purpose of quota is to conserve on foreign exchange and protect local industry and employment. Embargo is the total ban of imports. Trade is also controlled by exchange control, which restricts how much the firm can be able to exchange for imports. The country might also face non-Tariff barriers such as discrimination. Political and Legal Environment issues require address as they pose challenge in international promotions. Attitude towards international buyers in Mexico is very receptive. India on the other hand has in the past required the exporter to cope with import quotas. Coca-cola had to leave India due to these hassles. Political Stability poses challenge and where there is instability countries will prefer export marketing to direct foreign investment. Monetary regulation limits how much a firm can promote their product in some countries.

Cultural environment varies from country to country and this poses a challenge in international promotions. Each country (and even regional groups within each country) has cultural and business traditions, preferences and taboos that the promoter needs to study.

Some companies operate as global industries, which Porter (1990) defines as “industries in which the strategic position of competitors in major geographical or National markets are fundamentally affected by their overall global position”, e.g. IBM must organize globally. Business Environment is another challenge that firms face in international promotions. Norms and behaviour vary from country to country. An example here is France where wholesalers do not care to promote their products. They ask their retailers what they want and deliver it. If an American company builds its strategy around the French wholesaler co-operating in promotions, it is likely to fail (Kotler 1988: 358).

Pricing is another challenge to international promotions and firms have to way between setting uniform prices elsewhere or setting a market based price in each country (Kotler 1988:377). Promotion can either use the domestic market or change from local to international by first changing the language. Also change colours to avoid taboos e.g. purple are associated with death in Latin America and jungle green with sickness in Malaysia (Kotler 1988:402). Varying local regulations may prevent or limit the types and use of sales promotions. Product advertising restrictions are a challenge and designed to address national consumer protection regulations and special rules in certain markets reflecting local cultural values. There will be conflict in the use of mega-agencies. This occurs due to conflicts of interest when two competitors are represented by the same agency.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

According to Cooper, D. R, Emory C W, (1995) a research design is a framework of specifying the relationship among the study's variables and it starts with a plan for selecting the sources and types of information used to answer the research question. It is a blue print that outlines each procedure from the hypothesis to the analysis of data. To fulfill the objective of this study, a cross-sectional population survey method was used to explore the promotion strategies and challenges in export of livestock and livestock products in Kenya from an Animal Health perspective. This type of design was suitable because the study was concerned with obtaining answers to the same question for several firms in same industry at once. Cooper, D. R, Emory C W, (1995) recommend this type of research design for studies carried out at once and represent one point in time and this study fell in this category.

3.2 Study Population

The target population was Firms dealing with livestock and livestock products exports from Kenya. These included commercial Firms with a livestock production or livestock products processing capacity for exports. They needed to be currently registered in the country in the categories of registered export abattoirs for cattle, sheep, goats, pigs, chicken and turkeys. Firms dealing with hides and skins including tanneries, milk processors who are also exporters of the same, pork products exporters and poultry including the poultry products required also to be registered. From the ministry of Livestock records as per March 30, 2007 there was only 5 live animals exporting firms, 3-gazetted slaughterhouses for beef, mutton, chevrons, 1 slaughterhouse for pigs, 2 for chicken and turkeys. (It is a legal requirement from the Meat Control Act (Cap.356) that export slaughterhouses be gazetted). The total registered exporters of hides and skins in various stages of processing were 21 up to March 2007 and formed the population of study for this category. Records availed from the Kenya Dairy Board regulatory authority for milk and milk products indicated that there were 195 registered milk processors. As

raw and pasteurized milk can't be exported due to perish ability only 30 firms that process exportable products fell within our population of study.

3.3 Sample Design

Identification of Livestock production Firms who are exporters of livestock and livestock products included either Firms that are major livestock producers (commercial ranchers and small-scale commercial producers). This was identified with the help of Department of Veterinary Services (DVS), Ministry of Livestock and Fisheries Development (MLFD), Livestock Marketing Council (LMC) or Ministry of Trade (MOT). Identification of Livestock Trading Firms involved in export of livestock products (live animals, meat, milk, chevrons, mutton, poultry including poultry products, hides and skins) was identified with the help of the DVS, LMC and MOT officials. A list was prepared for use as the population for the cross-sectional census survey study. Identification of Livestock Export abattoirs firms was identified with the help of DVS. For the purpose of this study, population survey census was used.

Table 1: Sample Size

Category	No. of Firms	No. of Export Firms	Sample
Live cattle, sheep and goats exporters	5	5	5
Licensed exporters for Hides and skins	21	21	21
Abattoirs for Beef, mutton and chevrons	3	3	3
Licensed Milk and milk products processors	195	30	30
Registered abattoir for Chicken and turkeys	2	2	2
Registered abattoir for Pigs and pig products	1	1	1
Totals	227	62	62

Source; MLFD and KDB records

3.4 Data Collection.

The study used primary data collected through a questionnaire in Appendix 1. The questionnaire was drafted by use of relevant literature review and personal intuition. The study used a questionnaire with open ended and closed questions. As implied by (Aosa 1992) and (Karemu 1993), after choosing the survey method of data collection it was necessary to choose the mode of data collection

There are 3 survey data collection modes. Personal interview, telephone interview and mail interview (Parasuraman 1986). Tull and Hawkins (1990) add the computer to the list. Personal interviews are more resourceful, save time and cheaper in costs but poor in controlling interviewers' influence over the respondent. Mail interview is good in controlling interviewers' influence but poor in handling complex questionnaires. Telephone interviews are excellent in offering high degree of sample control and fair in high amounts of data (Aosa 1992) and (Karemu 1993) but they are expensive in costs.

