INFLUENCE OF PRODUCT, PRICE, PROMOTION AND PLACE ON ENTERPRISE PROJECT PERFORMANCE: A CASE OF SAFARICOM ENTERPRISE PROJECT, UASIN GISHU COUNTY, KENYA

BY

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DECLARATION

This research project report is my original work and has not been presented for the award of a degree in other university.

....

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L/50/77304/2015

This research project report has been presented for examination with my approval as the university supervisor

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DEDICATION

I dedicate this research report to my children: Yvonne, Sharlin, and June.

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I wish to register my special acknowledgement to my supervisor Dr. Simuyu Cheben for taking me through this research work. He tirelessly and passionately encouraged me in various aspects of the study to a successful end.

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LIST OF ABBREVIATIONS AND ACRONYMS

AMA	American Marketing Association
CCK	Communication of Kenya
GDP	Gross Domestic Product
Ltd	Limited
PESTLE	Political, Economic, Social, Technological, Legal and Environmental

ABSTRACT

The purpose of this study was to investigate the influence of product, price, promotion and place of marketing on organizational project enterprise performance: a case of Safaricom enterprise project, Uasin Gishu Count, Kenya. Specifically the study sought to evaluate how product innovation as a 4ps of marketing influence organization performance of enterpral project, to assess the extent to which pricing as a 4ps of marketing influencing organizational performance of enterpral project of enterpral project, to establish how sales promotion influence organizational performance of enterpral project of enterpral project and to determine how distribution channels influence organizational performance of enterpral project of enterpral project. A survey design was employed because the study involves collecting both quantitative and qualitative data describing attitudes and values of the group based on a sample size. The target population for the study was Safaricom Eldoret branch staff, Dealers and M-PESA agents operating in Eldoret town totaling to 100. The study used stratified and purposive sampling designs to include the entire population in the sample. The study used content validity where he ensured that research instruments appraised by the project supervisors who are also senior lecturers in the School of project planning. Test-retest technique of assessing reliability of a research instrument was employed to guarantee that the information initially given was reliable. Questionnaires was used as in collecting primary data and the data were analyzed using descriptive statistics and presented inform of percentages, tables, cross tabulations charts. The study established that the innovative the company is, the affordable price charged, effective channel of distribution employed and the attractive packaging used for the product the higher the company performance, in term of profitability, market share, return on investment and expansion. The respondents agreed that pricing strategies (3.59, Std. Dev = 0.78) affect performance of the company and as well agreed that there are various pricing strategies that Safaricom Ltd uses to influence customer retention. The relationship between promotion consideration with a mean of 3.99 and Std. Dev of 0.96 and business performance is significant, but negative. As much as the promotion strategy aims at informing customers of new products and services and the existing products, some consumer perception that heavily promoted products could be problematic products – of poor quality and from clearance stocks. The study concluded that marketing strategy is essential in improving the company's performance through provision of quality products and services that satisfies customer needs, offering affordable price and engaging in wider distribution and back it up with effective promotion strategy. The study established that marketing strategies influence performance of Safaricom Limited and hence recommends that company should intensify its marketing strategies and advertisements so as to improve its products performance. The study recommends that Safaricom Ltd Company should keep up with innovations, charge competitive prices, engage in after sales service and provide and use shorter distribution channels as well as other distinctive functional benefits to consumers.

CHAPTER ONE

INTRODUCTION

Many organizations are attempting to use the marketing as their strategic approach in terms of the competition. From the plain explanation regarding the marketing principle, it has a purpose to influence the buying behavior of the consumers by persuasion, giving information, and many other techniques all for the very one reason – to establish its effectiveness in the market. Still, the organizational leaders believe that the marketing is one of their important aspects towards success. However, what would be the appropriate marketing strategy that they can apply in order to motivate or create an effect in the performance of the organization? (Aremu & Lawal, 2012).

Marketing strategy starts with market research, in which needs and attitudes and competitors' products are assessed and continues through into advertising, promotion, distribution and where applicable, customer servicing, packaging, sales and distribution. Marketing strategy must focus on delivering greater value to customers and the firm at a lower cost (Chiliya et al, 2009). Owomoyela et al, (2013) also see marketing strategy as way of providing a quality product that satisfies customer needs, offering affordable price and engaging in wider distribution and back it up with effective promotion strategy. Marketing strategy is a vital prerequisite of Industry's ability to strengthen its market share and minimize the impact of the competition.

Most of the business leaders thought that gaining an advantage against their competitors is enough to declare themselves as the successful organization. While other believes that they can be successful if they keep the trust and loyalty of the consumers. But without second thoughts, competitive advantage or their influence in the market are achieved is only the effects of their application of various strategies such as technological support, strong investments, organizational culture and practice, the efficiency of the suppliers, and the use of appropriate marketing strategy. All of these factors contribute in the organization's performance (Kotler, 2006).

Marketing sector is the backbone of the companies' developmental plans and provides an economical growth to the country. It all stemmed from companies needs of itself apart in crowed market place. Marketing strategy has a fundamental goal of increasing sales and achieving sustainable competitive advantage. Marketing strategy has become important tool globally for any organization to remain in competitive market environment and was stronger. Aremu & Lawal (2012) sees strategy as a pattern of resource allocation decisions made throughout an organization. This encapsulates both desired goals and beliefs about what area acceptable and most critically unacceptable means for achieving them. Aremu & Lawal (2012) say that strategy implies that the analysis of the market and its environment, customer buying behavior, competitive activities and the need and capabilities of marketing intermediaries. Marketing strategy therefore, can be defined as a method by which a firm attempts to reach its target markets. Marketing strategy starts with market research, in which needs and attitudes and competitors' products are assessed and continues through into advertising, promotion, distribution and where applicable, customer servicing, packaging, sales and distribution.

Marketing strategy must focus on delivering greater value to customers and the firm at a lower cost (Chiliyaet, Herbst,and Roberts- Combard, 2009). Owomoyelaet, Oyeniyi and Ola (2013) also see marketing strategy as way of providing a quality product that satisfies customer needs, offering affordable price and engaging in wider distribution and back it up with effective promotion strategy. Marketing strategy is a vital prerequisite of industry's ability to strengthen its market share and minimize the impact of the competition.

In the USA Marketing strategy starts with market research, in which needs and attitudes and competitors' products are assessed and continues through into advertising, promotion, distribution and where applicable, customer servicing, packaging, sales and distribution. Marketing strategy must focus on delivering greater value to customers and the firm at a lower cost (Chiliya et al, 2009). Owomoyela et al, (2013) also see marketing strategy as way of providing a quality product that satisfies customer needs, offering affordable price and engaging in wider distribution and back it up with effective promotion strategy. Marketing strategy is a vital prerequisite of Industry's ability to strengthen its market share and minimize the impact of the competition.

Marketing strategy in commercial banks in Nigeria is basically designed to direct the flow of banking services profitably to target customers. The need for an effective marketing strategy stems from intense competition, not just from bank but other financial organization. Therefore banks strategize there marketing to create customer value as well as to establish customers need and to provide such needs in order to add more value to their service and gain competitive advantage. However, there are challenges in measuring marketing strategies in relation to productivity. Indeed several researchers indicate that there is a gap in this regard (Okoh, 2009).

The telecommunications industry has experienced tremendous growth in the last several years to become one of the fastest growing sectors in Kenya. The sector enjoys a penetration growth rate of over 50 per cent, which is projected to increase to 70 per cent

(CCK, 2011). A major contribution attributed to the MSPs, with which they are almost synonymous, is the mobile money transfer platform that has revolutionalized conventional banking and access to financial services. Kenya had 26.4 million mobile phone subscribers by September 2011 up from 25.3 million recorded at the end of June the same year, representing an increase of 4.8% (Communications Commission of Kenya (CCK), 2012). In addition, the total tele-density for July to September 2011 increased to 68.1% from 65.15%. This growth was possible through the use of intermediaries to reach consumers of telecommunication products in the country. Safaricom had approximately 661 intermediaries for consumer products while Airtel Kenya had 70 intermediary firms. Orange Telkom and Essar had 330 and 111 intermediaries respectively (Robert, 2001).

The selection of the most appropriate performance indicators is however, an area with no defining boundaries as there are a number of purposes to which performance Measurement can be put, although not all performance measurement can be used for all purposes Even though individual firms tend to utilize firm-specific performance indicators appropriate to their needs, for many firms the main performance indicators would typically include some combination of financial; market/customer; competitor; human resource; internal business process; and environmental indicators (Camp 2008).

In order to measure marketing strategy effectiveness, a business has to break down its marketing function into constituent parts, along with a mechanism through which to analyze the interaction between those parts. By doing this, decision-makers will finally be in a position to relate marketing expenses to shareholder value and to understand how to tie marketing initiatives back into the value created for the company. Decision-makers will be able to understand the internal motives that propel the marketing value of the business. The manipulation of the following marketing variables namely price variation and price promotion, research, advertising, product differentiation, quality, packaging and place will yield in-creased returns for firms. Marketing strategies in the telecommunication industry serve as the fundamental component of marketing plans designed to fill market needs and reach marketing objective. Marketing strategy involves careful scanning of the internal and external environments. Internal environmental factors include marketing mix, plus performance analysis and strategic constraints. While external environmental factors include customer analysis, competitive analysis target market analysis as well as evaluation of the element of technological, economic, cultural or political/legal environment likely to impact success. It is against this, that the researcher considered the subject matter as a problem worthy of investigation.

1.2 Statement of the Problem

Realization of the fact that the telecommunication companies in Kenya tend to compete each other when it comes to innovation and invention has resulted to offering same products to the target population (Giachetti, & Marchi, 2010). The difference with the largest shareholder in the industry, Safaricom Ltd Kenya is that it is a first mover in most of these products. The company entered the market with a disruptive strategy that made their prices cheap and affordable (Chunqing, Min, & Zhi'an, 2012). This led to an establishment of a good customer base that covered almost everyone who owns a mobile phone in Kenya over the years. This has acted as Safaricom's competitive edge over the years. The introduction of M-pesa for instance facilitated money transactions through mobile phones and this feature greatly aided the business sector and raised the economy.

Airtel Kenya initially had this same product but did not lay greater emphasis on it until Safaricom started massive advertising on it.

It is worth noting that growth of Safaricom is possible through the use of intermediaries to reach consumers of telecommunication products in the country with the company boasting of approximately 661 intermediaries for consumer. Yet it remains unclear if the growth experienced at Safaricom Ltd Company is also reflected in the performance of intermediary business. Interestingly though is the question of whether the MSP intermediaries are developing their Marketing strategies in equal pace, and if so what these marketing capabilities would have on their performance.

