

**THE EFFECTIVENESS OF MARKETING MIX STRATEGIES ON
PERFORMANCE OF KENOL KOBIL LIMITED**

BY

MAINA NAFTALY MUCHIRI

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER
OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY
OF NAIROBI**

2016

DECLARATION

This research project is my original work and has not been presented to any other University for academic award to any examination body.

Signature..... Date

Maina Naftaly Muchiri

D61/72573/2014

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

Signature: Date.....

Dr Mary Kinoti,

Senior Lecturer,

Department of Business Administration,

School of Business,

University of Nairobi.

DEDICATION

I dedicate this project to my family, friends and all those who supported me in the completion of this project.

ACKNOWLEDGEMENTS

I owe an immense debt of gratitude to my supervisor, for her invaluable support towards this project. Her constructive criticism, careful guidance and patience enabled me to complete the project.

I would also like to thank the key people who agreed to be interviewed without which them this project would not have materialized. Special thanks go to the proposal presentation panel and colleagues who were present during the presentation of this project proposal. Finally, I sincerely thank the Almighty God for giving me the strength and capability to undertake this study. I extend my appreciation to everyone who was involved in the entire project.

TABLE OF CONTENTS

DECLARATION.....	II
DEDICATION.....	III
ACKNOWLEDGEMENTS	IV
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the study	1
1.1.1 Concept of marketing	2
1.1.2 Marketing mix strategies	4
1.1.3 Organizational performance	5
1.1.4 Kenol Kobil Ltd. Ltd	6
1.2 Research problem.....	7
1.3 Research objectives.....	10
1.4 Value of the study	10
CHAPTER TWO: LITERATURE REVIEW.....	12
2.1 Introduction.....	12
2.2 Theoretical foundations of the study.....	12

2.2.1 Resource based theory	12
2.2.2 Competence based theory.....	13
2.3Marketing mix strategies.....	14
2.3.1 Product strategy	14
2.3.2 Pricing strategy.....	15
2.3.3 Distribution strategy	16
2.3.4 Promotion strategy.....	17
2.3.5 Physical strategy	17
2.3.6 Service delivery/ process strategy	18
2.3.7 Personal strategy.....	19
2.4Marketing mix strategies and performance.....	20
2.5Measurement of marketing mix effectiveness	21
CHAPTER THREE: RESEARCH METHODOLOGY	22
3.1 Introduction.....	22

3.2 Research design	22
3.3 Data collection methods.....	22
3.4 Data analysis	23
CHAPTER FOUR: DATA ANALYSIS, FINDINGS, AND DISCUSSION	24
4.1 Introduction.....	24
4.2 Background information of interviewee	24
4.3 Marketing mix strategies in Kenol Kobil Ltd.	25
4.3.1 Product Strategies Adopted In Kenol Kobil Ltd.	25
4.3.2 Effectiveness of product strategies	26
4.3.3 Pricing Strategies Adopted In Kenol Kobil Ltd.	26
4.3.4 Effectiveness of Pricing Strategies	27
4.3.4 Distribution Strategies Adopted by Kenol Kobil Ltd.	27
4.3.5 Effectiveness of Distribution Strategies Adopted by Kenol Kobil Ltd.	28
4.3.6 Promotion Strategies Adopted in Kenol Kobil Ltd.	28

4.3.7 Effectiveness of Promotion Strategies Adopted by Kenol Kobil Ltd.	30
4.3.8 Physical Evidence Strategies Adopted in Kenol Kobil Ltd.....	30
4.3.9 Effectiveness of Physical Evidence Strategies Adopted by Kenol Kobil Ltd.....	31
4.3.10 Process Strategies Adopted in Kenol Kobil Ltd.	32
4.3.11 Effectiveness of Process Strategies Adopted by Kenol Kobil Ltd.	32
4.3.12 People Strategies Adopted in Kenol Kobil Ltd.	32
4.3.11 Effectiveness of People Strategies Adopted by Kenol Kobil Ltd.	33
4.4 Marketing mix strategies and performance in Kenol Kobil Ltd.	33
4.4.1 Effect of Marketing Mix Strategies to Kenol Kobil Ltd.	34
4.4.2 Effect of marketing mix strategies on Sales Volume at Kenol Kobil Ltd.	34
4.4.3 Efficient and effective service delivery benefits of effective marketing mix strategies	35
4.5 Discussion of the Findings.....	35
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS	38
5.1 Introduction.....	38

5.2 Summary of Findings.....	38
5.3 Conclusion of the Study.....	39
5.4 Recommendations.....	41
5.5 Limitations of the Study.....	42
5.6 Suggestions for Further Research.....	42
REFERENCES.....	44
APPENDICES.....	I
APPENDIX I: LETTER OF INTRODUCTION.....	I
APPENDIX II: INTERVIEW GUIDE.....	II

ABSTRACT

The right marketing mix strategies enable organizations to pursue their marketing objectives in the target markets and therefore achieve the organizational objectives. Application of the right marketing mix also ensures provision of the right product, at the right price, in the right place thus, ensures that resources are efficiently and effectively utilized. This study sought to determine marketing mix strategies applied by Kenol Kobil Ltd. and to determine the relationship between the marketing mix strategies and performance of Kenol Kobil Ltd. This study was based on two theories, that is, resource-based theory and Competence based strategy theory. The research design was a case study, as it focused on marketing mix strategies in Kenol Kobil Ltd. The researcher used primary data for this study. The primary data was collected via personal interview with an interview guide. Since the data was qualitative in nature, content analysis was used to evaluate the response, draw conclusions and to derive recommendations. The study concludes that Kenol Kobil Ltd. offers variety of products and services which are specific to the demands and tastes of specific customers. They include petroleum products such as aviation fuels, motor fuels, and liquefied petroleum gas, lubricants, industrial oils and other specialist oils. The study concludes that in terms of prices, the Kenol Kobil Ltd. normally posts same prices in the retail segment. The study also concludes that Kenol Kobil Ltd. uses three distribution strategies whereby, products for commercial activities are directly supplied to the customers, products. Moreover, the study concludes that Kenol Kobil Ltd. uses Integrated marketing communications strategy as its major promotion strategy which is designed to make all aspects of marketing communication such as advertising. The study recommends that the marketing mix strategies adopted by Kenol Kobil Ltd. should be more emphasised in order to have greater influence on performance. In addition to price leadership strategy, formula based pricing strategy and fixed pricing strategy on retail stations, the firm can also have psychological pricing strategy in various market segment.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Palmer (2011) notes that marketing mix strategy is a major concept in marketing. Over the recent years, the major version of such concept which is associated to the 4P's (product, price, promotion and place), has been criticized from the fact that wide range of marketing mix strategies have been proposed for the different marketing contexts. It can be noted that services differ from the products due to the characteristic nature of the services, intangibility, inseparability, heterogeneity and also perishability. Gronroos (2010) improved on the early version of marketing mix for the services from the 4Ps to the 7Ps. The additional 3Ps are people, physical and processes.