The choice of mode of data collection is dictated by the objectives of the research, urgency of the research and the required data (Nachmias and Nachmias, 1996, Tull and Hawkins, 1990). Tull and Hawkins add that resource allocation is important. Although personal interviews add highest quality and quantity of data compared to other modes (Parasuraman 1986, Ogutu 1983) did supplement it with drop and pick later method. The drop and pick methods have been used in similar studies in Kenya (Njuguna, 1996 and Gekonge, 1999). This research will adapted the drop and pick later method and where possible the researcher discussed the questionnaire with the respondent then left him or her to fill and arrange a later mailing or collection. In some cases the respondents was sensitized on the questionnaire before by telephone before personal or drop and pick later modes. The aim here was to capture the benefit of personal interview while at the same time reduce time of the study.

3.5 Data Analysis

The data collected was edited for accuracy, uniformity, consistency, and completeness and arranged to enable coding and tabulation before final analysis as recommended by (Cooper and Schindler, 1998). The data was tabulated and then classified into sub – populations according to the Firms common characteristics such as live animals exporting Firms, Hides and Skins Exporting firms, Pigs and Pig Products, Chicken and Turkeys, Beef Mutton and Chevrons gazzeted Slaughterhouses, and finally Milk and Milk products Exporters. Data capture and analysis was carried out using SPSS software. The responses were coded to facilitate basic statistical analysis and descriptive statistics such as frequency distribution, means, standard deviations and percentages. The analysis and descriptive statistics was undertaken to characterize strategies and challenges in promotion of exports of livestock and livestock products taking into account the animal health standard requirements to facilitate the export promotions.

4.2.1 Response Rate of the Livestock and Livestock Products Export Firms

The study targeted a total population of 82 registered livestock and livestock products export Firms. Questionnaires were distributed among the 82 various livestock and livestock products export firms. Table 4.2 depicts the frequency of responses and respective response rates. There was a high response rate by the exporting Firms as 57 percent (69%) in all categories of targeted population except milk and milk products category that achieved 49 percent and 48 percent respectively. The overall response rate by the firms was 67 percent, and the response rate of 69 percent. This was considered as 69% response rate for the study. Overall, 69% of the firms achieved a response rate of 69 percent and 48 percent respectively.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

Data collected was analyzed using descriptive statistics. Frequency, percentages, means and mean standard deviation tables have been extensively used to draw conclusions on promotion strategies and challenges by the exporting Firms in the livestock and livestock products trade. The SPSS package has been used to capture and analyze data. This chapter has three sections. Section one captures demographic profile of the exporting firms, section two captures the promotion strategies and section three captures the promotion challenges encountered by the firms.

4.2 Section One: Demographic Profile of Firms in Livestock Exports

This demographic profile was undertaken mainly to enrich the study by getting a profile of respondents Firms. Issues such as whether they are currently or anticipating exporting and what they consider to be hindrances to effective promotions strategies were dealt with here. Additionally the information in the demographic profile was used to ascertain the validity of the results and to provide different perspective to enrich the study.

4.2.1 Response Rate of the Livestock and Livestock Products Export Firms

The study targeted a total population of 62 registered livestock and livestock products export Firms. Questionnaires were distributed amongst the 62 various livestock and livestock products export Firms. Table: 2 describe the categories of exporters and respective response rates. There was a high response rate by the exporting Firms as it achieved 100% in all categories of targeted population except milk and milk products category that achieved 90 percent and hides and skins category that achieved 76.2 percent. The overall response rate by the firms was 87 percent and none response of 13 percent. This was considered to be a good response. In a similar study Githua, C W (2006) achieved a response of 51 percent and Oduori, N F (2006) achieved a response of 84 percent and this study response falls in a good range.

Table 2: Category of Exporters of Livestock and Livestock Products

Category	No. of Firms (n)	% response
Live Cattle, Sheep and Goats Exporters	5	9.26
Hides and skins	16	29.62
Abattoirs for Beef, Mutton and Chevlon	3	5.56
Milk and Milk Products	27	50.0
Abattoir for Chicken and Turkeys	2	3.70
Abattoir for Pigs and Pig products	1	1.85
Totals	54	100

Source: research data

4.2.2 Ownership of Firms

Results indicated that 79.6 percent of the livestock and livestock products exporting Firms in Kenya are locally owned while 9.3 percent were foreign owned. Further findings indicated that 7.4 percent of the firms were joint venture and 3.7 percent were government owned. These findings are presented in Table: 3.

Table 3: Ownership of Firms

Firm Ownership	Number of Firms	Percentage
Foreign owned	5	9.3
Joint Venture	4	7.4
Local owned	43	79.6
Government owned	2	3.7
Total	54	100.0

Source: research data

The government owned firms were the Agricultural Development Cooperation (ADC) and the recently revived Export Abattoir, Kenya Meat Commission (KMC).

