EFFECT OF SHOPPER MARKETING PRACTICES ON SALES PERFORMANCE OF MEDIUM AND LARGE SUPERMARKETS, IN NAIROBI COUNTY, KENYA

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SEPTEMBER 2015
DECLARATION
This research project is my original work and has not been presented for the award of a degree or any other quantification in any other university or institution.

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D61/61924/2010

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

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DEDICATION

I dedicate this project to my family for unfailing encouragement and love. To my dear husband Collins, and to my loving sons Baraka, Branson and Brian, who were constant sources of encouragement for me to strive on to the completion of this project.
ACKNOWLEDGEMENT

I wish to thank most sincerely all those whose contributions have made this project a success. To my supervisor Prof. J.M Munyoki for his assistance and advice all through making this project a success. To my wonderful family for their support both morally and financially. Most of all I thank God for the gift of wisdom and strength to complete this project.

I feel indebted to the management of Uchumi Supermarket. To my classmates and all other people who in one way or another played a part in my entire MBA process. To all of you may the Almighty God bless you abundantly.
ABSTRACT
In the present day business environment that is characterized by increased competition among local and international companies, the emergence of more demanding customers and great technological advances has resulted in a complex market in the retail business. In this complex market environment, the marketing strategy of the company could be a competitive advantage versus other companies provided that they deliver services and values that not only meet the customer demands, but surpass them. Shopper marketing has emerged in recent years as a breakthrough concept in the evolution of consumer communication, as product manufacturers and retailers alike have identified a growing need to influence the shopping experience. The objective of the study was to establish the effect of shopper marketing practices on sales performance of medium and large supermarkets in Nairobi County. The research design adopted by the study was descriptive cross sectional survey design. The population of this study comprised of all medium and large supermarkets in Nairobi County. According to Nairobi county records 2015, there are 24 medium and large supermarkets in Nairobi. The study used primary data which was collected using self-administered questionnaires. The data collected was analyzed using descriptive measures and presented in tables and charts. The study found out that the supermarkets have adopted shopper marketing practices that include the use of free-standing product display racks, end-aisle display, navigational signs (aisle directories, product markers), free-standing advertisements, shelf advertisements, display bins, store staff, floor advertisements, shopper cart advertisements and in-store flyers as the shopper marketing practices. The shopper marketing practices were found to have an effect on sales performance as they increased sales volume, stock turnover rate, average customer spend, number of sales units and efficiency in service delivery.
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study
There is widespread belief that many purchases are unplanned for, with 70 percent made in stores. 68 percent of which are impulse driven (Grocery Marketing Association, 2007). Five percent of these shoppers are loyal to the brand of one product group. These statistics have caused marketing investments to shift from consumer marketing to shopper marketing. Shopper marketing also labeled as ‘in-store marketing’ is a set of marketing activities that comprise of understanding the motivation, attitude and behavior of shoppers over the path to purchase and the shopping cycle across all touch points. Organizations invest considerable resources inside the store to influence shoppers. According to Grocery Marketing Association (2007), there is a forecast of a compound annual growth rate of more than 20% for in-store marketing budgets.

Sales are an activity involving the selling of goods and services in return for money or other compensation, which is initiated and completed by the seller, the owner of the goods. The first step of the agreement to an acquisition is followed by the passing of the title and settlement of the prices, the sales completes prior to payment and makes the payment obligatory. Sales performance is the sum of all efforts that it takes to deliver a product or service, therefore is measured in terms of items produced and services performed within a given time period (Christenen, 2001).

In the last fifteen years, the Kenyan supermarket scene has evolved from a rich man’s shopping place to a one-stop-shopping place for both the middle and lower classes. Large supermarkets of above 60,000 square feet referred to as hypermarkets have been established to provide for all
product categories pertaining to a category of needs. The development of hypermarkets has been due to an increased demand for time and cost savings by consumers. Customers are value-based, they demand for better value in terms of time and cost savings compared to buying bundled products individually.

1.1.1 The Concept of Shopper Marketing
Shopper marketing is the planning and executing of all marketing activities that influence a shopper along and beyond the entire path to purchase, from the point at which the motivation to shop first emerges through to purchase, consumption, repurchase and recommendation (Shankar, 2011). According to Young (2009), Shopper marketing is brand marketing in the retail market. It therefore includes category management, displays, sales, packaging, promotion, research and marketing. Shopper marketing is involving. It entails understanding how one’s target consumers behave as shoppers, in different channels and formats, and leveraging this intelligence to the benefit of all stake-holders defined as brands, consumers, retailers and shoppers. Manufacturers target portions of their marketing investment at specific retailers or retail environments. For instance, supermarkets have several products under their own private label. Such targeting is dependent on agreement of objectives, targets and strategies between the manufacturer and a given retailer or given type of retail environment (Stahlberg and Maila, 2010).

When shoppers enter a store, they have different goals with an overall goal ranging from precise to concrete (e.g. taking advantage of a particular promotion) to relatively abstract (e.g. to fill up on weekly needs). Shopper marketers take it upon themselves to utilize each occasion. Shoppers’ responsiveness to marketing stimuli is an essential condition in research in retailing. Association
with stimuli is based on a deep understanding of shopper behaviour designed to build brand equity, engage the shopper and lead him to purchase (Liberman and Warkslok, 2007).

Shopper marketing can extend outside the store to the place and time a customer decides to purchase a product. Out of store activities include use of traditional media, new media, direct marketing, loyalty, trade promotions, product modification and other marketing techniques. Marketing activities carried out in-store often capture a shopper’s attention and therefore drives unplanned shopping. On trips which the shopper takes note of marketing information outside the store environment, the shopper is likely to have engaged in planning (Bettman, 1979), so it doesn’t affect unplanned buying.

1.1.2 Shopper Marketing Practices
Shopper marketing practices are adopted from the traditional marketing mix and thus can be divided into the four P’s; Product, Price, Place and Promotion. Product represents size, shape, color, material, packing messages and graphics. Price represents discounts, bundled offers, price communication and coupons. Place represents store concept, lightning, shelves and placing of special presentations.

Shopper marketing practices encompass in-store deals; promotions that are not store based. Shopper marketing practices include promotional activity by retailers and manufacturers before a shopper enters a store as well as in –store promotions. In-store promotions include end-aisle displays, free standing product display racks, in-store flyers, navigational signs (aisle directories, product markers), display bins, free standing advertisements, inflatables, pallet of featured product, shelf advertisements, floor advertisements, coupon dispensers, freezer door
advertisements, video or interactive displays, shopper cart advertisements and use of store staff to attract shoppers.