This study was based on two theories, that is, resource-based theory and Competence based strategy theory. Resource based theory, the resources of a firm are major determinants of how competitive they are as well as their performance. It adopts two main assumptions in evaluation of the sources of firm competitiveness. One is the assumption on the model that the firms in an industry are likely to be heterogeneous in respect to the kind of resources within their control (Porter, 2008). In addition, it assumes that the level of resource heterogeneity is likely to persist over a long period. The uniqueness of resources is a great contributor to firm competitiveness. Competence based strategy theory that builds on structure-conduct-performance on the industrial organization economics. The role of such paradigm is that it talks more on the competitiveness of a firm in an

industry which relies on its characteristics (Prescott, 2011). Based on this theory, firm profits are not bound to the firm but rather to industry structure, nature and also balance of the forces of competition.

The Kenol Kobil Ltd. Group is among Africa's fastest growing indigenous oil marketing conglomerate with an expansive investment portfolio spanning the entire Eastern, Central and Southern parts of the African continent. The company's strive to keep abreast with the latest technologies. It is a company that is well known for its innovative products and services and is among Kenya's leading indigenous oil marketing company with an expansive business presence in the country. Kenol Kobil Ltd. Kenya is the seed bed from which the now pan-African Kenol Kobil Ltd. Group sprouted over 50 years ago and in recognition of its central role, the Group Head Office is hosted in Nairobi, Kenya.

1.1.1 Concept of marketing

Marketing is defined as a function of an organization with distinct process that create, communicate and also ensure that they deliver value for the customers and to manage the customer relationship in a way which is vital for the organization as well as the stakeholders (Walker, 2010). Past scholars have examined the concept of marketing, the findings indicated that this concept is not on finding of customers that are willing to buy the products or services but rather to provide products and services to customers based on their needs and wants (Kasper et al., 2012).

The concept of marketing today is associated to a number of developments in history of marketing. The initial concept is the production concept where managers in production placed more focus on increased efficiency in production, the low costs and also mass distribution (Palmer 2011). Then came the product concept, which states that the consumers often favor the product offering that is highly innovative (Lovelock, 2011). Then there was the selling concept period. Due to entrance of competition, organization emphasized on selling their products to customers. Communications, advertising and also branding got more vital since firms required to sell more than competitors. Further the marketing concept came into place which is customer centered. Its aims at identifying customer needs and producing products which meet those needs, hence the market became customer oriented. In the 21st century, a holistic marketing concept came into play, which is based on development, design, and implementation of marketing programmes, processes and activities that recognize their breadth and interdependencies (Kotler, 2013).

Marketing is constantly being perceived to be important in the performance of any organization. It is the bridge between production and consumption of goods and services. Marketing forms the vital link between customer needs and the means of satisfying them. In the 21st century, it involves doing research to learn what people want; creating products that people want; pricing them competitively and making it easy for people to buy. This entails efficiently planning and executing the conception, distribution,

promotion and pricing of goods services, and ideas; and creating exchanges that satisfy individual consumer and organizational customers' objectives (Baker, 2012).

1.1.2 Marketing mix strategies

The American Marketing Association (AMA) defines marketing mix as a mix of controllable marketing variables (tactics) available to managers. A marketing mix model relates some measure of marketing performance such as sales or market share to variables that describe the brand or product's marketing mix. The marketing mix strategies are anchored on these 4Ps, which defines the direction of marketing efforts in order to create a competitive advantage. The concept of marketing mix strategy therefore involves a deliberate and careful choice of strategies and policies for organization Product, Price, Promotion and Place, as well as the additional 3ps for services namely People , Physical and Processes. All the elements must be properly selected and mixed in right proportions in order to enhance product or service and make it attractive to the customer.

Marketing mix strategies can either be standardized or differentiated. A standardized marketing mix involves developing a standard product or service and marketing it across the national border with the same elements of communication, pricing and distribution strategies. A differentiated marketing mix on the other hand involves responding to differences in customer preferences arising out of cultural, social and religious barriers that divide a nation.

The importance of these strategies is critical to a firm, as it outlines the means of achieving the organizational objectives. To achieve the objectives, the mix has to be constantly reviewed since the external environment is constantly changing. It can also change due to change in customer preferences and taste, change in lifestyle, innovation and technology. Marketing mix strategies in an organization are critical for its success and therefore the need to be formulated. They anchor the target customer to the macro environment, including competition. They vary from one organization to another, according to their internal environment, resources position of the firm marketing objectives, organization structure and information systems.

1.1.3 Organizational performance

Organizational performance is the degree to which a firm meets their preset objectives. It is a measure of attractiveness of a firm. Balanced score card evaluates the performance of firms in relation to the finances, the customers, motivation and also learning as well as internal efficiency (Wongrassamee, et al., 2013). The triple bottom line constitutes of the societal interests. It relies on the idea that organizations need to measure their performance from the aspect of economic, environmental or the social added value. It is effective in terms of their ability in creating awareness on the performance of a firm on the eyes of the managers as well as helping in improving the level of accountability for the firms. Firms need to adopt the shared value as an approach to offer encouragement to create more profits and improved social benefits (Riordan et al., 2012).

In marketing concept, the significance of measurement becomes more critical when planning marketing budgets, especially for marketing communication. Ragema (2009) argues that recent research has introduced the concept of advertising: turnover ratio. The ratio measures the efficiency and effectiveness of a firm in converting its advertising expenditure into brand value. There are five tools for measuring marketing performance. These are sales analysis, market share analysis, marketing expense to sales analysis, financial analysis and customer attitude tracking studies.

1.1.4 Kenol Kobil Ltd. Ltd

Kenol Kobil Ltd. Limited is a Kenyan based oil marketing firm that has been in operation since 1959. It was listed in the Nairobi stock exchange on the same year (Macharia, 2012). The firm has its own storage facilities on various fuel products in the country and the lubricants are also marketed as its products. The company consists of 150 service stations on the retail network. The Kenol Kobil Ltd. Group is one of Africa's fastest growing indigenous oil marketing conglomerate with an expansive investment portfolio spanning the entire Eastern, Central and Southern parts of the African continent. The Group consists of subsidiaries in nine African countries outside Kenya (Head Office) including; Uganda, Tanzania, Rwanda, Zambia, Ethiopia, Burundi, Zimbabwe, Mozambique and Congo DR. As a growing pan African oil marketing company, they have perfected their business in the downstream sourcing and marketing of petroleum. Kenol Kobil Ltd. Limited trade in both crude and refined petroleum products which

include motor fuels, industrial oils, LPG, aviation fuels, lubricants and various other specialist oils including non- fuel related products (PIEA Magazine, 2016).

1.2 Research problem

Marketing mix strategies are anchored to the marketing 4P's (product, price, promotion and place) in product marketing, and three further P's for service marketing (people, processes and physical evidence) (Lovelock, 2011). The right marketing mix strategies enable organizations to pursue their marketing objectives in the target markets and therefore achieve the organizational objectives. Application of the right marketing mix also ensures provision of the right product, at the right price, in the right place thus, ensures that resources are efficiently and effectively utilized. Utilization of technology in promotions, pricing, distribution and innovation or product development ensures a match of products to customer needs

The Kenol Kobil Ltd. Group strong business model coupled with visionary leadership provided by the Company's professionally constituted Board of Directors and Management team have seen the Company post impressive results over the years. According to the company's Bulletin of first half 2011, Kenol Kobil Ltd. Vision is to be the leading brand in every market the company operates in, and a major player in Africa. The Mission of the company is to develop, improve and increase quality and total value of its products and services; become a market leader through continuous innovation, customer focus and to provide the highest quality products and services; maintain a

highly motivated and well trained human resource base and deliver the highest shareholder value.