Marketing strategies are dynamic and interactive. They are partially planned as such; most organizations do not adhere strictly to their organization planned strategy sequel to influence of micro and macro environmental factors. As such most organizational component of marketing strategy is not in line with the company's overarching mission hence marketing strategy is vague and complex to comprehend. As such implementing strategic marketing plan in most organization becomes a big constraint. This is evident in the fact that there are challenges in measuring marketing strategies in relation to productivity which several marketing literatures as well as journals have fail to address. Indeed several researchers indicate that there is a gap in this regard (Okoh, 2009). It is against this that the researcher sees the subject matter worthy of investigation. Therefore the study addressed the challenges of measuring marketing strategy in relation to performance which has not been address by previous researches and marketing text in Kenya.

1.3 Purpose of the Study

The main purpose of the study was to investigate the influence of the (product, price, promotion and place) of marketing on organizational project enterprise performance, a case of Safaricom enterprise project, Uasin Gishu Count, Kenya.

1.4 Objectives of the Study

The specific objectives of the study were:

a) To evaluate how product innovation as a 4ps of marketing influence organizational performance of enterpral project of enterpral project.

b) To assess the how pricing as a 4ps of marketing influenceg organizational performance of enterpral project of enterpral project.

c) To establish how sales promotion as a 4ps of marketing influence organizational performance of enterpral project of enterpral project.

d) To determine how distribution channels as a 4ps of marketing influence organizational performance of enterpral project of enterpral project.

1.5 Research Questions

The study sought to answer the following research questions

a) How does product innovation as a 4ps of marketing influence organizational performance of enterpral project of enterpral project?

b) To what extent does pricing as a 4ps of marketing influence organizational performance of enterpral project of enterpral project?

c) How does sales promotion as a 4ps of marketing influence organization performance of enterpral project?

d) How do distribution channels as a 4ps of marketing influence organizational performance of enterpral project of enterpral project?

1.6 Significance of the Study

The study hope to be of significance to telecommunication companies in Kenya in the realization that mobile phone service business is one of the highly competitive businesses locally and globally calls for respective marketing department to adopt properly formulated marketing strategies for success of the company. Other telecommunication companies in the country will find this study of great importance because through them, these institutions will be better positioned to gauge their performance and make improvements where necessary to boost their market performance and overall ranking in the industry.

The government and other institutions involved in the country's policy formulation can not overlook the telecommunication sector as one of the major contributor to the country's GDP. The findings from this study will therefore be of importance because they will have the capacity of being used to formulate positive fiscal policies which are relevant and sensitive to the forces influencing the telecommunication sector performance in Kenya.

To those who have scholarly interest in marketing of telecommunication industry and other sectors, this study will provide a source of reference; literature review and basis upon which further studies can be developed.

1.7 Delimitations of the Study

The study was delimited to only 4Ps of marketing which include product innovation, pricing, promotion and distribution channels. These marketing strategies are identified among others from various existing theories and models and have been used previously in studies to evaluate marketing strategies and organizational performance of enterpral project. Agents and management team at Safaricom Company constituted the target group for the study as they are considered the ones who oversee the implementation of marketing strategies. There are other marketing strategies which have been identified to influence performance of an organization but have been intentionally excluded from this study because they would not directly affect performance as intended in this study. Geographically, the researcher intends to base the study on agents and management team at Safaricom Ltd Company, Eldoret Branch. The researcher preferred the branch due to the high number of agents available which provide a recommendable sample size for the study. The researcher resides within Eldoret town and therefore easy access to information hence reducing expenditure especially on transport.

1.8 Limitations of the Study

This study comprised of Safaricom Ltd Company which is under telecommunication industry, this makes the research limited in the sense that the findings cannot be generalized to other industries. Second, the purpose of this study was to investigate the influence of the 4ps (product, price, promotion and place) of marketing on organizational performance. As a result, respondents were not required to evaluate a other marketing strategies. Thus, the results of this study cannot be generalized beyond the findings.

The respondents under study are busy people and due to the time constraint it was a challenge during data collection especially in the engagement of the staff to fill the questionnaires. This was overcome through a drop and pick later method of the questionnaires to allow the respondents complete the questionnaires during their free time.

1.9 Assumptions of the Study

The study was based on the following assumptions.

That the sample was a true representation of the target population, the respondents were aware of marketing strategies employed by the company, data collections instrument will yield valid and reliable data, all the respondents would be cooperative and provide correct and truthful information and the population would normally be distributed and the sampling was biased.

1.10 Definition of significant Terms

Product: Product is a physical object that is sold and has a palpable characteristic, a complex set of benefits that can be used to meet customer needs.

Price: Includes issues such as discounts, list prices, credit, repayment term and conditions .The price is included in the price, product or service offered for sale and will determine the level of benefits. Price is the only element that does not include costs charged to the customers to buy products they take.

Promotion: Includes issues such as advertising, personal selling, sales promotion, public relations and direct marketing. Distribution channels are the most important questions about how an organization can optimize a connection between inner and outer channels.

Place: Includes issues such as distribution channels, market coverage, product inventory, transportation and distribution sites.

Marketing Mix: A combination of marketing elements designed to maximize demand.

Performance: This is the accomplishment of a given task measured against preset standards, accuracy, completeness, cost and speed.

1.11 Organization of the Study

This study was organized in five chapters. Chapter one comprised of background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, limitation of the study, delimitations of the study, basic assumptions of the study and definitions of significant terms. Chapter two contained literature review which is composed of the introduction and areas under which literature revealed. These are the influence of 4ps of marketing (product, price, promotion and place) on organizational performance. The chapter also highlighted the theoretical framework, conceptual framework, knowledge gap and summary of the chapter. Chapter three composed of research methodology; it had the introduction, research design, target population sample and sampling techniques, research instruments, validity and reliability of the instruments, data collection procedures and data analysis techniques. Chapter four presented data analysis in the following themes: response return rate, demographic characteristics of the respondents and the influence of product, price, promotion and place on organizational performance. Chapter five presented summary of findings, conclusion, recommendations and recommendations for future studies.

CHAPTER TWO

LITERATURE REVIEW

2.1: Introduction

This chapter presents a review of related theoretical and empirical literature according to the following subheadings in relation to the study objectives; to evaluate how product innovation as a 4ps of marketing influence organization performance of enterpral project, to assess the extent to which pricing as a 4ps of marketing influencing organizational performance of enterpral project of enterpral project, to establish how sales promotion as a 4ps of marketing influencing organizational performance of enterpral project of enterpral project and to determine how distribution channels as a 4ps of marketing influencing organizational performance of enterpral project of enterpral project.

2.2 Theoretical Review

This section examines the various theories that will be used to inform the study on the dynamics of business in an economy.

2.2.1 Theory of Push and Pull Customer Service

In 1911, Fredrick Winslow Taylor published "The Principles of Scientific Management." Business took his ideas to heart and started focusing on becoming more efficient than their competition. This led to determining the needs of the potential customer and pushing the solutions out to those customers. In today's, market pushing solutions are sometimes seen by the customer as intrusive or overlooked by the customer as the solution gets lost due to information overload. Many companies are moving away from the push theory to a pull theory. That is, they are providing the information and solutions in a generally accessible format and allowing the customer to determine what best suits their needs.

One of the base assumptions about pushing solutions (products, information, extra) to customers is that the business or organization can anticipate the needs of the customer in advance of the need and prepare the solution ahead of time. Organizations that emphasize the push theories often do so to increase efficiency. They believe that if, for instance, they create the penultimate user manual that they will cover all of the questions the customer might have and thereby limit the amount of contact the customer needs to make to the organization. As well, by using a push model the organization can limit those areas for which service is provided which again might provide efficiency in the training of support personnel. This model has become more difficult to implement as organizations are finding they may be sacrificing effectiveness for the efficiency.

Pulling solutions has always been a part of most organizations. A customer would visit the organization and ask questions and someone would answer them. In the case of "pull," the customer initiates the request for a solution rather than merely choosing a solution from the solutions offered by the organization. This is being used more often as consumers have begun to distrust the solutions provided directly by organizations and wish to do the research themselves. This model requires the business or organization to provide as much materials as possible in as many formats as possible and hope that the customer discovers the solution. This is not an efficient model from the customer's or the organizations point of view but it is effective in many cases.

2.2.2 Marketing Mix Theory

The term "marketing mix" became popularized after Neil H. Borden published his 1964 article, The Concept of the Marketing Mix. Borden began using the term in his teaching in the late 1940's after James Culliton had described the marketing manager as a "mixer of ingredients". The ingredients in Borden's marketing mix included product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis. E. Jerome McCarthy later grouped these ingredients into the four categories that today are known as the price, product, promotion and place (4P's) of marketing. These 4P's are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that centres the four P's on the customers in the target market in order to create perceived value and generate a positive response

The marketing mix framework was particularly useful in the early days of the marketing concept when physical products represented a larger portion of the economy. Today, with marketing more integrated into organizations and with a wider variety of products and markets, some authors have attempted to extend its usefulness by proposing a fifth P, such as packaging, people and process. Today however, the marketing mix most commonly remains based on the 4 P's. Despite its limitations and perhaps because of its simplicity, the use of this framework remains strong and many marketing textbooks have been organized around it.

2.3 Empirical Review

2.3.1 Product Innovation and Organizational performance

Kotler and Armstrong (2006) define a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. They further define a consumer product as the product bought by the final consumer for personal consumption. Consumers buy products frequently, with careful planning, and by comparing brands based on price, quality and style. Mohammad, Wang and Sunayya (2012) also put it a different perspective as a physical appearance of the product, packaging, and labeling. Information, which can also influence whether consumers notice a product in-store, examine it, and purchase it. Past researchers have clearly suggested that product influences have a significant impact on business performance as explained by(Kazem and Heijden, 2006; Kemppainen, Vepsäläinen, and Tinnilä, 2008; Ogunmokun and Esther, 2004; Owomoyela, Oyeniyi and Ola, 2013).

It is of prime advantage for the firm to possess the ability of consistent and planned activities to meet and exceed customer preferences and value that can be regarded as customer performance (Cavusgil and Zou, 2009). This customer performance is achieved by the firm regardless of the approach of marketing pursued meaning either undertaking standardization or adaptation. However, some scholars argue that a firm that pursue product adaptation strategy in a global market significantly leads to sales growth performance (Leonidou, Hult, and Tomas, 2002).

An empirical study conducted by Cavusgil and Zou, (2009) validated that product adaptation is not only linked to sales growth but financial performance of companies such as profitability and return on investment. Cavusgil and Zou, (2009) further add that product adaptation as a global marketing strategy positively affects the overall business performance. In order for a company to securely adapt to varying international markets, the marketing strategy should take into consideration the internal and external business environment that affects a company positively to revel in greater performance (Bainey, 2008).

The influence of marketing strategy- product focus on various dimensions including actual and augmented product factors on performance in international markets, has quite received attention by numerous researchers (Kaynak and Kuan, 2008; Cavusgil and Zou, 2009; McGuinness and Little, 2010). The study conducted by Albaum Johnson, and McCullough, (2007) which employed composite export performance measures, focused on product design marketing mix element found conducive to performance of companies pursuing global marketing in that it can serve product adaptation as a means of differentiation for rival's products and influence overseas customer attitudes (customer performance) toward a firm's product.