1.1.3 The Concept of Sales Performance
Organizational performance is the efficiency and effectiveness of the organization such that in effectiveness there is a fit between the organization and its environment, its capabilities help it achieve its mission, while efficiency is the cost per unit of output which should be much less than the input. Organizational performance can thus mean; satisfactory profit (sales) or return on investment (financial); the organization’s ability to satisfy its members e.g. employees, managers and stakeholders; the organization’s ability to achieve its current goals and the organization’s ability to continuously adapt to changes and survive in the changing environment. Traditionally, performance has been assessed in terms of profits, sales, market share, productivity, debt ratios and stock markets (March and Sutton, 1997).

Sales performance refers to the volume of sales achieved within a specified period compared to predetermined sales levels. In manufacturing, labour, machines, raw material and semi-manufactures are inputs for a certain method of production, and as such determinants of the volume that is and can be produced (Siegler, 2010). Sales performance becomes the value of the result of the price of a product or service deducted from all costs (supplies, materials, human labor, etc) that go into the effort. An effective retailer tries to minimize the inputs to generate higher outputs, where inputs are money and time and outputs are purchases and satisfaction. Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm’s overall financial health over a given period of time, and can be used to compare similar firms.
1.1.4 Supermarkets in Kenya

A supermarket is a marketing intermediary that sells to ultimate consumers for their own use. Supermarkets create utility for consumers, that is, the want-satisfying ability and value that an organization adds to goods and services by making them more useful or accessible to consumers. Supermarkets in Kenya mushroomed from upper income suburbs in large cities to middle class and poorer consumer markets. The spread of supermarkets then advanced into `poorer and less advanced countries` such as Uganda, Tanzania, Rwanda and South Sudan. Njenga (2006) noted that Kenya`s advancement in supermarkets is evident from the fact that its five cities; Nairobi, Mombasa, Kisumu, Nakuru and Eldoret have at least 165 supermarkets. The expansion of Kenyan supermarkets is similar to that of South Africa (Njenga, 2006). Nakumatt has presently expanded into Uganda, Tanzania, Rwanda, Burundi and South Sudan. Uchumi supermarkets have also expanded into Tanzania, Rwanda and Uganda. Within these countries and also in Kenya, supermarkets are spreading into secondary cities and smaller towns. Presently, Kenya has over 300 supermarkets. (Economic Survey 2015). There are at least six big supermarkets which include Nakumatt, Naivas, Tusky's, Uchumi, Ukwala with the smaller ones being Chandarana (Food plus), Eastmatt and Tumaini supermarkets. This study limits itself to mainstream supermarkets which can be described as supermarkets with more than 50 employees in day to day activities and are of 15,000 to 60,000 square feet.

Supermarkets have also revolutionaryized the products they offer and are rapidly penetrating into urban food retailing, spreading beyond their initial tiny market niche into the food markets of lower-income groups (Kiumbura, 2003). Having penetrated processed and staple foods much earlier and faster than fresh foods, supermarkets have made in –roads into the fresh fruits and vegetables category. The important changes in their procurement system bring significant
opportunities and challenges for smaller farmers and have implications for agricultural diversification and rural development programs and policies (Neven, 2004).

Supermarkets in Kenya have moved to create brand differentiators in order to position themselves differently, they have moved to have loyalty cards, 24 – hour shopping concept and price uniformity across outlets than primarily focus on individual product categories and in-store activities. The orientation of shopper marketing expands to multiple categories across all touch points and channels including social media (Briesch et al. 2009).

1.2 Research Problem
Over the years there has been intensified focus in understanding the actual action of buying by a consumer. There numerous possible reasons for this on the ‘moment of truth’ compared to other perspectives on consumers (for example consumer needs, brand preferences, usage). One explanation is that of traditional marketing approach is broken and has become separate from the actual consumer who makes decisions to buy. Marketing must engage more with the shopper to fix the model (Inman, Winer and Ferraro, 2009). There has been growing interest in shopper marketing, which reflects organizations interest in managing their brands at retail and retailers’ interest in growing category demand and overall sales, including private label. Both manufacturers and retailers also have an interest in enhancing the experience for shoppers on a continual basis.

The ultimate goal of a company is to make profits hence improve sales performance. Thus firms employ various competitive strategies in order to gain an edge over its competitors. Scheder (2011) shows that shopper marketing incorporates the efforts of the firm to be competent in the changing business environment and to excel in all key success factors. According to Shankar
(2011), shopper marketing is directly linked to sales performance. He argued that shopper-centric marketing strategies amongst other things improve the sales performance of businesses. Positive behavioral consequences for marketers allow a firm to achieve its financial goals. The involvement of employees ensures ownership of these strategies with greater motivation for implementation.

In Kenya, a number of studies have been done on the retailing industry. For instance, Karemu (1993) studied the state of strategic management practices in retailing sector with a particular focus on supermarkets in Nairobi. Lagat (1995) studied the state of marketing using online activities in Kenya`s retail sector while Munyoki (1997) did an analysis of factors affecting pricing strategies of selected consumer goods in the retail market with a specific focus on supermarkets in Nairobi. Similarly, Njenga (2006) investigated the attitudes of selected stakeholders towards growth strategies that were followed by large scale retailers in Kenya. Kiumbura (2003) studied retailer brands and channel conflict of supermarkets in Nairobi. Karanja (2011) looked at the extent of adoption of shopper marketing tools in supermarkets in Kenya. It is worth noting that though studies have been done touching on aspects of supermarkets, none has been undertaken on shopper marketing and the sales performance of supermarkets. This study therefore seeks to establish the relationship between shopper marketing and sales performance. The study will be guided by the following research question: What is the effect of shopper marketing on the sales performance of supermarkets?

1.3 Research objectives
The study had two research objectives and these are:

i. To determine shopper marketing practices of supermarkets in Nairobi, Kenya.
ii. To establish the effect of shopper marketing on the sales performance of supermarkets in Nairobi.

1.4 Value of the study
The findings of this study are expected to be of importance to theory, practice and policy. In practice, the study will provide insights to guide shopper marketing trends. It is anticipated that this study will help management of supermarkets to be aware of shopper marketing practices and their effect on sales performance. The study will also establish how product category characteristics, customer characteristics and customer activities affect in-store as well as outside the store decision making, by retail managers.

It is expected that the study will be of importance to academicians in that the knowledge generated will enable other researchers to improve and develop a better understanding of shopper marketing practices in the retail industry. By researching on this topic which has received little attention mostly from local researchers, the study will also stimulate future scholars to further research on shopper marketing.

In addition, it is hoped that the research findings will help the government in formulating strategic policies for effective management and shaping of the industry. The study will provide information for government and policy makers that will be relevant for ensuring that the retail market industry is well regulated.

1.5 Summary
Chapter one provides an introduction to Background of the study, the Concepts of Shopper Marketing, Shopper Marketing Practices and Sales performance. A brief history of supermarkets in Kenya to the presented day is provided. The research problem is defined as well as the research objectives and value of the study is discussed in brief.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides the theoretical foundation of shopper marketing, consumer behavior as an aspect of shopper marketing, an overview of shopper marketing practice and its applicability both in global and local arena. The section also contains an overview of sales performance and how shopper marketing practices relate to sales performance.