Several studies both locally and internationally have been done on marketing strategies and firm performance. Shireen (2011) carried out a study on marketing Mix Strategy Adaptation: A Retail Organization's Response to the Global Economic Downturn. The study found that Woolworths did indeed adapt its marketing mix strategy in response to the global economic downturn. It was not clear from the findings whether marketing mix elements influences organization performance. Yasanallah and Vahid (2012) studied the Status of Marketing Mix (7Ps) in Consumer Cooperatives at Ilam Province in Iran. According to research aim, seven hypotheses are provided and tested by one sample t-test. As a result, hypotheses on price, location, promotion, product, operation management and physical assets which show lower than average status of these elements were confirmed. The only hypothesis that was rejected was the hypothesis related to the personnel element.

Horner (2011) did a descriptive study of the Marketing Mix Strategies Utilized by North American Christian Schools. The study established that successful marketing operations were identified and word of mouth advertising efforts were found to be the most successful among respondents. The study fails to explicitly show how Marketing Mix Strategies influences organization performance. Huang et al., (2013) did a study on factors influencing the Formulation of Effective Marketing Strategies of Chinese

Businesses Operating in Jordan. The study revealed that there is no significant effect of broad environmental factors and task environmental factors on marketing Performance. This study is however limited to broad environmental factors and task environmental factors.

Local studies have also been done in Kenya, and include: Muchohi (2015) who conducted a study on Marketing Mix Strategies Adopted by Tennis Affiliated organizations to Enhance Competitiveness. The results revealed that there is strong relationship between marketing mix strategies and competitiveness. However, it is evident that the study did not focus on marketing strategies adopted by petroleum companies in Kenya. Obonyo (2013) evaluated marketing mix strategies adopted for competitiveness by supermarkets in Kisii Town. The study established that price management rarely attracts customers. However, the study fails to determine the proportional level each strategy needs to be employed to maximize the performance

Mwangi (2011) studied the extent of usage of the marketing mix variables in the shipping industry in Kenya. This study reveals that the marketing mix variables, which are, the engine driving competitive tendencies are hardly exploited within the shipping industry in Kenya. However, the study was only limited on shipping industry and thus could not be generalized to petroleum industry. Koske (2012) conducted a study to determine effects of 4ps Marketing Mix on Sales Performance of Automotive Fuels of Selected Service Stations in Nakuru Town. However, it is evident that the study did not focus on

marketing mix strategies adopted by petroleum companies in Kenya. Muthengi (2015) conducted a study on the Effects of Marketing Strategies on Sales Performance of Commercial Banks in Kenya. The study revealed that marketing has become a major function in the banking industry as a result of increased competition brought about by bank consolidation and reforms. The study was limited to Commercial Banks in Kenya and thus could not be applicable to petroleum firms. Arising from the findings of the above studies, it is evident that, there is no study done with regard to the effectiveness of marketing mix strategies on performance of Kenol Kobil Ltd. to the best knowledge of the researcher. This study filled this gap through answering the research question: How effective are the marketing mix strategies in Kenol Kobil Ltd. Ltd in enhancing performance?

1.3 Research objectives

The following were the proposed research objectives for the study:

- i. To determine marketing mix strategies applied by Kenol Kobil Ltd.
- ii. To determine the relationship between the marketing mix strategies and performance of Kenol Kobil Ltd.

1.4 Value of the study

To the academia, this study will form the basis for future studies. There are limited empirical investigation on the effectiveness of marketing mix strategies on the

performance of firms. This provides a good ground for the academicians to investigate the research gaps in this area.

To the practitioners in petroleum industry the proposed study will shed more light on the way in which firms will be able to leverage on the marketing strategies so as to meet the objectives of the organization as well as to optimize organizational performance. In addition, the findings of this study will offer vital information to the decision makers of the organization on the market mix strategies used by the firm due to the changes in the macro environment. Managers will make use of the findings as a reference when formulating marketing objectives in order to improve their organizational performance.

This study will have policy implications to industry regulators. To the Energy Regulation Commission and the government, they will benefit more so on the design of the price control programs in the oil industry. It will inform them about the customers' value. This will guide them in setting industry standards and policies that are beneficial to all respective stakeholders

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of past studies on the marketing mix strategies applied by firms in an industry, relationship between the marketing mix strategies and firm performance and also the measurements of marketing mix effectiveness.

2.2 Theoretical foundations of the study

This study was based on the Resource based view theory and competence based theory.

2.2.1 Resource based theory

The resource based theory defines how effective and efficient use of the resources of a firm are essential towards creating a sustainable competitive advantage. According to Porter (2011), the theory places emphasis on the resources of a firm as a determinant on the competitiveness of firms in the industry. The theory has moved through different changes over the past decade by various scholars for instance by use of terms such as resources, capabilities, assets or the competences in description of the factors which have an effect on the competitiveness of a firm. The resources of a firm are placed into physical capital resources, human capital and the organizational capital resources.

Fiol (2011) remarks that both the skills and resources and the way firms use them must constantly change, the leading creation of continuously changing temporary advantage.

This suggests that it is the way resources are configured and not the capabilities as such

that is the source of competitive advantage. The resource-based view of the firm predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance (Ainuddin et al., 2012).

2.2.2 Competence based theory.

Competence based theory is defined as an approach to managing business in a given way. On this approach, the business is an open system which interact with the environment to obtain given resources and to improve their outputs. Based on this theory, the capacity of a firm is developed on the core competences which cannot be acquired by the competitors and also create more profits which provide the basis for firm performance (Prescott, 2011).

In the present dynamic business environment, the competitive position of a firm is challenged constantly by the growth of new technologies, products, the markets as well as competitors. On the other hand, flexibility and adaptability have formed major concepts of management in developing sustained competitive advantage (Whetton, 2011). Competence based theory provides the foundation for firm competitiveness. It is one of the main studied theories pertaining to the influence of the strategies of a firm to improving its performance. This theory, hence has a major role to play on evaluating the competitiveness of a firm and its sales that fit on the perception of the customers to improve their general performance in the market (Lovelock, 2011). Thus this theory

aligns to a firm's ability to examine the dynamic business environment and develop strategies for survival.

2.3 Marketing mix strategies

McCarthy (2011) defines strategy as a direction and scope for an organization in meeting long term objectives by configuring its resources in the present dynamic business environment. According to Nagle & Holden (2012) strategy is an underlying concept in strategic management. However, the marketing mix are a set of controllable or the tactical tools in marketing which are used by an organization so as to meet the needs and demands in the target market. Therefore, the marketing mix strategies includes all the responses of a firm in ensuring that the target market positively influence their product demand. Firms who aspire to meet the customer needs often have to focus on understanding the customers and developing appropriate strategies to improve their performance. The following section provides a discussion based on the 7Ps of marketing mix strategies.

2.3.1 Product strategy

Product strategy refers to all the goods and services that a company offers to the target market in order to satisfy their needs. It also includes physical products, services, information, places, organizations or ideas that can be offered for acquisition or consumption that might satisfy a want or a need. Products are classified in two categories; tangible and intangible products (Kotler 2013). The product is therefore more

than a branded, packaged good offered for sale. Its definition has been widened to include services and benefits and the services that can be achieved from the product.