In overall, the study by Albaum Johnson, and McCullough, (2007) found product design and style to have a significant positive effect on firm performance. While other studies researched on the relationship between product quality and firm performance in international markets in which the relationship is found to be positively associated (Terpstra and Sarathy, 2007). The provision of high-quality product to customers has been postulated to augment the value associated with customer performance. Prior studies reveal two observations regarding quality of product in line with the marketing strategy that are important. First, the positive influence of product quality on sales performance was stressed more in studies conducted in Europe. Second, the empirical data indicated a strong association between product quality and customer performance (Terpstra & Sarathy, 2007). The linkage between product quality and customer performance can offset the reservations that foreign customers perceive regarding product marketing strategy performance and minimize their risk perceptions pertaining to the purchase of such goods, thus having an effect on sales and financial performance (Terpstra & Sarathy, 2007). Thus far, the element of product adaptation is particularly important when a firm enters a new overseas market or targets the geographically distant markets.

Leonidou, Hult, and Thomas, (2002) posit that an opportunity to increase sales performance can be achieved by serving more customer segments and marketing, administrative, and other exporting costs can be spread over a number of products which is known as product adaptation (Beamish and Munro, 2009). However, the export product marketing mix for companies is usually of a narrower range than that offered domestically, because of financial constraints and operational difficulties associated with global marketing activities (Albaum Johnson, and McCullough, 2007). The meta-analysis results of the study by Leonidou, Hult, & Tomas, (2002) revealed a significant affirmative relationship between product offering and overall firm performance in export markets. The relation between product adaptation and firm performance in international markets is the most widely researched issue in the extant literature, and most of the prior studies we reviewed examined this relationship.

Product adaptation in terms of the degree to which the firm’s actual and augmented product elements are adapted for international markets is able to accommodate differences of new environmental forces, different consumer behavior, use purpose patterns, and competitive situations of such international markets. However, three benefits can be derived from product adaption strategy. First, it significantly reflects a customer-oriented posture because the firm engaging in global marketing systematically evaluates consumer and buyer behavior and host market characteristics that improve the firm's total performance (Douglas & Wind, 2009).

Second, product adaptation strategy can lead to greater financial performance such as profitability, as a quality product–market match can result in greater customer satisfaction thus improving customer performance that is one of the outcome in our research model, which consequently allows for greater pricing freedom for the firm. Third, pressures associated with meeting a great degree of specific market requirements on international level often demand creative and innovative marketing strategy, which may bring about additional products for a firm's domestic and international markets (Czinkota & Ronkainen, 2009). Thus, product adaptation was found to be significantly correlated with superior firm performance, especially highly associated with sales performance in the study conducted by (Czinkota and Ronkainen, 2009).

A firm's product offering and strategy constitute to its lifeline to the marketplace. Therefore, product strategy is the way a firm competes in the market and improves its total performance (Aaker 2009; Day and Wensley 2010). According to Samiee (2010) product strategy is the single most important component of marketing strategy product and is regarded as a blueprint for marketing resources allocation toward realizing the objectives of the firm, which is sales, financial and customer performance (Rosa and Spanjol 2005; Hughes & Morgan 2007; Yarbrough et al. 2011). To keep consistent performance, firms regularly adjust their marketing strategies to conform to changes in the export markets with the aim of enduring responsiveness to their operating market place (Ye et al. 2007). Thus far, product adaptation is a suitable strategy toward market responsiveness as it offers the development of new products that meet the needs of a changing marketplace.

Innovation is a new way of doing something or "new stuff that is made useful"(McKeown 2008). It may refer to incremental and emergent or radical and revolutionary changes in thinking, products, processes, or organizations. Following Schumpeter (2004), contributors to the scholarly literature on innovation typically distinguish between invention, an idea made manifest, and innovation, ideas applied successfully in practice. In many fields, something new must be substantially different to be innovative, not an insignificant change, e.g., in the arts, economics, business and government policy. In economics the change must increase value, customer value, or producer value. The goal of innovation is positive change, to make someone or something better. Innovation leading to increased productivity is the fundamental source of increasing wealth in an economy.

Innovation is an important topic in the study of economics, business, design, technology, sociology, and engineering. Colloquially, the word "innovation" is often synonymous with the output of the process. However, economists tend to focus on the process itself, from the origination of an idea to its transformation into something useful, to its implementation; and on the system within which the process of innovation unfolds. Since innovation is also considered a major driver of the economy, especially when it leads to increasing productivity, the factors that lead to innovation are also considered to be critical to policy makers. In particular, followers of innovation economics stress using public policy to spur innovation and growth.

Although personal characteristics have been identified as significant predictors of consumers' adoption of an innovation several researchers have shown that it is the perceived attributes of the innovation itself rather than the characteristics of the innovators that are stronger predictors of the adoption decision (Black et al 2001, Polatoglu, Ekin 2001).

2.3.2 Pricing and Organizational performance

Kotler (2007) defines price as a cost of producing, delivering and promoting the product charged by the organization and Zeithaml (2008) is of the view that monetary cost is one of the factors that influence consumer's perception of a product's value. Price can be stated as the actual or rated value of a valuable product which is up for exchange; other explanations were further expounded as the amount of money paid for product (Kotler, Ang, Leong & Jan, 2005). In other studies of Colpan, (2006); Dooleet, Grimes & Demack (2006) and Owomoyela et al, (2013) they argued that the established significant relationship between price and business performance. The price you set for your product or service plays a large role in its marketability. It is further clarified by(Jones, 2007) as Pricing for products or services that are more commonly available in the market is more elastic, meaning that unit sales will go up or down more responsively in response to price changes.

The impact of pricing strategy on performance has been validated in prior studies as expounded by Louter et al., (2008) where empirical results confirmed the relationship between pricing strategy and firm performance, showing a strong positive link between pricing strategy and overall performance. Pricing strategy may vary market to market because of many reasons associated with the PESTEL model such as political, economic, social, technological, environmental and legal forces. Therefore, it is these forces that have effects on pricing component of marketing strategy by control effects on marketing, distribution, and transportation costs; taking into consideration of market structures and demand; also tariffs, taxes, and other financial trade barriers of different countries affect the pricing strategy; the competitors' pricing practices; and costs and margins of distribution channels all have significant impact on the pricing strategy. Thus far, it is for this reason of diversity of foreign market pricing factors makes price adaptation necessary for firms to survive and remain competitive and ultimately achieve total firm performance in host markets. We can posit that price standardization cannot apply in international marketing strategy unless the firm operates in block regions whereby taxes and tariffs are removed-off by bilateral agreements.

The study conducted by (Christensen, Johansson, and Perona, 2009) found six pricing-related decisions for their potential influence on a firm's export performance, namely pricing method, pricing strategy, sales terms, credit policy, currency strategy, and price adaptation. According to the same study, pricing method was restrained to the marketing pricing strategy, in which the firm exercises its power in setting up the prices in different international markets dependent on market demand and competitive practices. The approach to adopt these practices is in line with price adaptation to ensure responsiveness to changes in overseas market circumstances, competitiveness, and other environmental forces, accumulative the prospect of export performance (Christensen, Johansson, and Perona, 2009). However, the argument is valid to the extent that pricing strategy success is measured in terms of export proportion of sales and profit level, and customer satisfaction.

For consumer products, consumers use price as an important extrinsic cue and indicator of product quality or benefits. Customers often perceive high priced brands to be of higher quality and less vulnerable to competitive price cuts than low priced brands (Dodd, Monroe & Grewal, 2001). Prahalad (2010) argue that companies doing business within the base of pyramid segment should think about developing products that can be affordable to those consumers. What he means is that firms should develop products and services that the base on pyramid consumer could pay for.

Prahalad (2010) not only means working with price reduction but also about making payment feasible to these consumes, who usually receive their salary in a daily basis. Prahalad (2010) also points out that besides affordability, firms should work simultaneously with other important factors. They are awareness, access, and availability. The call rates available will be communicated to via Cell Broadcast Service (CBS).The base tariff will be Ksh 8.00 per minute. The discounts range from 0% to 90% meaning the lowest calling charge will be 80 cents, on supa ongea tariffs (Njihia, 2009). Currently the prices have reduced to Ksh 4 and Ksh 3 in the Uwezo tariff and the cost of sending money has significantly reduced to as low as Ksh 1 and Ksh 2.(Okuttah, 2010).

2.3.3 Promotion and Organizational performance

Zeithamlet, Valerie, Berry, Leonard, and Parasuraman (2005) describe promotion as part of specific effort to encourage customers to tell others about their services. According to Duncan (2005), promotion is the key to the market exchange process that communicates with present and potential stakeholders, and the general public. Every firm or store must cast itself into the role of communicator and promoter. Hakansson (2005) also reports that promotion appears as an issue of how to create an optimal mix of marketing communication tools in order to get a product's message and brand from the producer to the consumer. Borden, (2004) defines promotion as sales promotion, advertising, personal selling, public relations and direct marketing.

Kotler, (2007) discovers that promotions have become a critical factor in the product marketing mix which consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its advertising and marketing objective. Previous researches (Amine and Cavusgil, 2001; Francis and Collins-Dodd, 2004) have established significant relationship between promotion and business performance.

Many researchers have emphasized the importance of promotional mix to export markets as a valuable tool for achieving performance. Sales, financial and customer performance is achieved through promotional mix by gaining experience in the opportunities and problems arising in specific export markets, boosting communication, personalizing relationships, and cultivating a team spirit with customers abroad, and providing timely response and immediate support to the export venture’s needs (Kaynak and Kothari, 2004). The study by Styles & Ambler, (2009) examined six promotion-related variables, that is, advertising, sales promotion, personal selling, trade fairs, personal visits, and promotion adaptation, for their effects on export performance. Most of the promotional related variables were found to be positively linked to firm performance.

Review of literature shows that the use of trade fairs to promote exports has been examined in several studies (Bello & Barksdale, 2009; Rosson & Seringhaus, 2009;

Seringhaus & Rosson, 2009). However, some empirical studies (Karafakioglu, 2009; Styles and Ambler, 2009) linked trade fairs to export performance. Most of the studies exhibits support on the impact of trade fair participation on export proportion of sales and other measures of export performance. Notably, advertising was the most widely researched variable of promotional mix, based on the notion that with sound advertising procedures the firm can communicate information, constantly remind, and persuade foreign customers to buy the products and, therefore, generate more sales. The study results by Cateora and Graham, (2009) verified that advertising positively influence export sales performance and other performance.