2.2 Theoretical foundation

Attitudes are learned predispositions to respond to an object or class of objects in a consistently favorable or unfavorable way. The tri-component model of attitude provides three underlying dimensions to attitude; Cognitive, Affective and Behavioral (Conation) as illustrated in Figure 2.1.

Figure 2.1: Attitude components and manifestations

<table>
<thead>
<tr>
<th>Initiator</th>
<th>Component</th>
<th>Component manifestation</th>
<th>Attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stimuli:</td>
<td>Affective</td>
<td>Emotions or feelings about specific attribute or overall objects</td>
<td>Overall orientation toward object</td>
</tr>
<tr>
<td>Products, situations, retail outlets, sales personnel, advertisements and other attitude objects.</td>
<td>Cognitive</td>
<td>Beliefs about specific attributes or overall objects</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Behavioral</td>
<td>Behavioral intentions with respect to specific attributes or objects</td>
<td></td>
</tr>
</tbody>
</table>

The cognitive component consists of a consumer’s belief about an object. In logic the more positive each belief is and easier it is for an individual to recall the beliefs, the more favorable the overall cognitive component presumed to be. The affective component represents feelings or emotional reactions to an object. The behavioral component refers to one’s tendency to respond in a particular manner towards an object or activity. This component is reflected by tendencies to seek out brands on store shelves or search for brand information. Actual behaviors reflect these intentions as they are modified by the situation in which the behavior will occur. All the three attitudes tend to be consistent so that a change in one attitude component leads to a related change in the other attitude component.

Marketing managers are ultimately concerned with influencing behavior, which is difficult to influence directly. It can be difficult to cause customers to buy, use or recommend their products. However customers will often listen to sales personnel, attend to advertisements or examine packages. Marketers can therefore indirectly influence behavior by providing information, music or other stimuli that influence a belief or feeling about that product if the three components are indeed consistent with each other. The multi-attribute models below, (Fishbein and Rosenberg) of attitude explain how various cognitions or beliefs about an object, product or brand combine to form a global attitude, the cognitive route to attitude change.

2.2.1 Fishbein Model

The Fishbein model tries to explain the formation of overall attitude by seeing the object as having a set of consequences which could be desirable or undesirable. Attitude is the sum of those weighted consequences, where each consequence is weighted by the evaluation of that consequence, that is, how good or bad that consequence is.
A _b_ is equal to \( \sum_{i=1}^{n} W_i X_{ib} \)

Where \( A_b \) represents consumer’s attitude toward a particular brand b

- \( X_{ib} \) is customer’s belief about brand b’s performance on attribute i
- \( n \) is the number of attributes considered
- \( W_i \) is the importance the consumer attaches to attribute i

### 2.2.2 The Rosenberg Model

It is a model based on cognitive consistency theory (which holds that the various cognitions people hold have to be consistent with each other). According to the model, an object may be instrumental in helping to achieve certain values (things that are valued). Attitude toward an object is a function of the extent to which the object is instrumental in obtaining various values, weighted by the relative importance of those values.

\[
A_0 = \sum_{j=1}^{n} I_j * V_j
\]

Where \( A_0 \) is the overall attitude toward the object

- \( I \) is the importance of the value j
- \( V \) is instrumentality of the object in obtaining value j
- \( n \) is the number of values

Through the multi-attribute models, beliefs that underlie customer attitudes are obtained and how these beliefs are weighted to yield overall attitudes can be established. Since the multi-attribute models specify what underlies attitude, they offer a handle on how, in the cognitive mode, it is possible to change or influence customer attitudes. According to multi-attribute models, customer attitudes can be changed either by changing the importance customers assign to an attribute or the evaluation of that consequence or by introducing a new attribute, that is, in
evaluation criteria, into customers’ evaluation process or by changing a specific component belief which can be done by changing the perception of the corresponding attribute level or associated consequence.

2.3 Consumer Behavior as an Aspect of Shopper Marketing

Shopper behavior in the shopping cycle comprises search, evaluation, category/brand/item choice, store choices, store navigation and post-purchase actions (Shankar, 2011). Shopping marketing as a process can be addressed in the perspective of the Consumer Decision Process Model. Need recognition occurs when an individual senses a difference between what he perceives to be ideal versus the actual state of affairs. In the Problem Recognition stage, memory, individual differences and environmental influences have interplay. Low involvement purchase tends to be selective while high involvement purchase tends to be generic. In Information Search stage, consumers will search for information internally from memory or externally by collecting information from peers, family or workplace. A consumer’s decision requires information on; the appropriate evaluation criteria for the solution of a problem, the existence of various alternative solution and the performance level or characteristic of each alternative solution on each evaluative criterion.

When evaluating alternatives, consumers use new or pre-existing evaluations stored in memory to select products, services, brands and store that will most likely result in their satisfaction with the purchase or consumption. Different consumers employ different evaluative criteria. Evaluative criteria can become a product specific manifestation of an individual’s needs, values or lifestyle. After deciding whether or not to purchase, the consumer moves to two phases; choosing one retailer over the other and involving in-store choices influenced by sales people,
product displays, electronic media and point–of-purchase advertising. The final stage is the post-purchase evaluation. Post purchase dissonance which is doubt or anxiety occurs in the process after purchase. It occurs because the consumer is making a permanent commitment to a chosen alternative. At this point the consumer may fail to use the product. Upon usage the product is disposed of and further evaluation takes place. The consumer may be disappointed with the product leading to complaint behavior. Alternatively, if the consumer has satisfaction (whereby the consumer’s expectation is matched by perceived performance), repeat purchases occur as well as increased use of product, brand loyalty, brand switching or discontinued use.

2.4 Shopper Marketing

Shopper marketing orientation focuses heavily on the shopper and shopper mode, compared to traditional brand and consumption focus. Brand building is achieved through triggers in the shopping cycle. This contrasts with traditional focus on awareness building and push-and-pull marketing. Rather than primarily focus on individual product categories and in-store activities the orientation of shopper marketing expands to multiple categories across all touch points and channels including social media (Briesch et al. 2009)

The shopping cycle is more complex than purchase funnel because it reflects behavior in a more complex shopping environment. Hansen and Singh (2009) argue that shopper marketing characteristic should start long before one enters the store. Marketers need to find creative ways to influence people at key points in the shopping cycle and develop relevant metrics for monitoring behavior in an integrated way. Marketing Science Institute (2010) emphasized some specific ways this plays out in practice. Marketing activities are based on shopper insights, a distinct type of research and analysis that covers the entire consumer decision stream on the path
to purchase. Marketing activities are expected to build brand equity for both the manufacturer and the retailer. There is often strategic collaboration with other retailers and other brands. This approach opens up opportunities for targeting shoppers with activities designed specifically for them. The fact that more than half of purchases are made in-store is highly motivating to shopper marketers. It means that there is considerable untapped potential if they can find the right marketing drivers.