4.2.3: Branches in Kenya and outside Kenya

When firms were asked to indicate the number of branches they have in Kenya, results indicated that 43 Firms representing 79.6 percent of the livestock and livestock products exporting Firms had no branches while 11.1 percent had one branch. 3.7 percent had two branches, 1.9 percent had three branches and 3.7 percent four branches in Kenya

Table 4: Branches of Export Firms

No's of Branches	Branches in Kenya		Branches outside Kenya	
	No of Firms	Percentage	No of Firms	Percentage
0	43	79.6	52	96.3
1	6	11.1	2	3.7
2	2	3.7	0	0
3	1	1.9	0	0
4	2	3.7	0	0
Total	54	100	54	100

Source: research data

Table: 4 further shows that only 2 firms representing 3.7% of the livestock and livestock products exporting Firms have branches outside Kenya.

4.2.4 Firms Classification of Export Systems

According to Table: 5 results revealed that 16 Firms representing 29.6 percent are currently not exporting but were anticipating exporting while 6 Firms representing 11.1 percent were neither exporting nor anticipating. 42.6 percent of the Firms considered themselves to be in wide export system while 9 Firms representing 16.7 percent were in concentrated export system.

Table 5: Classification of Export System

Type of export system	Number	Percentage
Wide	23	42.6
Concentrated	9	16.7
Not Exporting but Anticipating	16	29.6
Not exporting and Not Anticipating	6	11.1
Total	54	100.0

Source: research data

4.2.5 Firms Current Hindrances to Exports

Demographic analysis of current Hindrances to Livestock and Livestock Products Exports indicate that the main reason why they are currently not exporting though anticipating exporting as presented in Table:6 which revealed that 31 Firms representing 57.4% of the exporting Firms have no current constraints to exports, 13 firms representing 24.0% are currently not exporting but anticipating due to lack of resources, and 6 representing 11.1% are not exporting but anticipating due to unfavorable government policy on their products, while only 4 firms representing 7.4% are not exporting but anticipating due to competitiveness of their export products.

Table 6: Current Hindrances to Exports

Type of hindrances	Number of Firms	Percentage
No constraint	31	57.4
Competitiveness	4	7.4
Unfavorably government policies	6	11.1
Lack of resources	13	24.0
Total	54	100.0

Source: research data

4.2.6 Resources Related Reasons for Not Exporting but Anticipating.

According to Table: 7, 12 Firms representing 22.2% of firms that are currently not exporting but anticipating are constrained by financial resources while only 4 in number representing 7.4% are constrained from exporting by materials.

Table 7: Resources Related Reasons to Not Exporting but Anticipating.

Type of resource	Number of firms	Percentage
No resource constraint	38	70.4
Financial	12	22.2
Materials	4	7.4
Human resource	0	0.0
Total	54	100.0

Source: research data

None of the constraints for currently not exporting but anticipating is due to human resource.

4.2.7 Hindrances for Not Exporting and Not Anticipating.

According to Table:8 the main reason why some Firms are currently not exporting and not anticipating exporting were as follows; Firms 4 representing 7.4% cited unfavorable government policy as the constraint while 3 Firms representing 5.6% have transformation of the business as the reason of not exporting and not anticipating. Firms 42 representing 77.8 percent indicated there was no constraint.

Table 8: Hindrances by Firms for Not Exporting and Not Anticipating Exporting

Type of hindrance	Number of Firms	Percentage
No constraint	42	77.8
Competitiveness	2	3.7
Health standards of products	1	1.9
Unfavorable government policies	4	7.4
Unforeseen local demand	1	1.9
Transformation of business	3	5.6
Lack of resources	1	1.9
Total	54	100.0

Source: research data

Other minor issues for the firms not exporting and not anticipating exporting include unforeseen local demand and high health standards of products required for exports.

4.2.8 Firms Not Exporting and Not Anticipating Due to Lack of Resources

The biggest reason by Firms for not exporting and not anticipating as presented in Table:9 is financial which affects 8 Firms representing 14.8% and materials affecting only 3.7%.

Table 9: Lack of Resources for Not Exporting and Not Anticipating

Type of resource	Number of Firms	Percentage
No constraint	44	81.5
Financial	8	14.8
Materials	2	3.7
Human Resource	0	0.0
Total	54	100.0

Source: research data

Again none of the Firms is affected by human resources.

4.2.9 Employees by Firms in Livestock Export

From the respondent Firms, it shows that the employees in Firms engaged in export trade of livestock and livestock products range from 2 to 1500 representing a mean of 146. From the Firms surveyed a sum of 7897 people has gainful employment from the business of export of livestock and livestock products.

4.3 Section Two: Strategies in Promoting Livestock and Livestock Products

Exports.

The first research objective sought to identify the Promotion Strategic Tools employed by firms in the livestock industry towards their export of livestock and livestock products. The section provides results for the objective.

4.3.1 General Promotion Strategic Tools used by Export Firms.

As Table 10 shows Firms in the livestock exports most used Promotion Strategy is Personal Selling represented by a mean score of 3.06. It is followed by Internet Promotion Strategy represented by a mean score of 2.27 Mega marketing followed by Advertising are the least used promotion strategies by Firms in the export of livestock and livestock products.

Table 10: General Promotion Strategic Tools used by Livestock Exporting Firms.

Strategic Promotion Tools	Mean	Standard Deviation
Advertising	1.68	1.07
Publicity	2.00	1.17
Personal selling	3.06	1.55
Internet	2.27	1.52
Sale promotion	1.83	1.18
Mega marketing	1.22	0.90

N=54

Source; research data

4.3.2 Response to Specific Promotion Tools by Categories

According to Table 11 a total of 33 Firms representing 61.1 percent use Selective Promotion Strategies. The least used is Mass Communication Strategy category where 15 firms representing 27.7 percent use it. A number of 18 Firms representing 33.3% have no Mass Communication Strategy while 31 Firms representing 57.4% of the livestock and livestock products exporting firms have no specific media promotion strategies.