Product strategy consists of elements such as packaging, branding labeling and product attributes that are of good quality, style, features and design. Strong brand preference is an added feature to the product. A product consists of 4 life cycle stages i.e. introduction, growth, maturity and decline stage. New product development leads to a wide product range that influences attraction and retention of many customers.

2.3.2 Pricing strategy

Price is considered as a value placed on a product or a service. Foss (2012) asserts that when the effective product development, distribution and also promotion positively influence the firm's success; so is the efficient pricing strategy. Critics argue that despite the fact that effective pricing strategy is not able to compensate for the poor execution on promotion, distribution and product development, when there is ineffective pricing has a negative impact on the performance of firms (Palmer, 2011).

In addition, the complexity in the pricing strategy in a firm is quite significant as a result of the high level of homogeneity between the service groups as well as the shared service delivery and also the operating systems. Firms make use of different pricing strategies. This is based on the goals and objectives of the organizations as well as product stage in the market. They include: pricing strategies for new products i.e. penetration pricing strategy, pricing strategies for established products which is

determined by competition, price flexibility strategy, price leadership strategy, and psychological pricing strategy. They offer critical evaluation on the price changes in organizations and how this is affected by the target market (Chisnall, 2011).

2.3.3 Distribution strategy

Distribution strategy is the method a firm uses to get products and services to different channels and networks with objective to reach the end customer, either directly or indirectly. The intermediaries include the agents, wholesalers, distributors and also retailers. These elements help in ensuring that a firm has provided the customers with quality customer service that has an influence on the level of customer satisfaction (Palmer, 2011). Customer require convenience for the product offering such as the physical access. Distribution channels are important in a firm's level of competitiveness. This is because they affect the time when the product reaches the customer as well as final price of the product. Through distribution strategy, an organization gets to understand the sales channels through enhanced knowledge, better segmentation on the distribution within the sales channels, the roles played by the intermediaries on the sales process, getting to understand centers of influence on the sales channel as well as the position of a firm in relation to the sales channel (Whetton, 2011).

2.3.4 Promotion strategy

Promotion and communication strategy is a major component in the marketing mix strategy. It helps firms to communicate on their product or services to the customers. Promotional strategy constitutes a number of elements that include personal selling, sales promotion, advertising, public relations and direct marketing. These elements have an influence on the relationship of the customer and the firm that is essential towards improving the sales of a product or service (Lehtinen, 2011). Integrated Marketing Communication (IMC) implies combining all the elements of promotion together to make a complete picture. This is so that a consistent message is transmitted by all marketing communications. A promotional mix specifies how much attention to pay to each of the five subcategories, and how much money to budget for each. The product life cycle, among other marketing objectives determines the extent to which these elements are used. Kurtz & Boone (2011) talked about advertising and considered this factor to be a major aspect for the firms in any industry. One of the reasons is that effective advertising helps firms to attract and ensure loyalty of the customers within the current changing business environment. In addition, reports by Lehtinen (2011) indicated that 50 % of the consumers remembered seeing or hearing of the aspect of advertising in firms.

2.3.5 Physical strategy

It involves elements within the store, the store front, the uniforms employees wear, and signboards that assure customers about quality products provided by the organization. A

number of elements such as location of a product, nearness to the consumer, tidiness and the general appearance of a product or service are major in determining the physical strategy of a firm (Lehtinen, 2011). This is because these aspects influence the level of satisfaction of the customer. This element of the expanded marketing mix addresses the "tangible" components of the service experience and the firm's image. It refers to the appearance and physical setting which both demonstrates and promises quality. Physical surrounding and other visible cues can have a profound effect on the impression customers' form about the quality of the service they receive (Bitner, 2010). The "service scope" that is, the ambience, the background music, the comfort of the seating and the physical layout of a service facility - can greatly affect a customers satisfaction with a service experience (Bitner, 2010). The appearance of the staff, including clothes and grooming may be used as clues (Lovelock, 2011)

2.3.6 Service delivery/ process strategy

Service strategy is a process that helps in the design, development and implementation of the service management as the capability of an organization as well as strategic assets (Whetton, 2011). Process has three main components which include the flow of activities (standardized or customized), the number of steps or the extent of customer involvement. The extent of customer experience is shaped by the service process. The process within the service delivery is often brought as an expressive performance on the service. The elements include duration, appearance in the work area, employee appearance, and effort

of the employee, reliability and the customer level of participation. The process strategy is considered to have a positive impact in regard to performance in an industry.

2.3.7 Personal strategy

This strategy is related to people who have a critical role to play in the service for organizations, more so at the service delivery process during customer interactions with the organization. Keller (2013) asserts that service marketing has stressed on the role of staff and in particular about the customer staff contact as a major component in the delivery of the high quality of the service and contribution to the customer satisfaction. Importance of people in the marketing service varies from firm to firm in an industry. The relationship of the customer varies in relation to frequency, content, duration or regularity.

Many services require personal interaction between customers and the firm's employees and this interaction strongly influence the customer perception of service quality (Rust et al, 1990). Therefore, management faces a tremendous challenge in selecting and training of its staff to do their jobs well and perhaps even more important in motivating them to care about doing their jobs and to make an extra effort to serve their customers. Employees must believe in what they are doing and enjoy their work before they can in turn provide good service to customers (Berry, 2013).

2.4 Marketing mix strategies and performance

The marketing mix is a long term plan on action which is used in order to help a firm to gain its competitive advantage over its competitors. The competitive advantage is sustainable when competitors cannot imitate their source of competitiveness or when no other firm conceives a better offering (Baron, 2010). In a study by Riordan et al. (2012) asserted that performance is viewed as a multidimensional construct and that the level of performance of a firm differs based on a number of factors that characterize the industry. It has been argued that the use of marketing mix strategies has been done so as to have a more direct related marketing practice with the outcomes.

Effective marketing mix strategies have greatly contributed towards improved business performance in different aspects of a firm such as the growth in sales volume, the level of the return on investment as well as maintenance of the goodwill. This implies that effective marketing mix strategies strengthen the level of competitiveness and the market share. In another study by Kurtz & Boone (2011), effectiveness of marketing mix strategies affects the level of the application of strategies that influence performance of firms. The study argued that challenges which marketers face are in terms of their inability of showing the level of effectiveness of their marketing mix strategies. This makes it difficult on anticipation on the changes which take place in the marketing situation of a firm and evaluation of the whole of the market. It is clear, that there are no

agreed conclusions about the marketing mix strategies and their relationship to the performance of firms.

2.5 Measurement of marketing mix effectiveness

A number of methodologies are used in measuring the effectiveness of the marketing mix elements in an organization. They include the shareholder based financial performance, the balanced score card and also triple bottom line. Much of the performance in the literature on business and economics has concentrated on financial returns, the return on investment, economic returns or the shareholder returns. Offering the maximum possible return to the shareholders is the major role of the managers. Balanced score card evaluates the performance of firms in relation to the finances, the customers, motivation and also learning as well as internal efficiency. The triple bottom line constitutes of the societal interests. It relies on the idea that organizations need to measure their performance from the aspect of economic, environmental or the social added value. It is effective in terms of their ability in creating awareness on the performance of a firm on the eyes of the managers as well as helping in improving the level of accountability for the firms. Firms need to adopt the shared value as an approach to offer encouragement to create more profits and improved social benefits. Balanced score card and the triple line are often a multifaceted approach on the organizational performance since they are not only concerned with the financial figures but also on the other aspects that offer a healthier and a critical approach to measuring financial performance.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology that the researcher employed in the study. The methodology includes the research design, data collection methods and data analysis techniques.