Gupta (2007) noted that the objectives of promotions are to attract new customers, to make existing customer loyal, reward loyal customers and increase the market size by stimulating the use of an entire product category and to reinforce other communication tools. The further the product progress through its life cycle, the more managers tend to allocate more budgets to sales promotion. It is the same case for lower priced brands; moreover retailers have high influence on the final price and use of promotion. Nearly all companies need to use promotions as either offensive and/or defensive tools in the battle for market share. As a consequence, the consumer's brand choice is influenced by the sales promotion campaigns. Prior to making a decision, the typical consumers will take into account whether or not a promotion exists. They may also buy something they had not planned or buy something in a greater quantity because there is a promotion. Sales promotion can in fact create an impulse purchase, when the need has been created or revealed in-store.

Hartley and Cross (2009) noted that sales promotions cover a wide scope of marketing activity ranging from trade, sales force and consumer programs. Specifically, sales promotion encompasses such activities as discounts, incentive plans, coupons, sweepstakes and value-added promotions. These programs have continually been studied in terms of their impact upon brand loyalty. Marketing managers are becoming more concerned about the productive use of promotional funds and controlling spending on trade promotion. As a result, trade-offs among advertising, consumer promotion and trade promotion are an important, though perplexing aspect of the budgeting process. Although the importance of sales promotion has increased dramatically, it has remained little understood beyond the objective of delivering short-term results and successfully introducing new products into the consumer market.

Tull (2005) observed that sales promotion is exclusively concerned with a prize or gift given to consumers. This is consistent with a number of sales promotion activities for brands. When the type of sales promotion is a prize, the relationship between influence to take a brand and sales promotion becomes clearer. A premium or prize can serve as an unconditional stimulus, which elicits excitement or emotion. When the type of sales promotion is a prize or a gift, there is a relationship with effect. Relationships have demonstrated that individuals, in whom positive perception on a brand has been evoked through receiving a gift, are more likely to be risk taking when the probability of benefiting from the purchase of a brand is high but risk-averse when the probability of benefiting is low. Such research is essential in developing an understanding of how advertising and promotional strategies can be used to influence consumers' brand perception and selection behavior.

Kotler (2003) observed that organizations should concern themselves with sales promotion campaigns because of factors such as competitive pressures from their counterparts, leading to the need of differentiation of their products and services. Buyers have become expectant in that the consumers are promotion oriented and are demanding more deals. There is also a need for the organizations to increase customer loyalty, therefore adding value to a product or service is important. Organizations have an urge of short-term results and the application of sales promotion produces quicker and more measurable results (Hartley and Cross, 2004).

Over the years there has been a need to increase sales volume especially in the short run thus use of sales promotion compared to the other tools of promotion. According to Kotler (2003), decades ago, advertising to sales volume ratio was about 60:40. Today in many consumers packaged goods companies, sales promotion accounts for 65% to 75% of the combined budget. Sales promotion expenditures have been increasing as a percentage of budget expenditure annually for the last two decades and the fast growth rate is expected to continue. Sales promotion is now more accepted by top management as an effective sales tool and product managers are widely using it to increase their current sales. Some of the companies are concerned with increasing the sales in the short-run; therefore sales promotion is often the resort. Companies use sales promotion to create a stronger and quicker response, it is used to dramatize product offers and to boost sagging sales (Kotler, 2007).

According to Tull (2005), Sales promotions are often confused with advertising. For instance, a television advertisement mentioning a contest awarding winners with a free trip to a Caribbean island may give the contest the appearance of advertising. While the delivery of the marketer's message through television media is certainly labeled as advertising, what is contained in the message, namely the contest, is considered a sales promotion. The factors that distinguish between the two promotional approaches are: whether the promotion involves a short-term value proposition for example the contest is only offered for a limited period of time and the customer must perform some activity in order to be eligible to receive the value proposition. For example customer must enter a contest. The inclusion of a timing constraint and an activity requirement are hallmarks of sales promotion.

The proposition an organizations sales promotion and brand strategy must be very compelling, attractive and unique among competitive offerings. The proposition must also be consistently reinforced throughout all phases of an organization. Kimball (2002), stated that effective sales promotion campaign enables a business organization to successfully out-brand its competitors is a continuous battle for the hearts and minds of the market share and customers.

In the recent years, technology advances has enabled an increase in two-way communication channels, such as social media marketing, and could been seen as an evolution of the former one-way communication (Parment, 2008). Marketing campaigns by mobile operator Safaricom dominated this year's marketing awards, scooping three prizes for the various campaigns it run through the year. The company's campaigns Bring Zack Back Home and Kenyans for Kenya won the best private sector product/services campaign and best corporate campaign on social media (Kamau, 2012). It ranked 2nd place on Twitter and 4th place on Facebook. Safaricom was the only African brand to make it on the top 10 on both criteria across the globe.

Bakers (2008) noted that social devotion can be determined in three ways such as, if the firm uses social media sites as an avenue for communication with its subscribers. The company should be most likely to post significant information worth sharing with its consumers. Another is that the company must be about 65% active on the site and being able to attend to questions posted by its followers. Lastly, companies must respond to its customer’s concerns appropriately (Mcleod, 2013). Prahalad (2010) argues for the need to shift from promotion towards awareness. He states that the consumers need to be aware of new products and services that are being offered to them.

2.3.4 Distribution Channels and Organizational performance of enterpral project

The distribution channel is an important component of the marketing strategy mix as it serves for the provision and availability of products to various export markets. It is these structures in place that makes sure that products manufactured in one country crosses borders to tap into global markets, in the process sales performance is achieved. The findings of the meta-analysis results done by Louter et al., (2008) indicated that this argument is valid to the extent that distribution strategy positively impacts firm performance in terms of export proportion of sales and profit level. The study adds that the relationship between export channel intermediary type and overall export performance is significantly linked. With the distribution strategy, the adaptation or standardization approach do not have much effect of it on total firm performance, however, is slightly in support of adaptation strategy. Its function is making sure that products are accessible in targeted markets internationally. This study model takes into consideration that the appropriateness of a particular channel of distribution is not stagnant but depends mainly on the conditions of the foreign market, such as economic situation, the structure of distribution, and competitive practices.

Distribution strategy carries a critical role in dealing with delivery time that influence the export performance of the firm. The effectiveness and efficiency in the delivery time of the products exported constitutes a key to total firm performance in overseas markets, as it affects the firm's operations in terms of competitiveness and success in the market (Piercy, Philip & Organ 2007). The results of the study by Keegan, (2009) exhibited a positive correlation between distribution channel and sales performance. In addition, significant findings on delivery time which is a result of distribution structures put in place by a firm were also observed to be related to sales volume, export proportion of sales, and certain composite performance measures. Many studies are in support of distribution adaptation toward achieving and improving firm performance, which calls for the adjustment of the exporting firm's channel design of distribution in export markets. The occurrence of such adjustments is necessary for response to the variations in business environments, such as economic situation, legislation, and physical conditions. Finally, the differences in distribution structures in terms of the number of intermediaries like types of outlets, and channel functions (Keegan, 2009). Therefore, the necessity for distribution adaptation was represented in the analysis of the results, where a significant positive relationship with performance was found, besides its impact on sales but also financial performance especially export profit level.

Chikweche & Fletcher (2012) found cases of success where distribution channels were related to the development of unconventional channels. In those cases the usage of informal channels was applied besides the formal (traditional) ones. Anderson (2006) points out that one of the biggest challenges of serving markets is to ensure availability of products and services throughout the country, not just in cities. Safaricom boasts of a distribution footprint of 2,000 exclusive dealer branches with over 200,000 retailers pushing Safaricom airtime & other products countrywide. Safaricom's extensive distribution network not only ensures that our subscribers can access airtime wherever they are, but it also directly and indirectly employs over 350,000 people in the distribution and retailing business. The Safaricom retail shops adopted a strategy of being a one stop shop for all mobile telecommunication equipment. This resulted in Sales Revenue growth of over 140% in the last financial year having generated over Ksh 3.5 Billion in Sales which was over 10% ahead of target (Safaricom Annual Report, 2010).

2.4 Theoretical framework

The study will adopt Resource Based View. The Resource Based View (RBV) has clearly been instrumental in the development of strategy. This is largely due to the RBV shifting emphasis in the strategy literature away from external factors such as industry position towards inter-firm resources of competitive advantage. According to Griffin (1996) strategy implementation is the method by which strategies are operationalized. Once the means and methods of achieving objectives and mission have been identified the next step is to begin implementation. Managers should consider the analysis of organizational structure and systems before strategy implementation as well as analysis of culture power and conflict. To effectively implement and manage the strategy, managers must integrate the activities of several different functions. These activities help to achieve the best integration of people, structure, processes and resources in reaching organizational purposes.

2.5 Conceptual Framework

The 4Ps will dynamically change and hence companies need to continuously enhance their marketing strategies to be at par with the changing 4Ps in the industry. Businesses and organizations will continue to use some combination of push and pull for customer service but there is a definite shift, fuelled by the demands from the customers, to provide more pull and less push. Customers are seeking solutions from other customers as well as the businesses and organizations and making choices that in the past might have been left for the business or organization to solve. Businesses and organizations need to provide solutions in the forms that the customers want and it is clear the customer wants a pull model for their customer service.