Table 11: Firms responses for specific promotion categories

Firms' Response	Media Promotion Strategy		Personal Promotion Strategy		Sales Promotion Strategy		Mass Promotion Strategy		Selective Promotion strategies	
	No. of Firms	%	No. of Firms	%	No. of Firms	%	No. of Firms	%	No. of Firms	%
Yes	20	37.0	32	27.8	18	33.3	15	27.7	33	61.1
No	31	57.4	6	3.7	29	53.7	18	33.3	10	18.5
No response	3	5.6	16	29.6	7	13.0	11	20.4	11	20.4
Total	54	100.0	54	100.0	54	100.0	54	100.0	54	100.0

Source; research data

4.3.3 General Promotion Budget

General Promotion Budget result as presented in Table 12 indicates that 27 Firms in the export of livestock and livestock products representing 50% do not have general promotion budgets.

Table 12: General Promotion Budget

Responses	Numbers	Percentage
Yes	23	42.6
No	27	50.0
None Respondent	4	7.4
Total	54	100.0

Source; research data

4.3.4 Specific Promotion Budget by Category of Promotion Tools

Table 13 below indicates that most Firms in the livestock and livestock products exports do not have specific Promotion Budgets for particular categories of Strategic Promotion Tools. The highest category of strategies with a specific Promotion Budget is Personal Communication but with only 18 firms representing 33.3 percent. 35 firms have no

Category	Count	Percentage
None	35	66.7
Personal communication	18	33.3
Other	0	0

Source: research data

4.3.5 Personal Communication Sub-Strategic Tools

Table 14 shows that of the Personal Communication Sub-Strategic Tools, the highest category of strategies with a specific Promotion Budget is Personal Communication but with only 18 firms representing 33.3 percent. 35 firms have no

Table 14: Personal Communication Sub-Strategic Tools

Strategic Tool	Count	Standard deviation
None	35	1.8
Personal communication	18	1.5
Other	0	1.0
Professional	0	1.5
Public relations	0	1.5
Advertising	0	1.5

Source: research data

4.3.6 Sales Promotions Sub-Strategic Tools

An analysis of the responses on Sales Promotions Sub-Strategic Tools revealed that the highest category of strategies with a specific Promotion Budget is Sales Promotions but with only 18 firms representing 33.3 percent. 35 firms have no

Table 14: Media Promotion Sub- Strategies Tools

Strategic Tools	Mean	Standard Deviation
Radio	1.50	0.94
Billboards	1.68	1.27
Magazines	1.86	1.15
Television	1.56	1.11
Direct mail	2.47	1.42
Transit	1.71	1.32
Hot Air Balloons	1.00	0.00
Theatre	1.00	0.00
Sky writing	1.00	0.00
In house agencies	1.72	1.25
Others	1.37	0.90

N=54

Source; research data

4.3.6 Personal Communication Sub- Strategies Tools.

Table 15 analyses of the Respondents Firms through filling a weighted five point's scale questionnaire, reveals the extent in which the Firms use the Sub Personal Communication Promotion Strategies. It indicate that Firms in the livestock exporting use Word of Mouth most in the Personal communication Sub- Strategy with a mean of 3.13

Table 15: Personal Communication Sub- Strategies Tools

Strategic Tools	Mean	Standard deviation
Sales people	2.88	1.65
Volunteers	1.76	1.30
Word of mouth	3.13	1.42
Professionals	2.50	1.48
Service providers	1.89	1.35
Deliverers	2.41	1.55

N=54

Source; research data

4.3.7 Sales Promotion Sub- Strategies

An analysis of the Respondents Firms through filling a weighted five point's scale questionnaire enquiring the extent in which they use the Sales Promotion Sub Strategies indicates that Samples had the highest usage represented by a mean score of 2.39.

This was followed by point of purchase displays with a mean score of 2.34. The least used in this category Sub – Strategies is Sweepstakes with a mean score of 1.17.

Table 16: Sales Promotion Sub- Strategies

Tools	Mean	Std. Deviation
Coupons	1.33	0.74
Premiums	1.24	0.66
Contests	1.47	1.02
Sweepstakes	1.17	0.76
Samples	2.39	1.54
Trading Stamps	1.30	1.02
Point of purchase displays	2.34	1.68
Rebates	1.23	0.68
Others(specify)	1.32	1.11

N=54

Source; research data

4.3.8. Mass Communication Sub-Strategy Tools

Results of an analysis of the Respondents Firms through filling a weighted five point's scale questionnaire, the extent in which they use the Mass Communication Promotion Sub Strategies indicate that Electronic mail was the most used Mass Communication Sub – Strategy with a mean score of 2.38 and a standard deviation of 1.33 as indicated in Table 17 below.