3.2 Research design

The research design was a case study, as it focused on marketing mix strategies in Kenol Kobil Ltd. A case study is an in-depth investigation of an individual, institution or phenomenon. Case studies allow a researcher to collect in-depth information, more depth than in cross-sectional studies with the intention of understanding situations or phenomenon. It also helps to reveal the multiplicity of factors, which have interacted to produce the unique character of the entity that is subject of study. Case studies place more emphasis on a full contextual analysis of fewer events or condition, and their inter relations (Cooper & Schindler 2006).

3.3 Data collection methods

The researcher used primary data for this study. The primary data was collected via personal interview with an interview guide. The interview guide was considered appropriate for this study since there was need to gain an in-depth understanding of the

effectiveness of marketing mix strategies at KenoKobil Limited and this can only be achieved by conducting interviews. A structured interview guide was used to conduct the interviews which consisted of open-ended questions to collect the data. The respondents were senior managers drawn from various departments in the organization and who have a key role in marketing strategy formulation, implementation and evaluation. They included the chief executive officer (CEO), the finance director, the marketing manager, human resource manager, accounts manager, operations manager, and administrative manager, and production manager.

3.4 Data analysis

Since the data was qualitative in nature, content analysis was used to evaluate the response, draw conclusions and to derive recommendations. Content analysis consists of reading and re-reading the interview responses looking for similarities and differences in order to find themes and to develop categories. According to (Kothari, 2004) content analysis consists of analyzing the contents of documentary materials such as books, magazines, news papers and content of all verbal materials which can either be spoken or printed. Further Hsieh & Shannon, (2005), insist that content analysis is the systematic qualitative description of the composition of the objects or materials of the study.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS, AND DISCUSSION

4.1 Introduction

This chapter presents data analysis and discussions. The study objective was to establish marketing mix strategies applied by Kenol Kobil Ltd. and to determine the relationship between the marketing mix strategies and performance of Kenol Kobil Ltd. Primary data was collected using a comprehensive interview guide from senior management from key divisions including some middle level managers who are directly involved in marketing strategy formulation, and implementation. Secondary data was collected from Kenol Kobil Ltd. website including the company's current strategic plan. The data was thereafter analyzed using content analysis based on the objectives of the study and the findings were presented as per the different themes underlined below.

4.2 Background information of respondents.

The study established that majority of the respondents held bachelor or post graduate degrees. Therefore, the level of education of the respondent was high hence they were in a position to understand and give out the right responses during the interviews. Majority of the respondents had worked at Kenol Kobil Ltd. Limited for more than ten years which made them conversant with marketing mix strategies in response to the environmental challenges . The number of years of working for the same company gave the interviewer assurance and high level of confidence on the expected outcome.

4.3 Marketing mix strategies in Kenol Kobil Ltd.

The study asked the interviewees various questions relating to Marketing mix strategies adopted by Kenol Kobil Ltd. and obtained various responses. This was meant to indicate various marketing mix strategies adopted by the firm, and how these strategies have improved the overall performance of Kenol Kobil Ltd.

4.3.1 Product Strategies Adopted In Kenol Kobil Ltd.

The respondents were asked to indicate the product strategies Adopted In Kenol Kobil Ltd. They indicated that the firm offers variety of products and services which are specific to the demands and tastes of specific customers. They include Kgas – a brand of cooking gas which supplied in various packages, K-lube a brand of lubricants specifically blended with the customers' requirements in mind to ensure that the customer's needs are met. The study also established that Kenol Kobil Ltd. has come up with a fuel card marketing tool that is based on a software similar to the Mpesa money transfer. The K-Card enables the motorist to load money into the card at any Kenol Kobil Ltd. service station and to use the card to fuel at any Kenol Kobil Ltd. service station.

Further, interviewees indicated that Kenol Kobil Ltd. offers a wide variety of products and services which have helped it to create a niche in the oil market. It offers petroleum products such as aviation fuels, motor fuels, and liquefied petroleum gas, lubricants, industrial oils and other specialist oils. Kenol Kobil Ltd. also sells and markets regular motor spirit, automotive diesel, industrial diesel, bitumen, kerosene, and premium motor spirit. The company also markets motor, industrial, and specialist lubricants, greases, and

solvents under the Kenol, Kobil, and Castrol brands; and imports and sells a range transmission fluids, and radiator coolants.

4.3.2 Effectiveness of product strategies

The respondents were asked to indicate whether product strategies adopted are effective enough. According to the respondents it was established that Kenol Kobil Ltd. offers unique products which include Kgas, Kcard, Klubes and castrol. They meet both local standards prescribed by Kenya Bureau of Standards as well as international standard since they all ISO-9001-2015 certified. Further, it was established that the company have put in place good quality company packaging, branding labeling and product attributes, as well as customer oriented products to satisfy their needs profitably. Also, the interviewees felt that there is a positive relationship between brand, quality and design. The various products directly contribute to increased sales revenues and profitability of the firm.

4.3.3 Pricing Strategies Adopted In Kenol Kobil Ltd.

The researcher sought to establish whether there are pricing strategies adopted in Kenol Kobil Ltd. The study established that in terms of prices, the company normally posts same prices in the retail segment (but often offers promotional discounts to its customers) but different prices in other segments like commercial, trading, non-fuel, aviation and exports. This is due to the fact that prices are controlled in the retail segment through price capping introduced by the Kenyan Government through the Energy Regulation Commission (ERC) in December 2010. This was meant to cushion consumers against increasing fuel prices against high levels of inflation and weakening of the Kenyan

Shilling. On other segments, the prices are largely depended on other market factors that include but not limited to demand, customer loyalty and history, cost of product or service, location especially rental-based segments, supply constraints, distribution costs, etc.. In addition, the study established that Kenol Kobil Ltd. uses price flexibility strategy, price leadership strategy, and psychological pricing strategy.

4.3.4 Effectiveness of Pricing Strategies

The study sought to establish whether pricing strategies used by Kenol Kobil Ltd. are effective enough. The study findings reveals that pricing strategies have helped the firm in achieving continuous improvement in all areas of performance, including decision-making, sales revenue, market share and profitability.

4.3.4 Distribution Strategies Adopted by Kenol Kobil Ltd.

This question sought to find out whether there are distribution strategies adopted in Kenol Kobil Ltd. The respondents stated that there were distribution strategies adopted in Kenol Kobil Ltd. which include maintaining an efficient distribution system to ensure maximization of turn around in supplies and distribution functions of the company as well as having efficient management of all the logistical functions of the firm. The study further revealed that Kenol Kobil Ltd. uses three distribution strategies whereby, products for commercial activities are directly supplied to the customers, products for petrol stations are first supplied to retailers before ending to the customers, while lubricants products are first supplied to wholesalers, then to retailers and finally to the customers.