Paying attention to the shopping behavior of customers is the essential part of being customer-centric manufacturing company. The world of retailing is changing in ways that mean traditional tools for connecting with customers are no longer adequate. As a result, many manufacturers are employing shopper marketing strategies. By your products one can integrate attitudinal and causal data that can give a 360-degree overview of the shopper and behavior. This can provide for a rich experience for the shopper since we can observe the behavior, seek to understand it with integrating attitudinal research and deliver relevant communication to the consumer.

Organizations must leverage the increasing investment in shopper marketing to create brand value. Understanding the shopper follows a tried-time process. According to Van Heerde et.al (2008), the following must be in place; shopper centric marketing; a shopper-centric culture; an intimate household-level understanding; brilliant execution; continual measurement/improvement and strategic collaboration. Most questions about shopper marketing start from a brand or store-centric point of view. Capturing those that shopper purchases within the stories more cost effective than acquiring new ones and reduces the risk of shoppers shifting store preferences or loading their baskets on a shopper trip elsewhere. Consumer migration over time becomes the key score-card for brand health (Tsiros, Michael and Hardesty, 2010). Manufacturers need to make a commitment to identify interests, motivation and needs of their
most loyal shopper segments. Although shopper marketing has only really permeated the marketing mainstream over the last few years, its proponents argue that it is an important move away from short term and adversarial past of trade marketing and sales promotion tactics to a more strategic marketing discipline that has a key role to play in an integrated marketing approach. This is a strategy employed by companies in hard recessive times.

Shopper marketing in Kenya is adapted to a large extent by manufacturers and retailers. Karanja (2011) established that manufacturers and retailers are increasingly investing in-store decision making as evidenced by the projected growth rate of 21 percent for in-store marketing through 2010. Traditional marketing which includes television, print media and trade promotions is on the decline compared to shopper marketing in Kenya. This is driven by the urgent need to develop actionable insights capable of better influencing shoppers all along the path to purchase and generate measurable results. Over 55 percent of manufacturers in the food, beverage, health and beauty, and household product categories surveyed indicated an increase in investment in shopper marketing by 5 percent annually in the last three years.

2.5 Sales Performance

Highly competitive environments, globalization, ever-growing amounts of performance data and increasing pressure to do more with less made it imperative for firms to be demand driven. It is no wonder that measuring, reporting and overall sales performance are hot topics. Companies in every industry are seeking ways to get a clear, accurate view of sales performance. Essentially, they need an effective, reliable approach to connect sales performance to financial results (Clarke, 2007)
Christensen (2001) argues that the sales department contributes the largest in any organization’s growth; the goal is to increase the number of interactions between potential customers and the company using promotional techniques such as advertising techniques, sales promotions, publicity and public relations, creating new sales channels or creating new products. It is used to compare the effectiveness of the organization, department, workstation or individual to itself, overtime for the same operation or with other counterparts. It can be expressed as partial, multi-factor and total measures, partial measures are used to analyze characteristics in terms of a single input, multi-factor measure is used to analyze the utilization of multiple inputs, and total productivity express the ratio of overall output produced to all resources used.

Cameron et al. (2009) says that performance is the quantum of sales done by a sales person within a given time period, which can be measured by value of sales, number of sales units and quality of sales persons which increases with work experience in a given environment, are found to be good at product knowledge, understanding the company and the client’s needs, network of contacts, references and his overall experience which results in increased productivity of the company.

According to a research done by Hernant (2009) on profitability performance of supermarkets, the challenge that retail managers face is that of making decisions and taking actions, in order to satisfy consumers needs and wants and respond to the actions of competitors. Companies are changing their organizational structure to support shopper-centric marketing to focus on the needs of the consumer. This involves allocating resource, creating departments within the marketing department which are dedicated to research, program development, relationship management and the execution of shopper marketing initiatives.
Levy (2007) discusses retail store management as characterized by highly complex operations, comprising tasks that are long-term as well as short-term which involve strategic features e.g. the selection of the store location, issues on price, merchandise and service attributes as well as operational issues on scheduling staff members, organizing daily routines, monitoring and evaluating current performance. Consumers will choose stores depending on price image perceptions (Hansen and Singh 2009), breadth and depth of assortment, location, convenience, ability to do one-stop shopping and store service as important element in store positioning.

2.6 Shopper Marketing Practices and Sales Performance

Top performers in shopper marketing are becoming more sophisticated in their efforts. They are putting more and better resources into shopper marketing, investing in the toolsets to help make more strategic decisions, and working hard to recruit and train the right people. Most important, the leaders are doing so faster than other companies, many of which are adopting a wait-and-see attitude or approaching shopper marketing tentatively through ad hoc experimentation. As a result, the sophistication gap between top performers and everyone else is getting wider, and the slower moving companies find themselves at risk of being left behind. Companies with advanced shopper marketing capabilities report that their initiatives perform significantly better at driving company-level results such as boosting top line growth, driving value from relationships, and building brand equity. They report one and a half times greater effectiveness than the less sophisticated group at achieving results across all shopper marketing objectives. They have overcome key challenges such as obtaining executive sponsorship and funding, and are putting the planning and evaluation infrastructure in place to even further improve shopper marketing effectiveness.
Shopper marketing effectiveness at company level generates competitive advantage by minimizing the cost of in-store programs, building brand equity, driving new product development and innovation, generating relevance with retail partners, and by meeting retailer requirements. Less advanced companies often struggle to resource their emerging shopper marketing initiatives. They face insufficient funding and lack of appropriate skill-sets and talent. Often lacking executive buy-in or organizational understanding of the importance of shopper marketing, they are unable to secure the commitment for additional headcount and programs. They tend to conduct their programs on an ad hoc basis (68 percent of companies in this group) versus as part of a formal planning process.

Once the programs are in place, an average respondent rating their shopper marketing programs effectiveness at achieving objectives is done, on a scale of 1(not at all effective) to 5 (very effective). More sophisticated companies report greater effectiveness across all shopper marketing objectives. Drivers of differences in shopper marketing effectiveness include inability to generate/obtain shopper insights, lack of executive sponsorship, availability of appropriate capabilities/skill-sets, insufficient head count budget, and inconsistent understanding of shopper marketing within the organization. Less sophisticated companies struggle with resourcing, planning and measurement. Tellingly, respondents acknowledge that some industry leaders are miles ahead in their shopper marketing journey, yet none have given up the chase. (Grocery and Manufacturers Association, Deloitte Consulting, 2008).