Table 17: Mass Communication Sub-Strategy Tools

Sub Strategic Tools	Mean	Std. Deviation
Printings	1.69	1.28
Publicity	1.76	1.03
Advertising	1.66	1.07
Electronic mail	2.38	1.33
Sponsorship events	1.37	0.71
Special events	1.94	1.48
Others(specify)	1.22	0.85

N=54

Source; research data

4.3.9 Selective Communication Sub-Strategies

Results of an analysis of the Respondents Firms through filling a weighted five point's scale questionnaire enquiring the extent in which they use the Selective Communication Promotion Sub Strategies indicate that Direct mail represented by a mean of 2.61 is more used in Selective Communication Sub-strategy, though Telemarketing is fairly also used with a mean score of 2.31. These results are tabulated in Table 18.

Table 18: Selective Communication Sub-Strategies

Strategic Promotion Tool	Mean	Standard Deviation
Telemarketing	2.31	1.53
Direct Mail	2.61	1.55
Others (specify)	1.79	1.44

N=54

Source; research data

4.4 Section Three: Profile of Challenges in Promoting Livestock and Livestock Products Exports.

Data in this section was mainly analysed using mean scores and mean standard deviation though the strategies and challenges evaluation data was analysed using frequency distribution and percentages

4.4.1 Major Challenges to Exports

The second research objective was to establish the challenges Firms in livestock and livestock products export trade encounter. To achieve this, respondent Firms were asked to fill on a five points weighted scale, the extent to which the environmental factors challenge their promotions. In the scale, 1=no challenge, 2= little challenge, 3= moderate challenge, 4= great challenge, and 5= very great challenge. Results were as indicated in Table 19.

The most challenging is achieving sanitary standards for the livestock and livestock products with a mean score of 2.81 and a standard deviation of 1.59 followed by inadequate livestock disease control in Kenya with a mean score 2.77 and a standard deviation of 1.68.

Table 19: Challenges in Livestock and Livestock Products Exports

Challenges to Exports	Mean	Std Deviation
Government policy	2.71	1.55
International sanitary(health) standards required	2.81	1.59
Geographical distance in countries of export	2.00	1.31
Government control in the countries of export	2.42	1.50
Trade restrictions in the countries of export	2.62	1.63
Political environment in the countries of export	2.06	1.37
Legal requirement in the countries of export	2.35	1.53
Cultural differences in the countries of export	1.94	1.34
Communication languages in the countries of export	1.81	1.31
Inadequate livestock disease control in Kenya	2.77	1.68
Barriers in languages	1.60	1.03
Religious practices	1.42	0.87
Others(specify)	1.06	0.31

N=54

Source; research data

4.4.2 Top Five Challenges to Livestock Exports

Respondents were asked to fill on a five points scale, where 1=very great challenge, 2= great challenge, 3= moderate challenge, 4= little challenge and 5= no challenge: the top five challenges in their export of livestock and livestock products.

Achieving the required international animal health standards to enable firms to the export the livestock and livestock products has the greatest challenge to exporting firms where 32 firms cited it as a challenge represented by the least mean of 2.46 and a standard deviation of 1.16, followed by challenges in livestock disease control which is represented by 28 firms with a mean of 2.57 and a standard deviation of 1.45, followed by infrastructure with a mean of 2.78 and government policy with a mean of 2.83 and the fifth being political issues with a mean of 3.13.

Table 20: Top Five Challenges to Livestock Exports

Challenges	Mean	Std. Deviation
Culture	3.35	1.64
Legal issues	3.55	1.29
Political issues	3.13	1.30
Government policy	2.83	1.43
Health	2.46	1.16
Trade restrictions	3.20	1.35
Geographical distances	3.40	1.83
Organization and management structure	4.50	0.54
Livestock disease control	2.57	1.45
Infrastructure	2.78	1.25

N=54

Source; research data

The least challenge is in the organization and management structure of the exporting livestock firms. This is consistent with the demographic findings in the exporting firms.

4.4.3 Evaluation of Strategic Promotion Tools and Challenges.

To underscore the Firms performance in promotions the responding firms were asked to indicate whether their firms evaluate their strategic promotion tools and challenges. The results are indicated in Table 4.4.3

Table 21: Evaluation of Strategic Promotion Tools and Promotion Challenges.

Firm's Responses	Number of firms	Percentage
Yes	31	57.4
No	18	33.3
No Response	5	9.3
Total	54	100.0

Source; research data

31 firms representing 57.4% of the livestock and livestock products exporting firms evaluate their strategies and challenges in the promotion of the livestock and livestock products while 18 firms representing 33.3% of the firms do not evaluate the promotion strategies and challenges.

CHAPTER FIVE: CONCLUSION

5.1 Introduction

This chapter concludes by looking at the summary, discussions and findings from the research study and highlights the limitations and recommendations for further research, policy and practice. This is presented in a flow in order of sections. Section one sought to identify the demographic profiles of firms in the livestock industry involved in export of livestock and livestock products. Section two which is in line with research objective one sought to identify the promotion strategies employed by firms in the livestock industry towards their export of livestock and livestock products from an animal health perspective. Section three which is in line with research objective two sought to identify promotion challenges such exporting firms encounter in the export of livestock and livestock products.

5.2 Summary, Discussions and Conclusions.

The demographic profile indicates that firms dealing with livestock and livestock products are registered with the regulatory authority in the Ministry of livestock and Fisheries. This is a legal requirement. For those dealing with meat from all species they require licensing and registration under the Meat Control Act Chapter 356, for those dealing with Hides and Skins they require licensing under the Hides and Skins Act Chapter 359. For those dealing with Milk and Milk products, they require licensing by the Dairy Board the regulatory authority established under Chapter 328 the Dairy Industry Act.