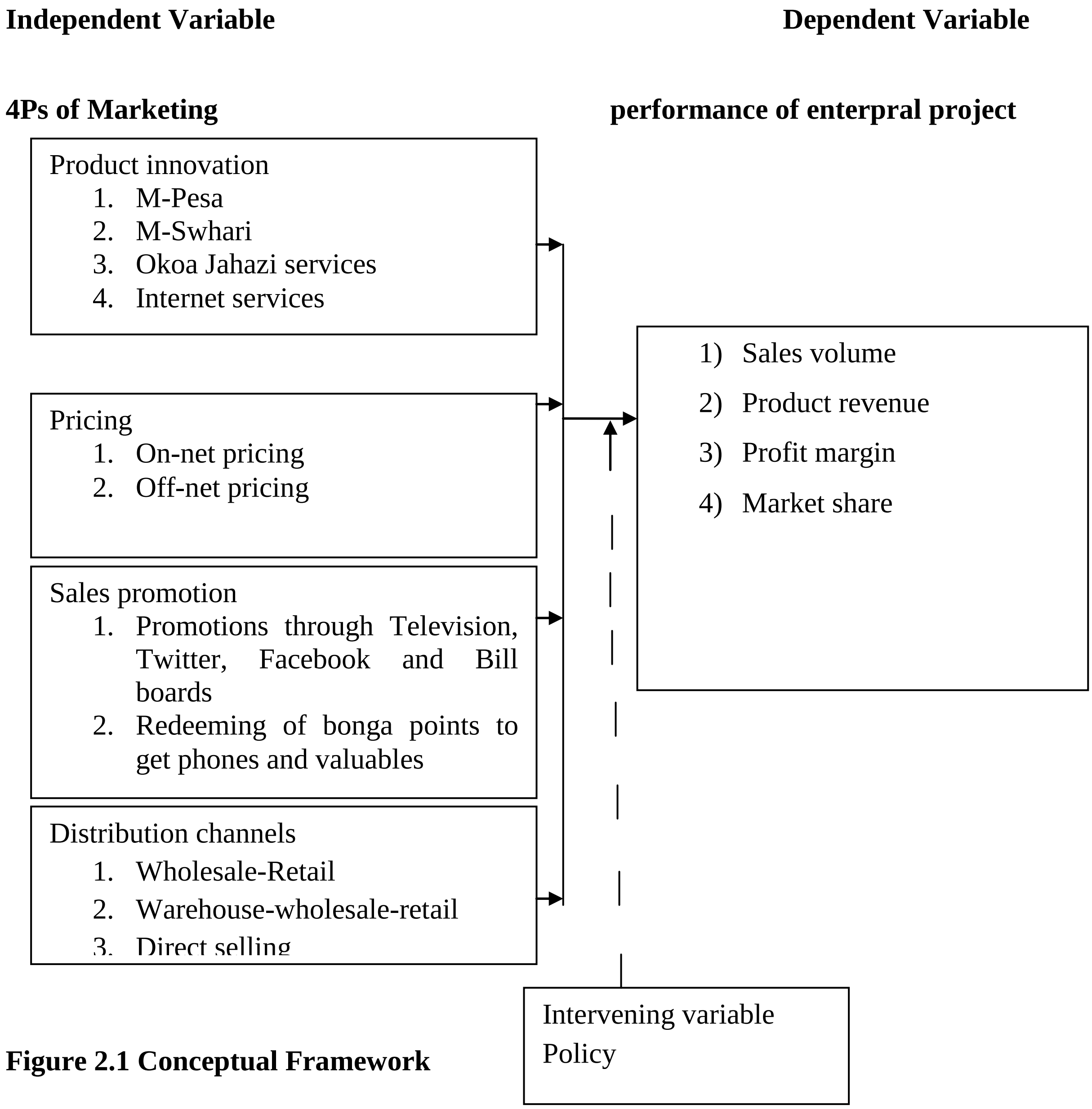

Figure 2.1 Conceptual Framework

Source: Researcher, (2016)

In this study 4Ps of marketing are the independent variable. It includes product innovation asuch as M-Pesa, M-Swhari, Okoa Jahazi services and internet services. On the other hand, pricing component entails on-net pricing and off-net pricing. Sales promotion comprises of promotions through television, twitter, facebook and bill boards and redeeming of Bonga points to get phones and valuables. Finally distribution channels encompass wholesale-retail, warehouse-wholesale-retail and direct selling. Effective utilization of these 4Ps of marketing will lead to performance that is characterized by improved sales volume, product revenue, increased profit margin and large market share

2.6 Research Gap

There is immense literature on strategic positioning both locally and internationally. For instance, internationally a study was done on world market segmentation and marketing strategies (Salah and Craft, 2005); and another study was done on strategy orientation analysis in the mobile phone case business (Isoherranenl and Kess, 2011). Locally, a study was done on the use of strategic positioning to achieve sustainable competitive advantage at Safaricom Limited (Kasyoka, 2010) and another study was done on determination of strategic positioning of newly chartered public universities in Kenya (Kasyoka, 2010). However, these studies did not outline the role of marketing strategy on products performance, and more specifically in the telecommunications industry in Kenya, in this case Safaricom Ltd.

2.6 Summary

Sales promotion as a marketing strategy is important as it ensures there is adequate awareness, this also arouses interest of the products to the potential customers. The interest aroused would finally lead to potential sales and purchase of the company products this would increase the penetration levels, increase the profitability and generally improve the performance of the company promotion is equally important in enhancing the performance of a company as it will involve getting information about the customer needs and expectations, what other companies are doing as a result the company will be able to respond with precision on the needs of the market. They will put in place products that suit the customers and will avoid mistakes committed by other companies. This will in turn ensure that the companies' performance is enhanced.

There must be constant product innovations to reflect the changes in consumer preferences. This should be done through research and development processes. Customers have got varying needs from service providers. Effects of marketing Mix elements on sales performance of telecommunication industry in Kenya have not received sufficient attention. This knowledge gap inspires this sought study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides discussions of the research methodology used in this study. It discussed the research design especially with respect to the choice of the design. It also discusses the population of the study, sample design, sampling techniques, data collection methods as well as data analysis and data presentation method that will be employed in the study.

3.2 Research Design

Research design refers to the plan how the research systematically collect and analyze the data needed to answer some research questions. It's a framework through which a research processes is conducted to explain the social phenomena under investigations (Kothari, 2004). The study adopted a descriptive survey research design. Descriptive survey design was used to describe characteristics of a population or phenomenon being studied. The design was appropriate for this study because the researcher is interested in establishing the most appropriate marketing strategy. The descriptive survey design allowed collection of data using questionnaires at a particular point in time from a sample of participants from a target population. Descriptive design help in identifying the questions to be answered by the respondent in the survey and directly getting primary data from the respondents in order to determine the current status of the population in relation to the identified variables (Mugenda & Mugenda, 2003). A survey design describes people responses to questions about a phenomenon or situation with aim of understanding respondent's perceptions from which truism is constructed (KIM, 2009).

This is based on the constructivist epistemology which holds that reality is what respondents generally perceive to be. The design therefore help in collecting primary data from respondents for analysis, in order to determine the extent to which the identified marketing strategies influence performance of Safaricom Ltd Company.

3.3 Target Population

Usually, any target population of a study aims at answering the question should constitute the study's participants. Mugenda, (2003) defines population as the set of all "units" of analysis in one's problem area. According to Ngechu (2004), a population is a well defined or set of people, services, elements, events, group of things or households that are being investigated. The study targeted a population of 100 subjects comprising of 32 staff at Safaricom Ltd Company Eldoret branch and 13 dealers and 55 M-PESA agents.

3.4 Sampling Procedure and Sample Size

According to Orodho (2009) refers a sample as a small representative portion of a target population. Cramer and Hewitt (2004) define a sample size as the actual number of elements, cases or entities in a population that will be studied while argument of Mugenda and Mugenda (2003) asserts that the size of a sample is an important element in determining the statistical precision with which population values can be estimated which is then furthermore elaborated by (Cohen, 2000) as a procedure used to select some elements of populations in such a way that it represent the actual characteristics of the total populations. In this case, the researcher adopted stratified and purposive sampling designs. The researcher categorized the population into strata using stratified sampling technique. Purposive sampling design was employed to include the entire population in the study. Purposive sampling design permitted the researcher to collect data from the respondents since they have specific information that the researcher sought to establish

3.5 Data Collection Instruments

The researcher used both secondary and primary data to accomplish the research objectives. Primary data was collected through questionnaires administered to respondents. According to Chandran (2004), Questionnaires provide a high degree of data standardization and adoption of generalized information amongst any population. They are useful in a descriptive study where there is need to quickly and easily get information from people in a non-threatening way. They provide flexibility at the creation phase in deciding how questions were administered. Secondary data was gathered through analysis of literature on trends and implications of price controls.

The questionnaires consisted of close ended questions most of which were arranged in matrix format with various consistent scales provided. Where necessary, open ended questions were used to enable the respondent explain and express the answer in details. The questionnaires were physically delivered to respondents who were briefed on the objective of the study and allowed to ask any question they felt necessary before filling the questionnaire. The questionnaires were left for completion for about two weeks after which the researcher collected the completed questionnaires.

3.6 Validity of the instrument

Mugenda and Mugenda (1999) define validity as the accuracy and meaningfulness of inferences based on the research results. It is hence the ability of instruments to measure what they are intended to measure. The study used content validity. To enhance content validity, the researcher had the research instruments appraised by the project supervisors who are also senior lecturers in the School of project planning, University of Nairobi. Their contributions and suggestions were made use of, and ambiguous questions were clarified and new questions were added.

3.7 Reliability of the Instrument

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials Mugenda and Mugenda (2003). This is in agreement to Trochim (2002) that reliability would refer to the consistency of the measured results over ‘repeated’ attempts. A measure that does not contain random errors is considered to be ‘perfectly reliable’. The presence of random errors can result from interviewer biasness or inaccuracies regarding the questionnaire construction and administration. Frequent random errors have a negative effect on the reliability of the research instrument. Test-retest technique of assessing reliability of a research instrument was employed to guarantee that the information initially given was reliable (Mugenda & Mugenda, 1999). Mugenda and Mugenda (2003) define reliability as a measure of degree to which a research instrument yields consistent results or data, after repeated trial. It involved administering the same instrument twice to the same group of subjects. A two week lapse was allowed between the first and the second test (Orodho 2009). Answers obtained in the two administered tests were made using the Pearson’s coefficient of correlation formula to compute the correlation coefficient so as to establish the extent to which the content of the questionnaire elicited the same responses. A correlation coefficient of 0.88 was obtained implying that the instrument was reliable for the study. The result was considered satisfactory because above 0.6 as said by (Mugenda and Mugenda 2004) while Orodho (2009) says that, a correlation coefficient(r) of about 0.75 is high enough to judge the reliability instrument. The formula is highlighted below;

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

Where

r_{xy} = Pearson's Moment Product Correlation Coefficient

$\sum XY$ = Sum of the cross products of each variable

$\sum X \sum Y$ = Product of the sum of X and sum of Y

N = Number of pairs of scores

$\sum$ = Sum of the values

The coefficient which is obtained represents the reliability of only half of the instrument. In order to obtain the reliability of the entire instrument, the Spearman Brown Prophesy Formula was used. The formula is

$$Rxx = \frac{2roe}{1+roe}$$

Where:

Rxx = Reliability of the original instrument

Roe = Reliability Coefficient obtained by correlating the scores of the odd numbered items with the scores of even numbered items in the instruments.

The Pearsons' Moment Product Correlation Coefficient realised from the pilot Sample was r= 0.79. This value was used in Brown Prophecy formula in order to obtain the reliability of entire instrument. This was calculated as follows: $r = \frac{2 \times 0.79}{1+0.79} = 0.88$

This value of correlation coefficient was significant compared to r maximum equal to 1 and r minimum equal to 0 and therefore the instrument was considered reliable.

3.8 Operationalizattion of Variables

Under this sub-topic, the researcher identified behavioral dimensions, indicators or properties denoted by the main variables under the study in order to render them measurable. The measurement were both objective and subjective.