4.3.5 Effectiveness of Distribution Strategies Adopted by Kenol Kobil Ltd.

The interviewees were kindly requested to indicate effectiveness of distribution strategies adopted by Kenol Kobi. Interviewees indicated that effective distribution strategies in Kenol Kobil Ltd. has enabled the firm to timely deliver its products and services to end customer. They have also assisted the firm in collecting marketing intelligence as well as drive promotion efforts. Further respondents indicated that have helped Kenol Kobil Ltd. to achieve customer convenience for the product offering such as the physical access. Also, the interviewees were the view that through distribution strategy, an Kenol Kobil Ltd. gets to understand the sales channels through enhanced knowledge, better segmentation on the distribution within the sales channels

4.3.6 Promotion Strategies Adopted in Kenol Kobil Ltd.

The study sought to determine from the respondents the promotion strategies adopted in Kenol Kobil Ltd. The interviewees indicated that Kenol Kobil Ltd. uses Integrated marketing communications strategy as its major promotion strategy which is designed to make all aspects of marketing communication such as advertising, sales promotion, public relations, and direct marketing work together as a unified force, rather than permitting each to work in isolation. One of the respondents indicated that all of these communications tools work better if they work together in harmony rather than in isolation. Their sum is greater than their parts - providing they speak consistently with one voice all the time, every time.

According to the respondents, promotional strategies common to the Kenol Kobil Ltd. has been price discounts, free sales gifts and vouchers, advertisements in the press and after sales service. Other sales promotion activities include petrol station fuel discounts which is provided between sh.2.00 and Sh.5.00 for different days of the week, in the promotion campaign named “deal poa”. Motorists with fuel cards also enjoy discounts and assorted gifts. Many of the promotional activities take place at the site. This is probably because they are particular to certain service station.

In addition, Respondents indicated that Kenol Kobil Ltd. have been using advertising, internet promotion, sales promotion and publicity. It was established from the study that the Kenol Kobil Ltd. Ltd had initiated several promotion methods which was aimed to increase the number of customers both for car owners and those who use petroleum products for domestic use. The promotion was success as the number of the customers increased significantly. Also, It was established that the company did integrated several platforms such as the online based social media such as the Twitter, Facebook, Linkedl for the marketing of its products and services and increasing the brand awaareness.

On cooperate social responsibility, It was revealed that Kenol Kobil Ltd. have Education Scholarship Funds which is aimed at improving education of the vulnerable groups in the society. In addition, respondents indicated that Kenol Kobil Ltd. have supported several charitable organizations which include Mama Ngina Children’s Home and Light and Hope Academy for Children with Disability in Kenya, 1994 Genocide Survivors kitty

and the annual Kwita Izina in Rwanda, annual Burundi-Kenya Friendship Week and annual River Lure Fishing competition in Zambia.

4.3.7 Effectiveness of Promotion Strategies Adopted by Kenol Kobil Ltd.

The respondents indicated that promotion strategies have been very effective in promoting strong brand loyalty among customers, thereby, increasing its customer base hence profitability. They indicated that corporate social responsibility have led to goodwill, and the scholarship programs have benefited the organization due to internship and employment of the sponsored students in the organization. Further, the interviewees opined that integrated marketing communication (IMC) which is a more effective method of promotion have Kenol Kobil Ltd. to improve its growth.

4.3.8 Physical Evidence Strategies Adopted in Kenol Kobil Ltd.

The study sought to establish the interviewees whether there are physical evidence strategies adopted in Kenol Kobil Ltd. and thereby stating those strategies. Most of the interviewees overwhelmingly agreed that there are physical evidence strategies adopted in Kenol Kobil Ltd. The study established that most of the Kenol Kobil Ltd. outlets are strategically located alongside the roads as well as in towns which facilitates convenience to its customers. Further it was determined that Kenol Kobil Ltd. Kenya Ltd had opened several petrol stations in the country in a bid to increase its customer coverage. Most of the respondents indicated the company had significantly managed to reach more customers and the profitability of the company had significantly increased. Interviewees

further indicated that the Kenol Kobil Ltd. Group is one of Africa's fastest growing indigenous oil marketing conglomerates with an expansive investment portfolio spanning the entire East, Central and Southern parts of the African continent. The group has also extended its footprint into Southern Africa, and has an overall network of 20 terminals that supply 413 petrol stations in 5 countries. The Group has subsidiaries in five African countries outside Kenya (Head Office) including; Uganda, Rwanda, Zambia, Ethiopia, and Burundi. This wide coverage has facilitated ease of service delivery by Kenol Kobil Ltd.

4.3.9 Effectiveness of Physical Evidence Strategies Adopted by Kenol Kobil Ltd.

Further, the interviewees were kindly asked to indicate the effectiveness of physical evidence strategies adopted by Kenol Kobil Ltd. The study established that the physical evidence strategies adopted by Kenol Kobil Ltd. have enabled the company to access wide customer base as well facilitating quick and efficient service delivery which have eventually led to the growth of the company. Interviewees noted a direct relationship between location and sales performance for automotive fuels in Kenol Kobil Ltd. Location matters in this industry also involve provision of adequate parking space, service bays, washrooms, restaurant service and convenient stores.

4.3.10 Process Strategies Adopted in Kenol Kobil Ltd.

Respondents were kindly requested to indicate the process strategies that Kenol Kobil Ltd. have adopted. This was mainly attributed to dedicated customer service, timely service offer as well as high quality of goods and services offered to the customers.

4.3.11 Effectiveness of Process Strategies Adopted by Kenol Kobil Ltd.

The study sought to establish the effectiveness of process strategies adopted by Kenol Kobil Ltd. It was established that process strategies have helped Kenol Kobil Ltd. through improved employee performance, enhanced sales to the customers as well as improved clientele base. One of the respondents noted that the overall profitability of Kenol Kobil Ltd. have increased as a result of adoption of process strategies. Respondents further indicated that process strategies adopted by Kenol Kobil Ltd. had significantly enhanced scores on the measures of competitive advantage greater sales volume, better profits and better return on investment

4.3.12 People Strategies Adopted in Kenol Kobil Ltd.

The study sought to establish the people strategies adopted in Kenol Kobil Ltd. The findings indicated that the firm offers some products and services which are specific to the demands and tastes of specific customers. The respondents indicated that staff costs are efficiently maintained while maintaining a well-motivated workforce so as to achieve the sales goals and targets. The study also indicated that the company have well-trained sales team. These includes salesmen and women, engineers, administrators, accountants

and generally all the staff. The staff is either sourced directly from the universities as well as the oil industries. This was observed to be a key element in the success of the firm in developing a source of sustainable competitive advantage. In addition, Kenol Kobil Ltd. limited has well-structured policies regarding human resource administration that spells out the expectations of all the employees in carrying out their duties as well as adherence to the company policies. Remuneration was also observed to be a key determinant in maintaining a well motivated sales team that drives the firm in achieving its goals and objectives.

4.3.11 Effectiveness of People Strategies Adopted by Kenol Kobil Ltd.

The study sought to establish the effectiveness of people strategies adopted by Kenol Kobil Ltd. The study revealed that people strategies adoption by Kenol Kobil Ltd. have led to the success of the firm in developing a source of sustainable competitive advantage. Further, the study established that People Strategies Adopted by Kenol Kobil Ltd. have motivated sales staff in line of their duty which have facilitated achievement of the marketing goals and objectives.

4.4 Marketing mix strategies and performance in Kenol Kobil Ltd.

Effective marketing mix strategies have greatly contributed towards improved business performance in different aspects of a firm such as the growth in sales volume, the level of the return on investment as well as maintenance of the goodwill. The study asked the interviewees various questions relating to the link between marketing mix strategies and

performance in Kenol Kobil Ltd.Ltd and obtained various responses. The study findings are as presented in subsequent subheadings.