2.7 Summary
The theoretical background provides an insight into the possible attitude change strategies that marketers can use to influence shopper marketing behavior. This is further elaborated by the
Fishbein and Rosenberg Multi-attribute Models. Shopper marketing heavily borrows from Consumer Behaviour as suggested. Shopper Marketing Practices and Sales Performance are examined in detail and their relationship is reviewed as postulated.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter puts into focus the methodology that was used. It specifically discusses the research design, population of the study, the data collection and the data analysis techniques.

3.2 Research Design
Research design provides the conceptual framework within which the research is conducted: It constituted the blue print or roadmap for the collection, measurement and analysis of data (Kothari, 2007). The study adopted a descriptive cross sectional survey design which according to Kothari (2004) is structured to examine a number of logical sub-units or units of analysis within an organization.

Morris and Wood (1991) acknowledged the importance of cross sectional survey design especially when the intent is gaining broader understanding of the research and the processes being enacted. Moreover, they argue that the design has considerable ability to generate answers to questions of Why? What? and How? of the phenomenon being researched. Nachmias and Nachmias (2007) pointed out that a researcher can employ a survey design to measure variables or test hypothesis using survey data collection instruments to get a feel of the population or industry. This kind of study was used to determine the effect of shopper marketing practices on sales performance.

3.3 Population of the Study
Population refers to an entire group of individuals, events or objects having common characteristics that can be observed and measured (Yin, 2003). The target population of this study was all medium and large supermarkets in Nairobi County. These supermarkets were selected on
the assumption that they were in a better position to be implement shopper marketing due to their growth focus. According to Nairobi county records 2015, there are 24 medium and large supermarkets in Nairobi. A medium-sized supermarket is one that has 50 employees to 149 employees while a large supermarket has above 150 employees. Due to the small size of the population, the researcher carried out a census hence each supermarket had a subject who was the source of information required. An appendix of the list of supermarkets is attached for reference.

3.4 Data Collection
In this study, primary data was collected using questionnaires. A questionnaire as a data collection instrument of choice is easy to formulate and administer and also provides a relatively simple and straightforward approach to the study of attitudes, values, beliefs and motives (Robson, 2002). Questionnaires were also preferred because they ensured a high response rate as the questions are distributed to complete and collected by the researcher. They also require less time and energy to administer, offer the possibility of anonymity because subjects names are not required on the completed questionnaire.

The questionnaire was administered to each supermarket’s branch/marketing manager or the equivalent using two methods. Self administered questionnaires, where respondents were asked to complete the questionnaires themselves. In this case, the questionnaires were hand delivered and picked. Follow up calls were made to ensure that the questionnaires were dully filled within a reasonable period of time. The researcher-administered questionnaire method, where the researcher used the questionnaire to interview the respondents was also used. This was necessary where subjects were not able to interpret the questions. The researcher guided the respondents
where applicable to ensure that the information gathered was valid, reliable and suitable for the study.

3.5 Data Analysis
Based on the data evaluation instruments, quantitative and qualitative data analytical techniques were utilized. Qualitative data was analyzed through thematic summary analysis where responses were grouped into themes, summarized and grouped data presented in prose. Descriptive statistics included measures of central tendency and measures of variation. Once the data was collected, the questionnaires were edited for accuracy, consistency and completeness.

However before final analysis was performed data was cleaned to eliminate any discrepancies and thereafter, classified on the basis of similarity and then tabulated. The responses were coded into numerical form to facilitate statistical analysis. The questionnaire was analyzed based on descriptive analysis. In particular, mean scores, standard deviations, percentages and frequency distribution were used to summarize the responses and to show the magnitude of similarities and differences. Results were presented in tables and charts.

3.6 Validation and Reliability Test
To measure the validity and reliability of the instrument, a pilot study was done where the questionnaire was administered to two supermarkets prior to the actual collection of data. Content validation was used to measure the degree to which data collected using the questionnaire represented a specific domain of indicators or content of the particular concept. The questionnaire contained sales performance indicators such as increase in sales volume, increase in average customer spend, increase in stock turnover rate, and increase in number of sales units as well as efficiency in service delivery. The test-retest technique was used as a
reliability test. It involved administering the same instrument twice to the same group of subjects. This was done with the aim of establishing the measure of degree to which the research instrument yielded consistent results after repeated trials.

3.7 Summary
The research design adopted was of a descriptive cross-sectional design. This was believed to be able to generate to questions as to Why? What? And How? Of the phenomenon researched. The target population was of all medium and large supermarkets in Nairobi County, where medium sized supermarkets had 50 to 149 employees and large supermarkets had employees above 150. The data collection method was discussed briefly as well as the data analysis techniques used. The validity of the data collection instrument used and its reliability was then assessed.
CHAPTER FOUR
DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to determine the effect of shopper marketing practices on sales performance of medium and large supermarkets, Nairobi County. This chapter presents the analysis, findings and discussion. The findings are presented in percentages and frequency distributions, mean and standard deviations.

4.2 Response Rate

A total of 24 questionnaires were issued out and only 22 were returned. This represented a response rate of 92%. This response rate was adequate for data analysis and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 70% and over was adequate.

4.3 Background Information of the Respondents and the Supermarkets

The background information considered in the study was the number of years in the current position, duration of supermarket operation, number of branches, sales per month and the number of employees.

4.3.1 Number of years in position

The respondents were requested to indicate the number of years in the position. Duration of service in the position was important for the study in order to determine the respondents’ level of understanding on the marketing practices that have been adopted by the supermarket and its effects. The results are presented in Table 4.1.
Table 4.1: Number of years in position

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1</td>
<td>3</td>
<td>13.6</td>
<td>13.6</td>
</tr>
<tr>
<td>1 – 5</td>
<td>6</td>
<td>27.3</td>
<td>40.9</td>
</tr>
<tr>
<td>5 – 9</td>
<td>9</td>
<td>40.9</td>
<td>81.8</td>
</tr>
<tr>
<td>Above 10</td>
<td>4</td>
<td>18.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The results in Table 4.1 indicate that 40.9% of the respondents have been holding the current position for a period of 5 to 9 years, 27.3% of the respondents indicated that they have been holding the current position for a period of between 1 and 5 years, 18.2% of the respondents said that they have been holding the position for over 10 years while 13.6% of the respondents indicated that they have been holding the position for less than a year. The results indicate that majority of the respondents have held the position in the supermarket for a long time and therefore they understand the effect of shopper marketing practices on performance and what needs to be done in order to get it right.