Table 3.1: Operational definition of terms

Variable indicators	Indicators	Scale
1. Product innovation	M-Pesa M-Swhari Okoa Jahazi services Internet services	Nominal Ordinal Nominal Ordinal
2. Pricing	1. On-net pricing 2. Off-net pricing	Nominal and ordinal Nominal and ordinal
3. Sales promotion	1. Number of times promotions through television, Twitter, Facebook and Bill boards 2. Redeeming of bonga points to get phones and valuables	Nominal and ordinal Nominal and ordinal
4. Distribution channels	Wholesale-Retail Warehouse-wholesale-retail Direct selling	Nominal Nominal Nominal
Performance	1. Sales volume 2. Product revenue 3. Profit margin 4. Market share	Nominal Nominal Nominal Nominal

3.9 Data Analysis Techniques

The field data were cleaned by checking for any missing or inaccurate data. After data cleaning, the quantitative data were coded and entered in the computer for analysis using Statistical Package for Social Sciences (SPSS) version 21.0. The quantitative data obtained from the questionnaires were analyzed using descriptive statistics such as frequency counts and percentages. The qualitative data obtained were analyzed and discussed thematically to qualify the data generated by the questionnaire. The results of the data analysis were presented using frequency distribution tables, bar graphs and charts according to the objectives and research questions.

3.10 Ethical Considerations

This study handled ethical issues by instituting various measures commencing with the use of introductory letter that sought the consent and voluntary participation of the respondents. The letter and the accompanying questionnaire communicated the purpose of the study and the process of conduction of the study. The right of confidentiality and anonymity were assured and there was nowhere where identity of respondents was sought in the collection instruments. The data that were gathered and information were treated in such a way that it was impossible to trace it to any person or enterprise. The research study also treated all people with respect and courtesy. Objectivity was the guiding principle throughout the research process including design, data collection, analysis and interpretation of data.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presents the study results based on thematic and sub thematic areas as per the study objectives: to evaluate influence of product innovation strategy on the performance of Safaricom Ltd Company, to assess the extent to which pricing strategy influencing performance of Safaricom Ltd Company, to establish whether sales promotion strategy influence performance of Safaricom Ltd Company and to determine whether distribution channels strategy influence performance of Safaricom Ltd Company. The results are based on a response rate of 96% (n=96).

4.1.1 Response Rate

This study targeted a sample size of 100 respondents out of which 96 filled in and returned the questionnaires, making a total response rate of 96% as shown on Table 4.1.

Table 4.1: Response Rate

Category	**Questionnaires Issued**	**Questionnaires received**
Staff at Safaricom Ltd Company	32	31
Dealers	13	12
M-PESA Agent	55	53
Total	**100**	**96**

The response rate was generally good and conforms to Mugenda and Mugenda (2003) stipulation, that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good while a response rate above 70% is excellent. In this case, the response rate obtained from this study can be classified as excellent and was sufficiently representative of the target population. This response rate was highly capable of producing useful results and make meaningful inferences. The study therefore proceeded.

4.2 Demographic Characteristics of the Respondents

Demographic studies were important for this study since marketing strategy is a competitive strategy and it is believed that the populations' demographics may have significant influence on their opinions on how it affects performance of an organization. These include: gender, age, level of education, years of experience and category of the respondents. These are further discussed in the following subsequent themes.

4.2.1 Distribution of Respondents by Gender

The study sought to establish the gender of the respondents in order to find out if all genders were well represented. The results are as shown in Figure 1.1.

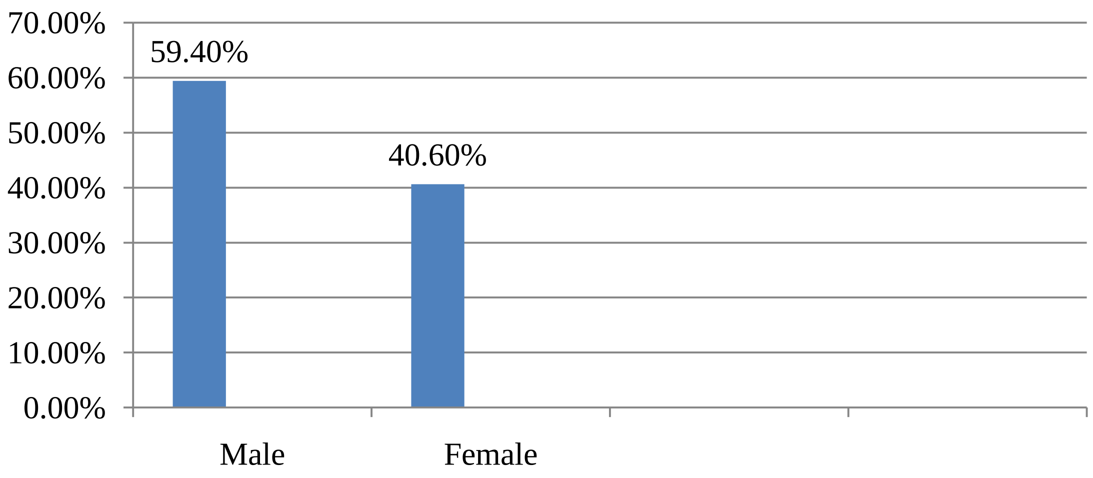

Figure 4.1 Distribution of Respondents by Gender

The resulting gender distribution out of the 96 respondents who participated in the study, 57 (59.4%) were males and 39 (40.6%) were females. The gender distribution conformed to the Kenya government affirmative action policy that at least 30% representation should be of either gender (Kenya Constitution, 2010). This showed that all gender will be well represented in the study.

4.2.2 Distribution of Respondents by Age

The study sought to establish the age of the respondents in order to find out if age characteristics are important for the study and if age of respondents would influence respondents' perception on the effect of making strategies on organizational performance of enterpral project. The results are as shown in Figure 4.2.

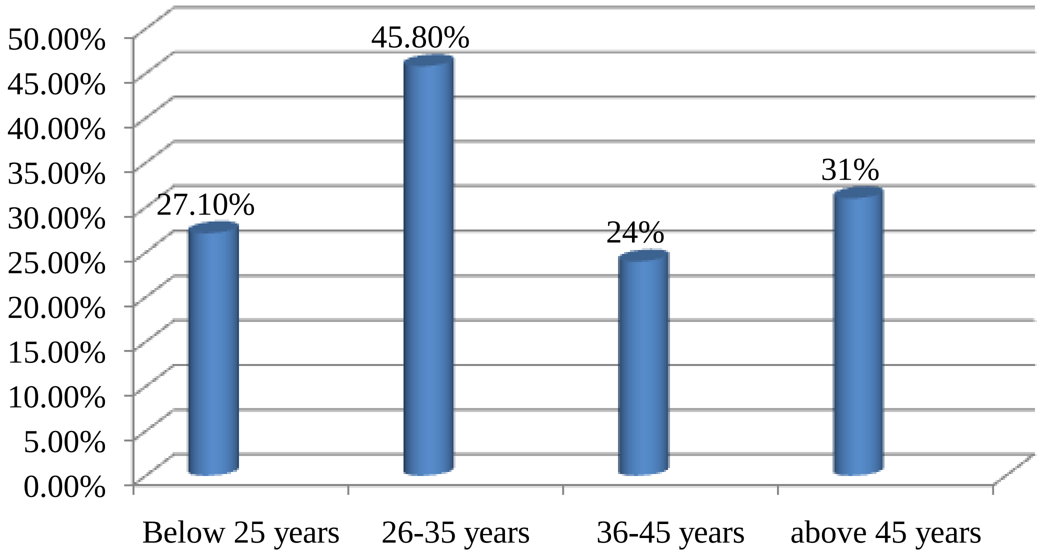

Figure 4.2 Showing Distribution of Respondent by Age

Figure 4.2 shows that 44 (45.8%) of the respondents were aged between 26 and 35 years, 26 (27.1%) were aged below 25 years, 23 (24.3%) were in the age brackets of between 36 and 45 years and 3 (3.1%) were aged above 45 years. This means that majority of the respondents were of young age and still strong to offer more skills. This shows that the majority of the respondents are in the age group that is viewed as being productive in their area of specialization.

4.2.3 Academic Qualification of the Respondents

The study sought to establish the level of education of the respondents in order to find out if the academic qualifications of employees would their perception on influence of marketing strategies on organizational performance of enterprise project. The results are as shown in Figure 4.3.

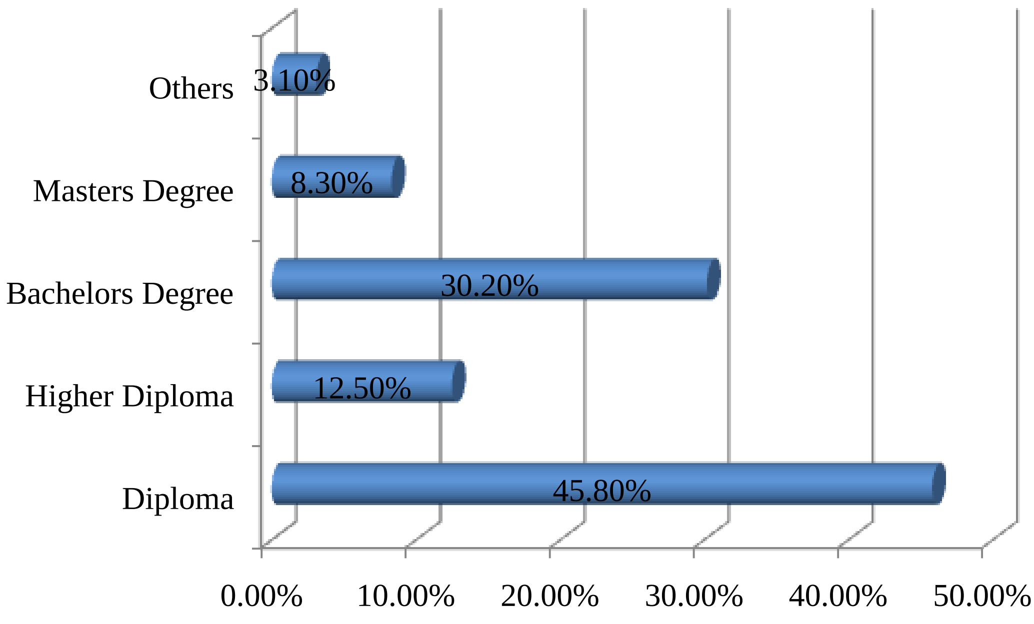

Figure 4.3 Showing Academic Qualification of the Respondents

Educational level of the respondents showed that 44 (45.8%) were diploma holders as their highest educational level, 29 (30.2%) were bachelors degree holders, 12 (12.5%) had higher diploma qualifications and 8 (8.3%) were holders of masters degree. This means that majority of respondents had a basic level of education which is an important element. Further, the findings showed that the target population comprised of learned individuals.

4.2.4 Distribution of respondents by years of experience

The study also sought to establish the number of years the respondents had worked in their various capacities; therefore the respondents were asked to state the length of years of service. The results are presented in Figure 4.4 below.