4.4.1 Effect of Marketing Mix Strategies to Kenol Kobil Ltd.

The study sought to determine the effect of marketing mix strategies to Kenol Kobil Ltd. Ltd It was determined from the study that the respondents indicated that Marketing Mix Strategies have led high growth in sales revenue,sales volume and their market share, growth and expansion to regional markets. Futher respondents indicated that marketing mix strategies have improved the firm's image and increased competitive advantage .

4.4.2 Effect of marketing mix strategies on Sales Volume at Kenol Kobil Ltd.

The researcher sought to establish the effect of marketing mix strategies on sales volume at Kenol Kobil Ltd. Respondents indicated that marketing mix strategies increased sales and market share. It was further noted that sales performance is positively affected by marketing mix strategies.It was established from the study that the company has been able to keep abreast with the emerging trends to stay ahead of the competition, It was indicated that the company reaching out to the new markets and creating services in order increasing market size. The study established that the sales volume have increased from 101,760,803,000 in year 2010 to 192,527,486 in year 2015. Respondents noted that this hike on sales was attributed to effective marketing mix strategies adopted.

4.4.3 Efficient and effective service delivery benefits of effective marketing mix strategies

The study sought to establish how marketing mix strategies result in efficient and effective service delivery. The study established that the benefit of a marketing mix strategies is that it facilitates effective decision making, better service delivery and products to the customers. In addition respondents indicated that marketing mix strategies helps in achievement of the marketing goals and objectives

4.5 Discussion of the Findings

The study findings established that marketing mix strategies enhances performance through creating a brand loyalty to the customers as well as improved market share. In addition, study findings revealed that effective marketing mix strategies is crucial to attract and retain customer and increase sales. It was established from the study that the company has been able to keep abreast with the emerging trends to stay ahead of the competition. The also study revealed that effective marketing mix strategies have helped Kenol Kobil Ltd. to predict market trends and segment its market. This segmentation has helped product development efforts and an understanding of what creates value for each segment. In tandem with the study findings, Kurtz & Boone (2011) opined that effectiveness of marketing mix strategies affects the level of the application of strategies that influence performance of firms. The study argued that challenges which marketers face are in terms of their inability of showing the level of effectiveness of their marketing mix strategies. This makes it difficult on anticipation on the changes which take place in

the marketing situation of a firm and evaluation of the whole of the market. It is clear, that there are no agreed conclusions about the marketing mix strategies and their relationship to the performance of firms. Also, similar to the above findings are the findings of Taiwo (2010) who established that strategic marketing practices have a significant impact on performance variables and that they interact with the different components to facilitate performance. Alibhai (2015) also established similar findings that customer's relationship marketing strategies influence firm performance and concluded that all the employees who are conversant with the CRM strategies and are constantly involved in the implementation of the strategies. Additionally, Velnampy and Sivesan (2012) also established that customer relationship marketing impact on customer value creation.

In Kenya, Kithinji (2014) also obtained similar results by establishing internet marketing had a positive impact on the performance of SMEs since it increased profitability, SMEs market share, enhanced firm's image and increased competitive advantage as well as more loyalty and access to new markets. Mbugua (2013) also obtained similar findings and concluded that poor marketing is major constraint of micro and small enterprises since most of the small business entrepreneurs are not keen with marketing since they relied on the quality of their products as their marketing tool

According to Krohmer (2002), Marketing relates positively to some performance indicators including sales performance, business unit performance, profitability and both

product development and product management performance. Cross-functional cooperation in arranging marketing activities so that various departments contribute to those activities usually increases the performance of the company or a strategic business unit. Still, there are always both sides, for example inter-functional integration can make the decision making slower (Krohmer, 2002).

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary, conclusions and recommendations of the study. This study was focused on effectiveness of marketing mix strategies on performance at Kenol Kobil Ltd.

5.2 Summary of Findings

The study established that Kenol Kobil Ltd. have several pricing strategies which includes price leadership strategy, formula based pricing strategy and fixed pricing strategy on retail stations . The study also revealed that the firm adopts a product differentiation strategy, by offering various products for different market segments including Kgas-in cooking gas segment, Klube for automotive lubricants section, Kcard for the fuel card segment. It also has a dealership agreement with BP – South Africa to sell Castrol brand of lubricants. being ISO 9001-2008, it adheres to both local and international product quality specifications.

The study also established that Kenol Kobil Ltd. adopts three distribution strategies whereby, products for commercial activities are directly distributed to the customers, products for petrol stations are first supplied to retailers before ending to the customers, while lubricants products are first supplied to wholesalers, then to retailers and then to the customers..

In addition, promotional and communication strategy adopted by Kenol Kobil Ltd. is advertising, sales promotion, online marketing through website, corporate social responsibility (csr) and direct marketing.

On physical presence strategy was determined that Kenol Kobil Ltd. operates in six countries, namely Kenya, Uganda, Rwanda, Burundi, Zambia and Ethiopia. It has a total of over 400 petrol stations. Personal strategy adopted by the firm is through dedicated customer service at petrol stations, as well as through well trained sales representatives .

5.3 Conclusion of the Study

The study concludes that Kenol Kobil Ltd. offers variety of products and services which are specific to the demands and tastes of specific customers. They include petroleum products such as aviation fuels, motor fuels, and liquefied petroleum gas, lubricants, industrial oils and other specialist oils. Kenol Kobil Ltd. also sells and markets regular motor spirit, automotive diesel, industrial diesel, bitumen, kerosene, and premium motor spirit. The company also markets motor, industrial, and specialist lubricants, greases, and solvents under the Kenol, Kobil, and Castrol brands; and imports and sells a range transmission fluids, and radiator coolants. All the above various products in each market segment have a direct relationship to sales revenues and profitability of the firm.

The study concludes that in terms of prices, the Kenol Kobil Ltd. normally posts same prices in the retail segment (but often offers promotional discounts to its customers) but different prices in other segments like commercial, trading, non-fuel, aviation and

exports. In addition, the study concludes that Kenol Kobil Ltd. uses price flexibility strategy, price leadership strategy, and psychological pricing strategy. The strategies lead to more appeal to customers of different market segments and therefore growth in sales volumes.

The study also concludes that Kenol Kobil Ltd. uses three distribution strategies whereby, products for commercial activities are directly supplied to the customers, products for petrol stations are first supplied to retailers before ending to the customers, while lubricants products are first supplied to wholesalers, then to retailers and finally to the customers. The channels lead to efficient product delivery to customers as well as assist in collecting market intelligence, thus performance of the organization.

Moreover, the study concludes that Kenol Kobil Ltd. uses Integrated marketing communications strategy as its major promotion strategy which is designed to make all aspects of marketing communication such as advertising, sales promotion, public relations, and direct marketing work together as a unified force, rather than permitting each to work in isolation. This strategy increases the brand awareness as well as aid in informing, reminding and assuring the customers of the organization products and services.

The study concludes that most of the Kenol Kobil Ltd. outlets are strategically located alongside the roads as well as in towns which facilitates convenience to its customers. and that Kenol Kobil Ltd. Kenya Ltd had opened several petrol stations in the country in a bid to increase its customer coverage.