4.3.2 Duration of supermarket operation

The duration of supermarket operation was important for the study as the supermarkets that have been in existence for a longer duration of time to understand the shoppers purchasing behavior as shown in Table 4.2

Table 4.2: Duration of supermarket operation

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5</td>
<td>3</td>
<td>13.6</td>
<td>13.6</td>
</tr>
<tr>
<td>5 – 10</td>
<td>5</td>
<td>22.7</td>
<td>36.3</td>
</tr>
<tr>
<td>10 – 15</td>
<td>2</td>
<td>9.1</td>
<td>45.4</td>
</tr>
<tr>
<td>More than 15</td>
<td>12</td>
<td>54.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The results in Table 4.2 show that 54.6% of the supermarkets have been in existence for more than 15 years, 22.7% of the respondents said that the supermarkets have been in operation for a period of between 5 and 10 years, 13.6% of the respondents said that the supermarkets have been in operation for less than 5 years while 9.1% of the respondents indicated that the supermarkets have been in operation for a period of between 10 and 15 years. The results show that majority of the supermarkets have been in operation for more than 5 years and therefore they understand the competitive nature of the industry and the effect of shoppers practices on performance of the supermarkets.

### 4.3.3 Number of branches in Kenya

The respondents were requested to indicate the number of branches the medium and large supermarket have in Kenya. This was important for the study as the number of branches the supermarket has indicates the size of the supermarket and the market share they hold, as presented in Figure 4.1.

**Figure 4.1: Number of branches in Kenya**

![Bar Chart](chart.png)

- **9.10%** Less than 5
- **18.20%** 5 – 10
- **27.30%** 10 – 15
- **45.40%** More than 15
The findings on the number of supermarkets the supermarkets have indicates that 45.4% of the respondents said that the supermarkets have more than 15 branches, 27.3% of the respondents said that the supermarkets have between 10 and 15 supermarkets, 18.2% of the respondents indicated that the supermarkets have 5 to 10 branches while 9.1% of the respondents said that the supermarkets have less than 5 branches. The results indicate that the supermarkets have several branches and this enable the supermarkets increase the number of customers they have in order to improve their performance thus the need to understand their customers.

4.3.4 Sales collection per month

The monthly sales collection for the month question was intended to determine the movement of goods in the supermarket as this would indicate the frequency of shoppers to the supermarket as tabulated on Table 4.3.

**Table 4.3: Sales collection per month**

<table>
<thead>
<tr>
<th>Sales</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-20 million</td>
<td>3</td>
<td>13.6</td>
<td>13.6</td>
</tr>
<tr>
<td>21-30 million</td>
<td>4</td>
<td>18.2</td>
<td>31.8</td>
</tr>
<tr>
<td>31-40 million</td>
<td>6</td>
<td>27.3</td>
<td>59.1</td>
</tr>
<tr>
<td>Above 51 million</td>
<td>9</td>
<td>40.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The results in Table 4.3 indicate that 40.9% of the respondents said that the supermarkets sales collection for the month was above 51 million, 27.3% of the respondents said that the supermarkets sales was between 31 and 40 million, 18.2% of the respondents said that the supermarkets sales was 21 to 30 million while 13.6% of the respondents indicated the sales level to be between 11 and 20 million. The results show that the sales per month for the supermarkets
varied and this can be attributed to the number of branches, shoppers visiting the supermarket, prices of goods in the supermarket and the marketing practices that are used by the supermarket.

4.3.5 Number of Employees

The number of employees in the supermarket indicates the size of the supermarket in terms of the branches and overall operations. The results are presented in table 4.4.

Table 4.4: Number of Employees

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50</td>
<td>3</td>
<td>13.7</td>
<td>13.7</td>
</tr>
<tr>
<td>50-99</td>
<td>5</td>
<td>22.7</td>
<td>36.4</td>
</tr>
<tr>
<td>100-199</td>
<td>5</td>
<td>22.7</td>
<td>59.1</td>
</tr>
<tr>
<td>Above 200</td>
<td>9</td>
<td>40.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The results in Table 4.4 show that 40.9% of the supermarkets have more than 200 employees, 22.7% of the supermarkets have between 100 and 199 employees while another 22.7% of the supermarkets have between 50 and 99 employees. The respondents further noted that 13.7% of the supermarkets have less than 50 employees. The results indicate that the medium and large supermarkets have employed many employees and therefore in order to meet their operating costs, they need to understand and adopt marketing practices that will influence the shoppers in order to improve its performance.

4.4 Shopper Marketing Practices

The challenges imposed by changes in the business environment require continuous development and implementation of appropriate marketing practices in order to remain competitive. The specific contribution of marketing in the organization lies in the formulation of strategies to choose the right customer, build relationships of trust with them and create a competitive
advantage. Therefore, for the organization to cope with the outside world of customers and competitors, it is necessary to understand the shopper marketing practices.

### 4.4.1 Shopper Marketing Practices

The use of shopper marketing practices was undertaken in order to determine the practices that are mostly adopted by the supermarkets in order to improve their sales in a five point Likert scale. The range was ‘very low extent (1)’ to ‘very great extent’ (5). The scores of respondents’ low level of practice usage represent a variable which had a mean score of below 3.0 while the scores of above 3.0 represent respondents’ agreement with the usage of marketing practice. A standard deviation of >0.9 implies a significant difference on the impact of the variable among respondents.

**Table 4.5 : Shopper Marketing Practices**

<table>
<thead>
<tr>
<th>Shopper Marketing Practices</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>End-aisle display</td>
<td>4.2545</td>
<td>1.2140</td>
</tr>
<tr>
<td>Free-standing product display racks</td>
<td>4.3364</td>
<td>.9902</td>
</tr>
<tr>
<td>In-store flyers</td>
<td>3.4053</td>
<td>.8268</td>
</tr>
<tr>
<td>Navigational signs(aisle directories, product markers)</td>
<td>3.9545</td>
<td>1.1512</td>
</tr>
<tr>
<td>Display bins</td>
<td>3.7636</td>
<td>.7583</td>
</tr>
<tr>
<td>Free-standing advertisements</td>
<td>2.8643</td>
<td>.9598</td>
</tr>
<tr>
<td>Inflatable (advertisements that are inflated )</td>
<td>2.7227</td>
<td>1.0059</td>
</tr>
<tr>
<td>Pallet of featured product</td>
<td>2.5273</td>
<td>.8827</td>
</tr>
<tr>
<td>Shelf advertisements</td>
<td>3.8273</td>
<td>.7558</td>
</tr>
<tr>
<td>Floor advertisements</td>
<td>3.7345</td>
<td>.8230</td>
</tr>
<tr>
<td>Coupon dispensers/tear-off pads</td>
<td>2.8049</td>
<td>1.0500</td>
</tr>
<tr>
<td>Store staff</td>
<td>3.7818</td>
<td>.7724</td>
</tr>
<tr>
<td>Refrigerator/freezer door advertisements</td>
<td>2.7615</td>
<td>.8123</td>
</tr>
<tr>
<td>Video or interactive displays or kiosks</td>
<td>2.2483</td>
<td>.8239</td>
</tr>
<tr>
<td>Shopper cart advertisements</td>
<td>3.4412</td>
<td>1.2238</td>
</tr>
</tbody>
</table>
The results in Table 4.5 show that the supermarkets use free-standing product display racks with a mean score of 4.3364, end-aisle display and navigational signs (aisle directories, product markers) with a mean score of 4.2545 and 3.9545 respectively. The respondents further indicated that the supermarkets use free-standing advertisements (mean = 3.8643); shelf advertisements (mean = 3.8273); store staff (mean = 3.7818); display bins (mean = 3.7636); floor advertisements (mean = 3.7345); shopper cart advertisements (mean = 3.4412) and in-store flyers (mean = 3.4053).