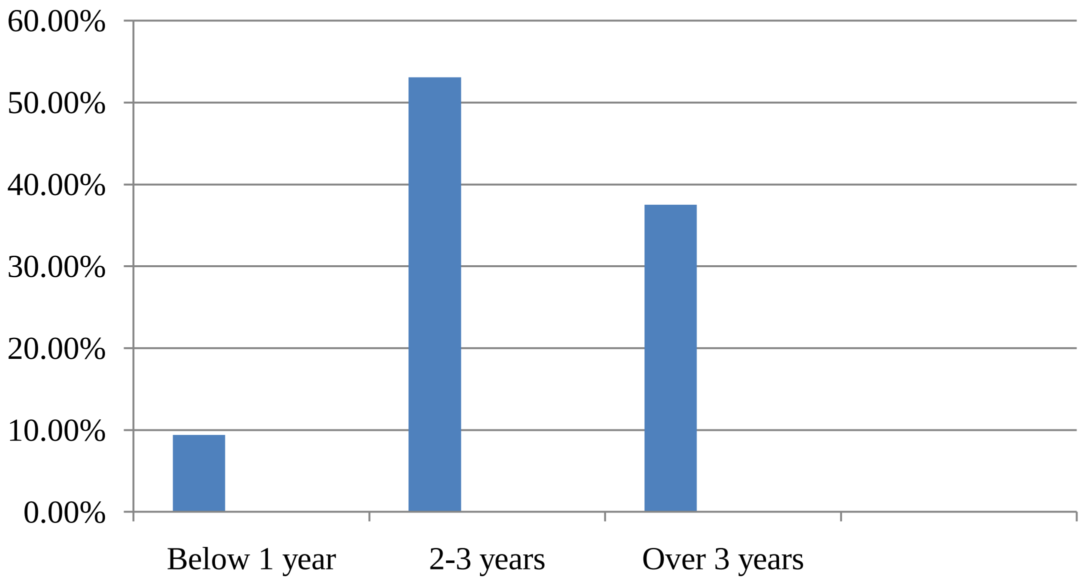

Figure 4.4 Distribution of respondents by years of experience

Slightly more than half 51 (53.1%) had worked for between 2 and 3 years, 36 (37.5%) had a working experience of above 3 years and 9 (9.4%) had worked for less than a year. From this analysis, majority of the respondents have more than 2 years of experience. This showed that all the employees had a knowledge basis of customer interaction.

4.3 Finding on Research Objectives

This section deals with the objectives of the study

4.3.1 Product Innovation and Performance of Safaricom Ltd Company

In relation to the influence of innovation on performance of Safaricom Ltd Company, the respondents indicated as follows. Key: 5=Strongly Agree, 4=Agree, 3=Not Sure, 2=Disagree, 1=Strongly Disagree, F=Frequency and %=Percent

Table 4.2 Influence of Product Innovation on Performance of Safaricom Ltd Company

	5		**4**		**3**		**2**		**1**	
Statement	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
Product innovation has led to increase market share	41	42.7	24	25.0	28	28.2	3	3.1		
Sales volume is high as a result of product innovation	51	53.1	42	43.8	3	3.1	-	-	-	-
Product innovation has improved development index	40	42.7	50	52.1	6	6.2	-	-	-	-
Penetration levels has increased because of product innovation	32	33.3	58	60.5	6	6.2	-	-	-	-
Product innovation has led to innovation & Creativity	41	43.8	49	51.0	6	6.2	-	-	-	
Cost management has been achieved due to product innovation	32	33.3	58	60.5	6	6.2	-	-	-	-
Product innovation has improved company's Pre – Tax Profits	41	42.7	24	25.0	28	28.2	3	3.1		
product innovation has guaranteed customer satisfaction	51	53.1	42	43.8	3	3.1	-	-	-	-

Table 4.2 shows that 42.7% of the respondents strongly agreed that innovation has led to increase market share, 53.1% strongly agreed that sales volume is high as a result of product innovation, 52.1% did agree with the statement that product innovation has improved development index and 60.5% were in agreement with the statement that penetration levels has increased because of product innovation. On the other hand, 51% of the respondents agreed that product innovation has led to innovation and creativity, 60.5% did agree with the statement that cost management has been achieved due to product innovation, 42.7% strongly agreed that product innovation has improved company's pre – tax profits and 53.1% strongly agreed that product innovation has guaranteed customer satisfaction.

Innovation is an important topic in the study of economics, business, design, technology, sociology, and engineering. Following Schumpeter (2004), contributors to the scholarly literature on innovation typically distinguish between invention, an idea made manifest, and innovation, ideas applied successfully in practice. In many fields, something new must be substantially different to be innovative, not an insignificant change, e.g., in the arts, economics, business and government policy. In economics the change must increase value, customer value, or producer value. The goal of innovation is positive change, to make someone or something better. Innovation leading to increased productivity is the fundamental source of increasing wealth in an economy. Innovation is an important topic in the study of economics, business, design, technology, sociology, and engineering. \

Following Schumpeter (2004), contributors to the scholarly literature on innovation typically distinguish between invention, an idea made manifest, and innovation, ideas applied successfully in practice. In many fields, something new must be substantially different to be innovative, not an insignificant change, e.g., in the arts, economics, business and government policy. In economics the change must increase value, customer value, or producer value. The goal of innovation is positive change, to make someone or something better. Innovation leading to increased productivity is the fundamental source of increasing wealth in an economy.

4.3.2 Product Pricing and Performance of Safaricom Ltd Company

The respondents were asked to indicate the extent pricing influence performance of Safaricom Ltd Company and the results were as shown in Table 4.3

Table 4.3 Product Pricing and Performance of Safaricom Ltd Company

	5		**4**		**3**		**2**		**1**	
Statement	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
The company's prices are fair thus Market Share is big	40	42.7	50	52.1	6	6.2	-	-	-	-
Fair prices charged on products and services have increased the company's Sales Volume	32	33.3	58	60.5	6	6.2	-	-	-	-
Development Index	41	42.7	24	25.0	28	28.2	3	3.1		
Penetration Levels	32	33.3	58	60.5	6	6.2	-	-	-	-
Innovation & Creativity	40	42.7	50	52.1	6	6.2	-	-	-	-
Cost Management	51	53.1	42	43.8	3	3.1	-	-	-	-
Pre – Tax Profits	41	42.7	24	25.0	28	28.2	3	3.1		
Customer Satisfaction	32	33.3	58	60.5	6	6.2	-	-	-	-

Slightly more than half of the respondents, 52.1% strongly agreed that the company's prices are fair thus market share is big, 60.5% were in agreement with the statement that fair prices charged on products and services have increased the company's sales volume, 42.7% strongly agreed that due to fair pricing, there has been improved development index and 60.5% did agree that pricing has increased company' penetration levels. Further, 52.1% of the respondents strongly agreed that pricing has improved the company's innovation and creativity, 53.1% strongly agreed that pricing has increased cost management activities, 42.7% strongly agreed that pre – tax profits have increased as a result of pricing and 60.5% agreed that customer satisfaction has been achieved due to pricing.

The findings were consistence to a study by Louter et al., (2008) who confirmed the relationship between pricing strategy and firm performance, showing a strong positive link between pricing strategy and overall performance. The study conducted by (Christensen, Johansson, and Perona, 2009) found six pricing-related decisions for their potential influence on a firm's export performance, namely pricing method, pricing strategy, sales terms, credit policy, currency strategy, and price adaptation. According to the same study, pricing method was restrained to the marketing pricing strategy, in which the firm exercises its power in setting up the prices in different international markets dependent on market demand and competitive practices. The approach to adopt these practices is in line with price adaptation to ensure responsiveness to changes in overseas market circumstances, competitiveness, and other environmental forces, accumulative the prospect of export performance (Christensen, Johansson, and Perona, 2009).

4.3.3 Sales Promotion and Performance of Safaricom Ltd Company

The study went further and sought to establish the influence of sales promotion on performance of Safaricom Ltd Company. The findings were as shown in Table 4.4

Table 4.4 Sales Promotion and Performance of Safaricom Ltd Company

	5		4		3		2		1	
Statement	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
Market Share	41	42.7	24	25.0	28	28.2	3	3.1		
Sales Volume	51	53.1	42	43.8	3	3.1	-	-	-	-
Development Index	40	42.7	50	52.1	6	6.2	-	-	-	-
Penetration Levels	32	33.3	58	60.5	6	6.2	-	-	-	-
Innovation & Creativity	41	43.8	49	51.0	6	6.2	-	-	-	
Cost Management	32	33.3	58	60.5	6	6.2	-	-	-	-
Pre – Tax Profits	41	42.7	24	25.0	28	28.2	3	3.1		
Customer Satisfaction	51	53.1	42	43.8	3	3.1	-	-	-	-

Table 4.4 showed that 42.7% of the respondents strongly agreed that sales promotion had led to the company’s high market share, 53.1% strongly agreed that it leads to increased sales volume, 52.1% agreed that it has enabled the index development, 60.5% agreed that it has lead to high penetration levels, 51% did agree that it has enabled innovation and creativity, 60.5% agreed that cost management has been achieved, 42.7% strongly agreed that there has been improvement in pre – tax profits due to sales promotion and 53.1% strongly agreed that sales promotion had improved customer satisfaction.

The study found that a firm’s promotional mix influences a products performance in the telecommunication industry to a great extent. The company was using advertisements in radio, television, twitter, Face book, billboards and promotion activities as their marketing strategies. Kotler, (2007) discovers that promotions have become a critical factor in the product marketing mix which consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its advertising and marketing objective. According to Duncan (2005), promotion is the key to the market exchange process that communicates with present and potential stakeholders, and the general public. Every firm or store must cast itself into the role of communicator and promoter. Hakansson (2005) also reports that promotion appears as an issue of how to create an optimal mix of marketing communication tools in order to get a product's message and brand from the producer to the consumer.

According to Gupta (2007), the objectives of promotions are to attract new customers, to make existing customer loyal, reward loyal customers and increase the market size by stimulating the use of an entire product category and to reinforce other communication tools. Nearly all companies need to use promotions as either offensive and/or defensive tools in the battle for market share. As a consequence, the consumer’s brand choice is influenced by the sales promotion campaigns. Prior to making a decision, the typical consumers will take into account whether or not a promotion exists. They may also buy something they had not planned or buy something in a greater quantity because there is a promotion. Sales promotion can in fact create an impulse purchase, when the need has been created or revealed in-store.

However, some customers perceive heavily promoted products could be problematic products of poor quality and from clearance stocks. Some customers may also perceive that heavier promotions also mean that the products are sold at higher prices, which will turn-off consumers who are in the low-cost segment of the consumer market.

4.3.4 Product Distribution and Performance of Safaricom Ltd Company

Finally, the study sought to determine the effects of distribution channels on performance of Safaricom Ltd Company and the findings were as follows.