Firms dealing with export of livestock and livestock products are mainly locally owned and mainly without both local and outside branches. Majority of the Firms are currently exporting. Those currently not exporting are due to reasons ranging from competitiveness of the products, unfavorable government policy and animal health sanitary requirements for export. Based on the demographic profile the main constraint by the firms that are currently not exporting but anticipating exporting is financial resources. Human resource is not a constraint. This is consistent with the literature review that indicates that production is not a major constraint to exports of livestock and livestock products in

Kenya. Firms not exporting and not anticipating exporting, cite unfavorable government policy and transformation of the business as the main constraints. Competitiveness of the products, required health standards and unforeseen local demands effects though there are minor.

Objective one sought to identify promotion strategies by firms in the export of livestock and livestock conclude that Firms in the livestock industry most used promotion strategy in personal selling. In this Promotion Strategy, sound product knowledge and the ability to relate to customer needs are paramount (Paliwoda S.J. 1993). The extent of usage ranges from little usage and the best being moderate usage of promotions strategies. Most strategies standard deviation is greater than one indicating a significant variability. Half of the Firms surveyed though have a general promotion budget, majority have no specific category of Promotion Tools Budget

Firms in the livestock exporting use direct mail most. There is no usage of Hot air balloons nor Theatres and In-house agencies. Word of Mouth was the most used Personal communication Sub- Strategy. Sellers use the Sales Promotion as incentive type promotion to attract new triers, to reward loyal customers and to increase the repurchase rate of occasional users (Kotler 1988:646). In sales promotion Sub-Strategies, Samples had the highest usage followed by point of purchase displays Electronic mail was the most used mass communication sub – strategy.

It is usually necessary to identify members of “Decision making unit” within one domestic market. The problem of identification becomes great in foreign trade. In the foreign situation the aim is identification of buyers, deciders, users, influencers and gatekeepers. This is made difficult as it means trying to identify individuals within different institutions who have influence on the purchase decision. To achieve this majority of the firms use Selective Promotion Strategies. Direct mail was most used by livestock and livestock products export Firms, though telemarketing was fairly also used..

Objective two sought to identify the promotion challenges the exporting firms in the livestock and livestock products encounter. Achieving the required international animal health standards to enable firms to export the livestock and livestock products has the greatest promotion challenge to exporting firms, followed a related challenges in

livestock disease control in Kenya. Challenges of Infrastructure and government policy range from between little to moderate. The least challenge is in the organization and management structure of the exporting livestock and livestock products firms. This agrees with the demographic profile that indicated human resource as not a challenge exports.

5.3 Limitations of study

Time and financial resources were not enough for exhaustive study as the firms are widely distributed all over the country. The data base provided by Kenya dairy Board had some firms that had stopped operation. The researcher had anticipated hundred percent response as the study is a census study. However, some institution in the milk and hides industry despite personal visits refused to fill the questionnaire as they considered the subject matter confidential and for that reason, they refused to give adequate information.

5.4 Recommendations for further research

It is generally truism that no research is an end to itself. Therefore, what this research in strategies and challenges in promotion strategies and challenges in export of livestock and livestock products from an animal health perspective though can only be considered to require further research. From the insights gained in the course of investigation, the researcher offers the following suggestion which should act as direction to future researchers. A need to study methods employed to evaluate progress towards strategies and challenges in export of livestock and livestock products and to see whether they are valid and whether they provide early warning. There is need to undertake further research in strategies employed by livestock exporting firms. To this end a cross-sectional study should be made geared on different livestock enterprises to find out if there are any changes and compare variation within different livestock enterprises. With time a replication of this study should be done to find out if there are any changes that have taken place in the promotion strategies and promotion challenges as compared with the current findings

The researcher suggests the export issues of firms dealing with livestock and livestock products be studied and documented further as these products are unique and blanket

associations with other products has not helped greatly in the past.. This study focused on promotion strategies and challenges. Little focus was put on strategic planning process itself. Further research is therefore recommended to establish the actual firms planning process ranging from livestock products enterprises themselves to implementation of strategies.

5.5 Recommendations for Policy and Practice

Firms should first of all link strategy to budgets and strategy should be used as a tool for resource allocation. This was not obvious in the study as some firms did not indicate clearly the direct relationship of individual promotion strategic tools to budgets. Only fifty percent of the Firms surveyed had a gross budget for promotions. Finally the firms need to review periodically if the strategic milestones are achieved. Only about 60 percent of the livestock and livestock products exporting firms evaluate their promotion strategies and challenges. There is need to encourage more firms to monitor and evaluate their promotion strategies and challenges.

On challenges, the study recommends that firms in the livestock industry dealing with exports of livestock and livestock products should be more proactive in developing promotion strategies. Firms should in one way or another anticipate challenges and therefore during formulation of strategies they should try to identify the likely internal and external challenges that might affect the promotion strategies.