The respondents further noted that the supermarkets were using some marketing practices to a low extent. These practices include coupon dispensers/tear-off pads (mean = 2.8049); refrigerator/freezer door advertisements (mean = 2.7615); inflatable (advertisements that are inflated) (mean = 2.7227); pallet of featured product (mean = 2.5273) and video or interactive displays or kiosks (mean = 2.2483).

From the findings, it can be concluded that the supermarkets have adopted several shopper practices that will influence the perception of customers thus buying goods that affect their performance and competitiveness in the industry. To improve competitiveness, supermarkets are growing rapidly, adopting aggressive strategies to attract customers due to emergence of new supermarket formats and competition between supermarkets.

### 4.5 Sales Performance Indicators

The respondents were requested to indicate the effect of shopper marketing practices on performance of the supermarkets. This was important for the study in order to determine whether marketing practices has an effect on the performance of the supermarkets.
Table 4.6: Sales Performance Indicators

<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in supermarkets sales volume</td>
<td>4.1058</td>
<td>1.0954</td>
</tr>
<tr>
<td>Increased average customer spend</td>
<td>3.8182</td>
<td>0.8135</td>
</tr>
<tr>
<td>Increased stock turnover rate</td>
<td>3.9091</td>
<td>0.8312</td>
</tr>
<tr>
<td>Efficiency in service delivery</td>
<td>3.6727</td>
<td>0.9037</td>
</tr>
<tr>
<td>Increased number of sales units</td>
<td>3.7196</td>
<td>1.1281</td>
</tr>
</tbody>
</table>

The findings as shown on Table 4.5 indicate that shopper marketing practices result in increased sales volume with a mean score of 4.1058; increased stock turnover rate and increased average customer spend with a mean score of 3.9091 and 3.8182 respectively. The respondents further noted that the supermarkets record increased number of sales units (mean = 3.7196) and efficiency in service delivery (mean = 3.6727). The results indicate that the adoption of shopper marketing practices affect performance of supermarkets thus for competitiveness and sustainable advantage, organizations should endeavor to create value for customers which are only possible by responding with faster answers to the ever changing business environment driven majorly by technological changes.

4.6 Discussion

In a hypercompetitive economy with increasingly rational buyers faced with abundant choices, a supermarket can only win by fine-tuning the value delivery process and choosing, provide and communicating superior value. Kotler (2007) argues that with the rise of digital technologies such as the internet, today’s increasingly informed customers expect companies to do more than to connect with them, more than satisfy them and even more than delight them. Consumer purchase decisions are made at the point of purchase and may be influenced by what takes place
there (Jobber, 2010). Thus, there is need to understand the shopper’s situational factors which might influence his or her buying decision process. The study established that the supermarkets use free-standing product display racks, end-aisle display, navigational signs (aisle directories, product markers), free-standing advertisements, shelf advertisements, display bins, store staff, floor advertisements, shopper cart advertisements and in-store flyers as the shopper marketing practices. This was found to be consistent with Turley and Chebat (2002) findings that the environment created by retail managers is an important strategic variable, being able to affect the shopping behaviour.

Wilburn (2011) noted that shoppers marketing practices are major contributors in the sales performance of a company and it helps a company do business in accordance with its objectives and it helps many companies achieve their targets or realign their objectives. Marketing practices are important in business as it helps convince potential customers buy a company’s product it is more important due to many company’s offering similar products a marketer must take his time to persuade and convince potential buyers buy their products. The adoption of shoppers marketing practices by the supermarkets was found to have an effect on its performance as it increased sales volume, stock turnover rate, average customer spend, number of sales units and efficiency in service delivery. Hansen and Singh (2009) established that companies with advanced shopper marketing capabilities report that their initiatives perform significantly better at driving company-level results such as boosting top line growth, driving value from relationships, and building brand equity. They report one and a half times greater effectiveness than the less sophisticated group at achieving results across all shopper marketing objectives.
4.7 Summary
Background information on respondents considered for data analysis included the number of years the respondents had worked for the supermarket. A majority of the respondents had held the position of branch/marketing manager for a moderately long period of time (above 5 years). The duration of the supermarkets existence determined its growth. The longer it had been in existence, the more the number of branches it had and the higher the number of employees it had. Shopper Marketing Practices used most frequently included free-standing product displays racks, end-aisle display and navigational signs while those least frequently used included video or interactive kiosks, pallet of featured products, inflatables amongst others.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
The chapter is outlined into summary of the findings, conclusions, recommendations, limitations of the study and suggestions for further research.

5.2 Summary of Findings
The study established that the supermarkets duration of operation varied and for the ones which have been in operation for a longer period of time they understand the challenges facing the industry and the marketing strategies that ensures that the supermarket compete effectively. The study found out that the supermarkets have several branches and therefore they can reach many customers in different parts of the county and these impacts positively on its performance. The sales per month for the supermarkets was found to be over 11 million for all the supermarkets although it varied and this can be attributed to the size, number of branches and the marketing strategies that have been put in place by the supermarkets. The number of employees in the supermarkets was found to vary with the supermarket and therefore in order to meet its operations costs, they need to understand and adopt marketing practices that will influence the shoppers in order to improve its performance.

Shopping marketing practices was found by the study to have been used by the supermarkets. The practices were found to be free-standing product display racks, end-aisle display, navigational signs (aisle directories, product markers), free-standing advertisements, shelf
advertisements, display bins, store staff, floor advertisements, shopper cart advertisements and in-store flyers as the shopper marketing practices.

Marketing plans help companies and organizations employ shopper marketing practices that will help them realize both their long-term and short-term objectives. The effectiveness of shopper marketing practices has to be captured by the additional sales of a product over and above those that would have happened in absence of any marketing or promotion. The sales performance of the supermarkets was found to have been affected by the shopper marketing practices as it resulted in increased sales volume, stock turnover rate, average customer spend, number of sales units and efficiency in service delivery.