Table 4.5 Product Distribution and Performance of Safaricom Ltd Company

	5		**4**		**3**		**2**		**1**	
Statement	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
Market Share	40	42.7	50	52.1	6	6.2	-	-	-	-
Sales Volume	32	33.3	58	60.5	6	6.2	-	-	-	-
Development Index	41	42.7	24	25.0	28	28.2	3	3.1		
Penetration Levels	32	33.3	58	60.5	6	6.2	-	-	-	-
Innovation & Creativity	40	42.7	50	52.1	6	6.2	-	-	-	-
Cost Management	51	53.1	42	43.8	3	3.1	-	-	-	-
Pre – Tax Profits	41	42.7	24	25.0	28	28.2	3	3.1		
Customer Satisfaction	32	33.3	58	60.5	6	6.2	-	-	-	-

The findings showed that the respondents either agreed or strongly agreed that distribution channels have enabled the company to achieve performance in the following aspects: market share, sales volume, development index, penetration levels, innovation and creativity, cost management, pre – tax profits and customer satisfaction. The findings were consistence with the study carried out by Chikweche & Fletcher (2012) found cases of success where distribution channels were related to the development of unconventional channels. In those cases the usage of informal channels was applied besides the formal (traditional) ones. Anderson (2006) points out that one of the biggest challenges of serving markets is to ensure availability of products and services throughout the country, not just in cities. Safaricom boasts of a distribution footprint of 2,000 exclusive dealer branches with over 200,000 retailers pushing Safaricom airtime &

other products countrywide. Safaricom’s extensive distribution network not only ensures that our subscribers can access airtime wherever they are, but it also directly and indirectly employs over 350,000 people in the distribution and retailing business. The Safaricom retail shops adopted a strategy of being a one stop shop for all mobile telecommunication equipment. This resulted in Sales Revenue growth of over 140% in the last financial year having generated over Ksh 3.5 Billion in Sales which was over 10% ahead of target (Safaricom Annual Report, 2010).

4.4 Relationship between Marketing Strategies and Performance

Descriptive data is used to detect anomalies in the data and also to have a general overview of the data.

The respondents were asked to rate, on a five-point scale, the extent to the study marketing strategies such as product development, pricing, sale promotion, and distribution channels affect performance of the company question. The ratings ranged from 1 (Strongly Disagree) to 5 (Strongly Agree). Responses to various statements under each marketing strategy were collapsed and a composite index (mean score) computed for each function. The results are presented in Tables 4.6 along with standard deviations.

Tables 4.6 Showing Descriptive Statistics

Variables	Mean	Std Deviation
Product Innovation	4.13	0.80
Product Pricing	3.59	0.78
Sale Promotions	3.99	0.96
Product Distribution	3.59	0.78

A look at Table 4.6 shows that product innovation was rated highest on average with a mean of 4.13 with responses deviating from this mean by a standard margin of 0.80. This is followed closely by sales promotion with the mean of 3.99 and with standard deviation (Std. Dev) of 0.96, pricing (3.59, Std. Dev = 0.78) and finally Distribution channels (mean = 3.59, Std. Dev = 0.78). This ordering could be interpreted to mean that product innovation and sale promotion constituted the best marketing strategies in the organizations under study as on average respondents agreed to them. Conversely, pricing and distribution channels the lowest on the scale of marketing strategy adopted by the company to improve on their overall performance, although they were still well above the average (mid-point), implying it was also used to a great extent but with caution as competition within the industry on a high scale.

Table 4.7 Results of the multiple regression of the effect of marketing strategies on firm's performance

Variables	**r^2**	**Beta**	**t**	**Sig.**
Marketing Strategies				
Product innovation	0.20	0.41	4.0	0.01
Pricing	0.10	0.29	3.5	0.01
Sale Promotions	0.20	0.32	2.3	0.01
Distribution channels	0.10	0.29	3.5	0.01

As evident in Table 4.7, the values of beta coefficient and r^2 for product innovation are 0.41 and 0.20, respectively. This implies that for every unit increase in product innovation or implementation, there is a corresponding increase in firm performance by 0.41. More also product innovation adoption alone accounts for 20% variation in firm performance. Beta coefficient is significant at a < 0.01. Therefore "A positive relationship exists between product innovation as marketing strategy and organizational performance of enterpral project.

Secondly the values of beta coefficient and r^2 for sales promotion are 0.32 and 0.20, respectively. This implies that for every unit increase in sales promotion, there is a corresponding increase in firm performance by 0.32. Consequently sales promotion alone accounts for 20% variation in competitive advantage. Beta coefficient is significant at $a < 0.01$. Hence, a positive relationship exists between sales promotion and firm's performance.

Lastly, the values of beta coefficient and r^2 for distribution channels are 0.29 and 0.10, respectively. This implies that for every unit increase in market intelligence, there is a corresponding increase in firm competitive advantage by 0.29. Distribution channels alone accounts for 10% variation in company performance. Beta coefficient is significant at $a < 0.01$. Hence a positive relationship exists between market intelligence and company's performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the study findings, conclusions and recommendations. The findings are summarized in line with the objectives of the study

5.2 Summary of Findings

The study demonstrated that there is a relationship between product innovation as a marketing strategy and the company's performance. This shows that for any company to diversify effectively and increase its market share investment in product innovation is critical. The study was able to concur with Hartley and Cross (1998), sales promotions cover a wide scope of marketing activity ranging from trade, sales force and consumer programs.

Sales promotion as a marketing strategy has helped a company improve its performance. This also supports Kotler (2003) that organizations should concern themselves with sales promotion campaigns because of factors such as competitive pressures from their counterparts, leading to the need of differentiation of their products and services.

5.3 Conclusions

The study established that the innovative the company is, the affordable price charged, effective channel of distribution employed and the attractive packaging used for the product the higher the company performance, in term of profitability, market share, return on investment and expansion.

From the findings, a large number of employees accepted that pricing strategies highly affect the rate of customer retention hence performance of the company and as well agreed that there are various pricing strategies that Safaricom Ltd uses to influence customer retention which in summary means the high level of customer retention observed at Safaricom Ltd hence performance is because of the well-chosen pricing strategies used. The study indicated that price consideration has a significant positive impact on company performance. This is because many consumers are motivated to buy products at lower prices. The customer base in the low price segment of the company consumer market is big. These consumers in the low-cost segment always look for products that offer value for money.

The relationship between promotion consideration and business performance is significant, but negative. As much as the promotion strategy aims at informing customers of new products and services and the existing products, some consumer perception that heavily promoted products could be problematic products – of poor quality and from clearance stocks. Consumers may also perceive that heavier promotions also mean that the products are sold at higher prices, which will turn-off consumers who are in the low-cost segment of the consumer market.

The study concluded that marketing strategy is essential in improving the company's performance through provision of quality products and services that satisfies customer needs, offering affordable price and engaging in wider distribution and back it up with effective promotion strategy.

5.4 Recommendations

Based on the findings and conclusions of the study, the researcher made the following recommendations

Safaricom Ltd Company should invest more on research and development to ensure that there are product innovations, charge competitive prices, engage in after sales service and provide and use shorter distribution channels as well as other distinctive functional benefits to consumers.

All the elements of marketing mix need careful alteration and minute study with complete concentration. Promotional tools depend upon the type of product, the price which will be charged for the product and the procedure through which it would reach to the customer furthermore while deciding the price of product; the important things to consider are manufacturing cost of the product, promotion cost and amount incurred on distribution channels.

Marketing manager should be an expert in deciding marketing mix strategy by 4 P's as marketing mix has a very important role for attaining competitive advantage for the organization. Marketing manager should meet the demand from different markets and also match the competition in the market by delivering satisfaction to the customer. This is only possible by an accurate blend of all the elements 4P's of marketing mix as it helps in achieving organizational goals of profit maximization by high sales volume and attaining higher market share.

To build on competitive advantage through marketing strategies, Safaricom Ltd Company understand the similarities and differences among customers in specific geographic regions and demographic segments in order to serve its customer better—especially on varied population. Segmenting will enable these firms to create more precise campaigns, rather than sending general offers to the entire customer database.

5.5 Suggestions for Further Research

The study suggests that further research should be conducted on the role of strategic positioning on products performance in the telecommunications industry in Kenya

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APPENDIX

APPENDIX A: QUESTIONNAIRE

I am a student at Master of Arts in Project Planning and Management Degree student at the University. It is a requirement that students write a research project in the field of specialization. In this regard, I am carrying out a study entitled **influence of marketing strategies on performance of Safaricom Ltd Company, Eldoret Branch Kenya.** I request you to assist me by filling this questionnaire as truthfully as possible. The information given herein will be treated with utmost confidence and will be strictly confidential. Please complete the following questions to reflect your opinion as accurately as possible and answer factual questions to the best of your knowledge.

INSTRUCTIONS

Kindly respond to the questions by ticking on the appropriate box (√) or filling the answers in the blank spaces

SECTION A: BACKGROUND INFORMATION

1. Indicate your gender
   a) Male ( )
   b) Female ( )
2. Indicate your age bracket
   a) Below 25 ( )
   b) 26 – 35 ( )
   c) 36 – 45 ( )
   d) Above 45 ( )
3. Indicate your highest academic qualification
   a) Diploma ( )
   b) Higher Diploma ( )
   c) Degree ( )
   d) Masters ( )
   e) Others (specify) ________________________

4. How long have you worked at Safaricom?

a) Below 1 year ( )

b) 2-3 years ( )

c) Over 3 years ( )

5. Which category do you belong to?

a) Employee ( )

b) Dealer ( )

c) M-PESA agent ( )

SECTION B: RESEARCH OBJECTIVES

6. How does product innovation influence performance of Safaricom Ltd Company? Please put a tick (√) in one of the boxes using the rating scale; SA=Strongly Agree, A=Agree, NS=Not Sure, D=Disagree and SD=Strongly Disagree

	SA	A	NS	D	SD
Innovation has led to increase market share					
Sales Volume is high as a result of product innovation					
Product innovation has improved development index					
Penetration levels has increased because of product innovation					
Product innovation has led to innovation & Creativity					
Cost management has been achieved due to product innovation					
Product innovation has improved company's Pre – Tax Profits					
product innovation has guaranteed customer satisfaction					

7. To what extent does pricing influence performance of Safaricom Ltd Company?

	SA	**A**	**NS**	**D**	**SD**
The company's prices are fair thus Market Share is big					
Fair prices charged on products and services have increased the company's Sales Volume					
Development Index					
Penetration Levels					
Innovation & Creativity					
Cost Management					
Pre – Tax Profits					
Customer Satisfaction					

8. How does sales promotion influence performance of Safaricom Ltd Company?

	SA	**A**	**NS**	**D**	**SD**
Market Share					
Sales Volume					
Development Index					
Penetration Levels					
Innovation & Creativity					
Cost Management					
Pre – Tax Profits					
Customer Satisfaction					

9. How do distribution channels influence performance of Safaricom Ltd Company?

	SA	**A**	**NS**	**D**	**SD**
Market Share					
Sales Volume					
Development Index					
Penetration Levels					
Innovation & Creativity					
Cost Management					
Pre – Tax Profits					
Customer Satisfaction					