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APPENDICES

Appendix I: List of Livestock and Livestock Products Exporting Firms

No.	Name of the Firm
1.	Spin Knit Dairy Ltd
2.	Delamere Holdings
3.	Afrodane Food Industries
4.	Sunpower Products
5.	Agrisabaha Ltd
6.	Silent Valley Creameries Ltd
7.	Nyota Dairies Ltd
8.	A. M. Jauss
9.	Eldoville Farm Ltd
10.	Linove Cheese Limited
11.	Patrick Ngugi Kiuna T/A Happyland Ent. Ltd
12.	Cottage Farm (R. H. McClellan)
13.	Cecal Investment (Evans Achieng)
14.	Mrs. V. M. Limb
15.	Jonathan Philip Nann T/A Three Dee Dairy
16.	Wangari Muriuki Carolina
17.	Samuel Kamau Mathinji
18.	Green Dreams Ltd
19.	Midway Enterprises
20.	Adarsh Developers Ltd
21.	Baraka Cheese Farm
22.	Silent Valley Creameries
23.	Happy Cow Ltd

Appendix 1: Continued

Number	Name of firm
24.	New K.C.C - Cheese Factory
25.	Supa Duka
26.	Quality Milk Shop
27.	Kabianga Dairy Ltd
28.	Brookside Dairy
29.	Lakeside Dairies
30.	Naromoro Dairies
31.	Leather Industries of Kenya
32.	Bata Shoe Co. (K) Ltd.
33.	East Africa Hides Ltd
34.	Zingo Investment Ltd.
35.	New Market Leather factory
36.	Abubakar Sharif Sali
37.	Islam Mohamed & Sons
38.	Ruambuzi Ltd.
39.	African Leather Ltd
40.	Alpharama Ltd
41.	Mas Trading Co
42.	Samimpex (K) Ltd.
43.	AFSO Export Ltd
44.	Karuri Mwangi
45.	Aziz Tanneries Ltd.
46.	Abdulwadood Tanners
47.	Nakuru Tanners Ltd.
48.	Intercity Hides and Skins
49.	Leathertec International Ltd
50.	Kenya Hides and Skins dealers Association
51.	Nairobi Tanneries Ltd

Appendix 1: Continued

Number	Name of firm
52.	Global livestock traders Kenya limited
53.	Fina Fran Ltd Ngorare Ranch
54.	Agricultural Development Coperation
55.	Olpajeta Ranch
56.	Lakeside Ranch
57.	KMC A/River & Mombasa
58.	Hurlingham
59.	Mombasa
60.	Farmers Choice
61.	Nightingale
62.	Kenchic

Appedix II: Questionnaire

PRIVATE & CONFIDENTIAL

Questionnaire No.:

Information in this questionnaire will be treated confidentially and will not be used for any other purpose other than academic.

Demographics

Section I: Firms details

1. Name of Firm: _____
2. Location: Province _____ District _____
Division _____ Location _____
3. Date of Incorporation (When operations started) _____
4. Ownership:
 Foreign owned
 Joint Venture
 Local owned
5. Does the Firm have any branches or associated Companies?
 Yes
 No
If yes, how many ? In Kenya: _____ Outside Kenya _____
6. Number of employees: _____
7. Products: Live Animals Milk Meat Chevlns Mutton
Hide & Skins Pork products Broilers Meat Eggs
8. How would you classify your production for export system?
 Wide
 Concentrated
 Currently not exporting but anticipating
 Currently not exporting and not anticipating
9. If not exporting but anticipating what are the current hindrances?
 Competitiveness of the firm's products
 Unfavorable government policy on export
 Lack of firm's capacity in resources

10. If lack of firm's capacity in resources which one of these is it?

- Human
- Financial
- Materials
- Others (specify)

11. If currently not exporting and not anticipating, what are the current hindrances?

- Competitiveness of the organization's products
- Sanitary standards in the export of livestock and livestock products
- Unfavourable government policy on export
- Unforeseen local demand in export of livestock and livestock products
- Transformation of the business enterprise
- Lack of organizational capacity in resources

12. If lack of resources, which one of these?

- Human
- Financial
- Materials
- Others (specify)

Section 2: Strategies in promoting livestock and livestock products international exports.

2.1.0 General Promotion tools

2.1.1. For each of the following strategies use a five point scale to indicate the extent to which your firm uses each strategy to promote its livestock and livestock products in the international market. The scale rates from 1 to 5 as follows; 1= No usage, 2= Little usage, 3= Moderate usage, 4= Great usage and 5= Very great usage

	1	2	3	4	5
1 Advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Publicity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Personal selling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Internet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 sales promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Mega marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2.1.2 Does the firm have a promotion budget? () Yes () No

2.2.0 Media Strategies

2.2.1 Does your firm use media Promotion Strategy () Yes () No

2.2.2 For each of the following media strategies use a five point scale to indicate the extent to which your firm uses each strategy to promote its livestock and livestock products in the international market. The scale rates from 1 to 5 as follows; 1= No usage, 2= little usage, 3= Moderate usage, 4= Great usage and 5= Very great usage

		1	2	3	4	5
1	Radio	()	()	()	()	()
2	Billboards	()	()	()	()	()
3	Magazines	()	()	()	()	()
4	Television.	()	()	()	()	()
5	Direct mail	()	()	()	()	()
6	Transit	()	()	()	()	()
7	Hot-air balloons	()	()	()	()	()
8	Theatres	()	()	()	()	()
9	Sky writing	()	()	()	()	()
10	In-house agencies	()	()	()	()	()
11	Others (specify)	()	()	()	()	()

2.2.3 Does your firm have media communication budget? Yes () No ()

2.3.0 Personal Communication

2.3.1 Does your firm use Personal communication promotion?

2.3.2 For each of the following personal communication strategies use a five point scale to indicate the extent to which your firm uses each strategy to promote its livestock and livestock products in the international market. The scale rates from 1 to 5 as follows; 1= No usage, 2= little usage, 3= Moderate usage, 4= Great usage and 5= Very great usage.