5.3 Conclusion

Today’s consumers are highly knowledgeable and demanding. For supermarkets to succeed in the competitive environment, they have to be responsive to the needs and wants of their target customers better than competitors. The supermarkets have come to realize that understanding, meeting and anticipating customer needs is probably the most important source of sustained competitive advantage. To gain competitive advantage and increase organizational effectiveness, it is paramount to focus attention on improving shopper marketing practices as a way of differentiation. Supermarket services are likely to directly expand demand for all items sold by attracting more consumers. Supermarkets, like other forms of enterprises, do business with the core reason of increasing sales thus making profit. The factors underlying the buying behavior of customers need be improved. To improve the customer base, the supermarkets need to position themselves strategically, in terms of location, shopper marketing practices and space. The study found out that the performance of the medium and large supermarkets is dependent on the
effectiveness of shopper marketing practices and therefore for the supermarkets to have competitive advantage over its competitors, they need to ensure that the customers interests are well taken care off through the practices.

5.4 Limitations of the Study

The study used key informants from the medium and large supermarkets which put constraints on the generalizability of the results to other firms and other country contexts. The sample selection may also limit the generalization of results to the overall population. The narrow and specific focus of this study means the results are limited to medium and large supermarkets only which may not translate to other industry and national contexts.

The other limitation of this study is that the supermarkets are spread all over the country but only medium and large supermarkets have been taken into consideration. For collecting data from all over the country, a large amount of financial resources and huge time are required. The findings of the current study may be applicable only to the retailers (medium and large markets).

5.5 Recommendations for Policy and Practice

The study found out that shopper marketing practices enables the supermarkets to improve their sales performance, it is recommended that the medium and large supermarkets should adapt and develop their marketing practices in line with the conditions in the business environment, and with their internal capabilities, as they are able to exploit the full potential of shopper marketing practices and achieve superior sales performance.

The study established that the medium and large supermarkets have adopted shopper marketing practices and it is recommended that customer satisfaction strategies should be implemented to attract, retain and improve customer loyalty. This would improve supermarket performance.
Management need to have a thorough understanding of customer beliefs, behaviors, product or service attributes and competitors.

The study has shown the importance of shopper marketing practices on sales performance. The identification of shopper marketing practices will help practitioners to establish effective marketing practices. It is very important to understand marketing practices from customers' point of view, and whether these practices are parallel to customers’ perceptions, expectations, needs and goals. Knowing this, may assist managers to develop marketing practices based on consumers’ perceptions and meanings of the product.

5.6 Suggestion for further research

The study was undertaken in the service industry in Nairobi County which is dominated by a few supermarkets. A further research should be undertaken to further explore the nature of shopper marketing practices in employing bigger samples and carrying out a more detailed analysis of firms. This study should be undertaken on other sectors in order to compare the findings and draw conclusions on the influence of shopper marketing practices.
REFERENCES


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Stahlberg M., Maila V. (2010) *Shopper Marketing: How to increase purchase decisions at the point of sale*. Kogan Page Publishers,


APPENDIX I: QUESTIONNAIRE

Please answer all questions in the space provided or tick the appropriate box as required.

SECTION A: BACKGROUND

1. What is your position in the supermarket?
   ……………………………………………………

2. How many years have you been in the position?
   Less than 1 year  ☐
   1-5 years  ☐
   5-9 years  ☐
   Above 10 years  ☐

3. For how long has this supermarket operated in Kenya?
   Less than 5 years (   )  5-10 years (   ) 10-15 years (   ) More than 15 years (   )

4. How many branches does the supermarket have in Kenya?…………………..

5. What is your sales collection per month?
   Less than 1 million (   ) 41 million – 50 million (   )
   1 million - 10 million (   )
   11 million - 20 million (   )
   21 million - 30 million (   )
   31 million - 40 million (   )

6. What is the number of employees in your supermarket?
   Less than 50  ☐
   50 to 99  ☐
   100 to 149  ☐
   150 to 199  ☐
   Above 200  ☐
SECTION B: SHOPPER MARKETING PRACTICES

7. Has shopper marketing been conducted in these stores by the supermarket or any manufacturer?
   - Yes [ ]
   - No [ ]

8. To what extent do you agree with the statements below according to the extent of your use of listed shopper marketing promotions?
   - Very great extent (5)
   - Great extent (4)
   - Moderate extent (3)
   - Low extent (2)
   - Very low extent (1)

<table>
<thead>
<tr>
<th>Statement</th>
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<th>2</th>
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</thead>
<tbody>
<tr>
<td>End-aisle display</td>
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<td>Free-standing product display racks</td>
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<td>In-store flyers</td>
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<td>Navigational signs (aisle directories, product markers)</td>
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<tr>
<td>Display bins</td>
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<tr>
<td>Free-standing advertisements</td>
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<td>Inflatable (advertisements that are inflated)</td>
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<td>Pallet of featured product</td>
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<td>Shelf advertisements</td>
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<td>Floor advertisements</td>
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<td>Coupon dispensers/tear-off pads</td>
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<td>Store staff</td>
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<td>Refrigerator/freezer door advertisements</td>
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<td>Video or interactive displays or kiosks</td>
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<tr>
<td>Shopper cart advertisements</td>
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</table>
SECTION C: SALES PERFORMANCE

9. To what extent do you agree with the following as the effect of shopper marketing practices on sales performance of your supermarket?

1 (Strongly disagree) 2 (Disagree) 3 (Moderate) 4 (Agree) 5 (Strongly agree)

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<th>Statement</th>
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</thead>
<tbody>
<tr>
<td>Increase in supermarkets sales volume</td>
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<tr>
<td>Increased average customer spend</td>
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<td>Increased stock turnover rate</td>
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<td>Efficiency in service delivery</td>
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<tr>
<td>Increased number of sales units</td>
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</table>

What other factors, in your opinion, affects sales performance? ..............................................................

Thank you for your participation.
APPENDIX II: LIST OF MEDIUM AND LARGE SUPERMARKETS

1. Nakumatt Holdings Limited.
2. Tuskys Supermarket.
3. Ukwala Supermarket.
4. Uchumi Supermarket.
5. Naivas Supermarket.
6. Armed Forces Canteen Organization.
7. Satellite Supermarket.
8. Chandarana Supermarket Limited.(Foodplus)
11. Deepak Cash and Carry Supermarket Limited.
14. Fairdeal Shop and Save Limited.
17. Mesora Supermarket.
22. Tumaini Supermarket.
24. Maathai Supermarket.
APPENDIX III: LETTER OF INTRODUCTION

Maureen Oyuga
P.O.BOX 10922
00100
Nairobi.

Dear Sir/Madam,

Re: Collection of Survey Data.

I am a post-graduate student at the University of Nairobi, School of Business pursuing a Master’s degree in M.B.A (Marketing). Part of this course entails undertaking a research study in order to fulfill the requirements of the degree program.

My research topic is ‘The effect of shopper marketing practices on the sales performance of medium and large supermarkets in Nairobi County’. This is to kindly request your permission in collection of data by filling out the accompanying questionnaire which will be filled by the marketing manager.

The information that you provide will be used exclusively for academic purposes and as such will be treated with total confidentiality.

Your co-operation will be highly appreciated.

Maureen Oyuga