The study also concludes that Kenol Kobil Ltd. has well-structured policies regarding human resource administration that spells out the expectations of all the sales employees in carrying out their duties as well as adherence to the company policies. Remuneration was also observed to be a key determinant in maintaining a well motivated sales staff that drives the firm in achieving its goals and objectives.

It was conclusive that effective marketing mix strategies adopted by Kenol Kobil Ltd. has enabled the firm in alignment of people, processes, and technology that have helped the organization optimize resources, opportunities, and performance which have eventually led to improved performance and profitability of the firm. Further, the study concludes that the marketing mix strategies have helped the firm in creation of competitive advantage which have enabled it compete effectively with its competitors.

5.4 Recommendations

The marketing mix strategies adopted by Kenol Kobil Ltd. should be more emphasised in order to have greater influence on performance. In addition to price leadership strategy, formula based pricing strategy and fixed pricing strategy on retail stations, the firm can also have psychological pricing strategy in various market segment.

On product strategy, the firm should venture in other products like Avgas, green energy, to boost sales revenues.

The firm can also increase physical presence from six countries in africa to more locations in other continents in order to have a global presence.

5.5 Limitations of the Study

This research was a case study and therefore the research was limited to Kenol Kobil Ltd. Thus the findings on the effectiveness of marketing mix strategies on performance are limited only to Kenol Kobil Ltd. and as such they cannot be generalized as remedies to other organizations.

Since the data collection was by use of interview guide, there were challenges in securing interview appointments with those who were earmarked to be interviewed and since they were also senior management. This meant that the process of data collection took longer than was expected, hence delaying the completion of the project timelines.

The study focused on interviewing some of the very busy executive team members and scheduling appropriate interview timings was a challenge, in some instances we had to keep rescheduling the interviews. However, the study eventually managed to obtain information from the key decision makers of the company.

5.6 Suggestions for Further Research

Further research should be carried out to determine the other factors that can increase performance of oil companies other than marketing mix strategies. Research can also be carried on other industries other than the petroleum Industry

The study utilized interview guide on which the findings were subjective to the opinions of each respondents and in future studies, other instruments of data collection should be utilized.

The study confined itself to the marketing mix strategies applied by Kenol Kobil Ltd. This research therefore can be replicated on other organizations in the same industry.

REFERENCES

- Baker, M. J. (2012). *Marketing strategy and management* (pp. 37-59). Macmillan Education UK.
- Berry, L. L. (2013). Services marketing is different. *Business*, 30(3), 24-29.
- Bitner, M. J. (2010). Servicescapes: The impact of physical surroundings on customers and employees. *The Journal of Marketing*, 57-71.
- Booms, B., & Bitner, M. (2011). Marketing Strategies and Organization Structures for Services Firms. In James Donnelly & William George (Eds.), *Marketing of services: 1981 special educators' Conference Proceeding* (pp. 46-51). Chicago: American Marketing Association.
- Chisnall, P. (2011). *Marketing Research* (6th Ed.). The McGraw-Hill Publishing Company.
- Edo, R., (2015). The Effects of Marketing Mix Elements on Brand Equity, *Economic Trends and Economic Policy*, 102 (10), P. 30 – 59.
- Kasper, H., Helsdingen, P., & Vries, J. (2012). *Services Marketing Management: An International Perspective*. John Wiley & Sons Ltd.

- Keller, K. (2013). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity* (2nd Ed.). Englewood Cliffs, NJ: Prentice-Hall.
- Kotler , P., & Armstrong, G., (2013). *Principles of Marketing. Upper Saddle River, NJ: Pearson Prentice Hall.*
- Kurtz, L. & Boone,E. (2011). *Principles of Marketing.* Mason, Ohio: Thomson/South-Western.
- Lehtinen, J. (2011). *Quality Oriented Services Marketing 2.* Department of Business Economics and BusinessLaw, Tampere University, Tampere.
- Lovelock, C. H. (2011). Developing global strategies for service businesses. *California management review*, 38(2), 64-86.
- Macharia, J., (2012). *Kenya discovers Oil.* Reuters. Retrieved, 19th February, 2016
- McCarthy, J. (2011). *Basic Marketing: A Managerial Approach* (2nd ed.). Richard D. IRWIN, INC.
- Nagle, T., & Holden, R. (2012). *The Strategy and Tactics of Pricing.* Englewood Cliffs, NJ: Prentice-Hall.
- Palmer, A. (2011). *Principles of Services Marketing* (3rd ed.). UK: McGraw-Hill Publishing Company.

Porter, M. E. (2008). *On competition*. Boston, MA: Harvard Business School Pub

Porter, M. E. (2011). *Competitive Advantage*, The Free Press, New York, 1985

Prescott, J. E. (2011). *Introduction*, in Prescott, J.E. and Miller, S.H. (Eds), *Proven Strategies in Competitive Intelligence: Lessons from the Trenches*, Wiley, New York, NY. 6 (2), 4-14

Whetton, D. (2011). *Organizational Effectiveness: A Comparison of Multiple Models* (pp. 261–77). New York, NY: Academic Press.

Wongrassamee, S., Simmons, J. E. L., & Gardiner, P. D. (2003). Performance measurement tools: the Balanced Scorecard and the EFQM Excellence Model. *Measuring business excellence*, 7(1), 14-29.

APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

University of Nairobi

School of Business

Nairobi,

Dated _____

Dear Sir/Madam,

Re: A Research study on the effectiveness of marketing mix strategies on the performance of Kenol Kobil Ltd.

I am a Masters students in the School of Business and Management undertaking a degree in Master of Business Administration (MBA).....I am doing a research on the effectiveness of marketing mix strategies on the performance of Kenol Kobil Ltd.

I am collecting data on this topic and am conducting an interview guide on this study. The findings of the study will be used purely for academic purposes. Your cooperation will be highly appreciated. Thank you.

Yours faithfully

NAFTALY MAINA

D61/72573/2014.

APPENDIX II: INTERVIEW GUIDE

PART I: Background information of interviewee

1. Name of department .
2. What is your status in the organization
3. For how long have you worked in the organization
4. What is your strategy on development policy?

PART B: Marketing mix strategies in Kenol Kobil Ltd.

5. What are the product strategies adopted in your company?
6. Do you think the product strategies adopted are effective enough?
7. Are there pricing strategies adopted in your company? If there are kindly state them.
8. Do you think the pricing strategies adopted are effective enough?
9. Are there distribution strategies adopted in your company? If there are kindly state them.
10. Kindly indicate promotion strategies adopted in your company?
11. Are you aware of any physical strategies adopted in your company? Kindly explain.
12. What are the process strategies adopted in your company?

13. Are there personal strategies adopted in your company? If there are kindly state them

PART C: Marketing mix strategies and performance in Kenol Kobil Ltd.

14. What is the impact of marketing mix strategies to Kenol Kobil Ltd.
15. How has been the performance of Kenol Kobil Ltd. as a result of its product strategies?
16. What is the impact of marketing mix strategies on sales volume at Kenol Kobil Ltd. Ltd?
17. What are the operational benefits that may be realized by the application of appropriate marketing mix strategies in your company?
18. What are the financial benefits that may arise from effective marketing mix strategies in your company?
19. Will marketing mix strategies in your organization result in efficient and effective service delivery?
20. What are the administrative benefits that may be realized by marketing mix strategies in your company?

THE END:

THANK YOU FOR YOUR COOPERATION