		1	2	3	4	5
1	Sales people	()	()	()	()	()
2	Volunteers	()	()	()	()	()
3	Word of mouth	()	()	()	()	()
4	Professionals	()	()	()	()	()
5	Service providers	()	()	()	()	()
6	Deliverers	()	()	()	()	()

2.3.3 Does your firm have personal communication budget? Yes () No ()

2.4.0 Sales Promotion

2.4.1 Does your firm use sales promotion in international export of livestock and livestock products? Yes () No ()

2.4.2 For each of the following Sales Promotion strategies use a five point scale to indicate the extent to which your firm uses each strategy to promote its livestock and livestock products in the international market. The scale rates from 1 to 5 as follows; 1= No usage, 2= little usage, 3= Moderate usage, 4= Great usage and 5= Very great usage.

		1	2	3	4	5
1	Coupons	()	()	()	()	()
2	Premiums	()	()	()	()	()
3	Contests	()	()	()	()	()
4	Sweepstakes	()	()	()	()	()
5	Samples	()	()	()	()	()
6	Trading stamps	()	()	()	()	()
7	Point of purchase displays	()	()	()	()	()
8	Rebates	()	()	()	()	()
9	Others (specify)	()	()	()	()	()

2.4.3 Does the firm have a budget for sales promotion? Yes () No ()

2.5.0 Mass Communication

2.5.1 Does your firm use mass communication as a tool to promote the international export of livestock and livestock products? (Tick one)

Yes () No ()

2.5.2 For each of the following personal communication strategies use a five point scale to indicate the extent to which your firm uses each strategy to promote its livestock and livestock products in the international market. The scale rates from 1 to 5 as follows; 1= No usage, 2= little usage, 3= Moderate usage, 4= Great usage and 5= Very great usage.

		1	2	3	4	5
1	printings	()	()	()	()	()
2	publicity	()	()	()	()	()
3	Advertising	()	()	()	()	()
4	electronic mail	()	()	()	()	()
5	sponsorships events	()	()	()	()	()
6	special events	()	()	()	()	()
7	Others (specify)	()	()	()	()	()

2.5.3 Does the firm have a budget for Mass promotion? Yes () No ()

2.6.0 Selective Communication

2.6.1. Is selective communication applied in your firm to promote the export of livestock and livestock products? Yes () No ()

2.6.2. For each of the following personal communication strategies use a five point scale to indicate the extent to which your firm uses each strategy to promote its livestock and livestock products in the international market. The scale rates from 1 to 5 as follows; 1= No usage, 2= little usage, 3= Moderate usage, 4= Great usage and 5= Very great usage.

		1	2	3	4	5
1	Telemarketing	()	()	()	()	()
2	Direct mail	()	()	()	()	()
3	Others (specify)	()	()	()	()	()

2.6.3 Does the firm have a budget for Selective Communication? Yes () No ()

Section 3: Challenges in Promoting Livestock and Livestock Products Exports.

3.1.1 For each of the following promotional challenges use a five point scale to indicate the extent to which your firm is affected by each one of them in promotion of livestock and livestock products exports. The scale rates from 1 to 5 as follows; 1= No challenge, 2= little challenge, 3= Moderate challenge, 4= Great challenge and 5= Very great challenge.

		1	2	3	4	5
1	Government policy	()	()	()	()	()
2	International sanitary (health) standards required	()	()	()	()	()
3	Geographical distance in countries of export	()	()	()	()	()
4	Government control in the countries of export	()	()	()	()	()
5	Trade restrictions in the countries of export	()	()	()	()	()
6	Political environment in the in countries of export	()	()	()	()	()
7	Legal requirements in the in countries of export	()	()	()	()	()
8	Cultural differences in the in countries of export	()	()	()	()	()
9	Communication languages in country of exports	()	()	()	()	()
10	Inadequate livestock disease control in Kenya	()	()	()	()	()
11	Barriers in languages	()	()	()	()	()
12	Religious practices	()	()	()	()	()
13	Others(specify)	()	()	()	()	()

14 Number in order of importance the first five promotion challenges that your Firm faces in the international livestock and livestock products export promotions. culture [____], Legal issues [____], Political issues[____], Government Policy [____], Achieving promotional (health)sanitary standards[____]Trade restrictions____], Geographical distances [____], Organization and Management structure [____]Livestock disease control[____] Infrastructure [____]

EVALUATION

1. Does your firm evaluate the different promotional strategic tools in influencing the international export of livestock and livestock products? Yes () No ()
2. Does your firm evaluate the different promotional challenges that influence your International export of livestock and livestock products? Yes () No ()

THANK YOU FOR YOUR CO-OPERATION.

Appendix III: Letter of Introduction

May/June 2007

Dear Respondent

MBA RESEARCH PROJECT

This questionnaire is intended to gather information on strategies and challenges by the Kenyan firms in the livestock industry during exports of livestock and livestock products.

This study is being carried out for a management project paper as a requirement in partial fulfillment of the degree of masters of business administration, University of Nairobi.

Your responses will be treated strictly confidential and only used for academic purposes. Your cooperation is highly appreciated.

Yours sincerely

Dr. Peter Maina Ithondeka
Student

Dr. Martin Ogutu
Supervisor

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