STRATEGIC MARKETING PLAN IMPLEMENTATION CHALLENGES BY NEW KENYA CO-OPERATIVE CREAMERIES LIMITED

BY

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DECLARATION

This research project is my original work and has never been presented to the University of Nairobi or any other institution for any degree or any other academic award.

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This research project has been submitted for examination with approval as university supervisor.

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DEDICATION

To my late father Samuel Rintaugu Rimberia for the big generosity he played in introducing me in the early childhood education which formed the basis up to this level.

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My foremost gratitude goes to God Almighty who gave me the health and strength at every stage of doing this project.

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My sincere thanks to my friends and those who gave me the moral support may God bless you abundantly.

ABREVIATIONS AND ACRONYMS

CEO	-Chief Executive Officer
FAO	-Food and Agriculture Organization
GDP	-Gross Domestic Product
IFAD	-International Fund for Agricultural Development
ILRI	-International Livestock Research Institute
KCC	-Kenya Co-operative Creameries
KNBS	-Kenya National Bureau of Statistics
M&E	-Monitoring and Evaluation
MOA	-Motivation, Opportunity and Ability Theory
NGO	-Non-governmental Organizations
NKCC	-New Kenya Co-operative Creameries
RBV	-Resource-Based View Theory
RoK	-Republic of Kenya
UNHCR	-United Nations High Commissioner for Refugees
VRIN	-Value, Rare, Imperfect Imitable, Non-substitutable

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ABSTRACT

Strategic marketing plan is the pattern or plan that integrates an organisation major goals, policies and action sequences into a cohesive whole. To cope with strategic surprises and fast developing threats and opportunities a firms strategic decision need to be made outside the planning cycle Strategizing, as a shared change tool has also not only become unavoidable but an integrative process for effective and survival. . It is therefore important to note that using strategies in marketing allows planned and certainty in the optimal resource allocation and coordination of activities. In order to effect the changes, the company ought to involve strategic marketing plan so as to validate the dependency of and with the markets. Indeed the strategic marketing perspective has played its part, but still many companies have not managed to adequately regain the market share or effectively reduce the service and competitive gaps posed in the market, especially by competitors. The general objective of, this study was to investigate strategic marketing plans implementation challenges at New kcc. An interview guide was used to guide the researcher in collecting data. Content analysis was used to analyse the qualitative primary data which was collected by conducting interviews and secondary information from the organisation. . The study established that a number of main challenges experienced in the implementation of the strategic marketing plan which included rapid changes in market which were not expected, concerns and expectations on health, legislative and consumers changes and expectation on packaging, volatile local competition and threat of imported milk products, and the limitation associated with strategic marketing resources. . The study recommended that the company should prioritise the mitigation of internal based challenges to strategize marketing plans as well as those external ones that are highly influenced by internal environment.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Business environment is ever elusive (Ansoff & Dowell, 1990), as companies are forced by intense competition and dynamics to holistically re-examine their processes and approaches (Stanley, Clark & Gioia, 1996). These re-examinations have in turn established action plans known as strategies, which guide competition, change, customer focus and technological innovations as response elements (Robbins & Barnwell, 2002). To adequately respond, companies formulate reactive and preventive strategies across departments of the firm, including marketing. In addition, the plan-do-check-act philosophy is aligned to development process in order to guarantee success. As the Supreme Court of Kenya (2017) denotes that results are as good as the plan and so is the process. In marketing, the philosophy of plan-do-check-act is tailored within the strategic management process: which entails strategy formulation, implementation and evaluation (Nadradi, 2006). In this case, strategy implementation forms a critical link between the strategy itself and the results.

Recommendations from the strategic marketing field tend to incline towards the improvement of strategy implementation processes (Slater & Olson, 2001; Dobni, 2003). Raps (2004) justify these recommendations by indicating that unsuccessful strategy implementation is experienced in 90% of strategies. However, firm strategists always expect positive results whenever they roll-out strategic plans. Therefore, it is in the interest of market players that a turnaround is taken into effect to prevent abysmal strategic failures. To effectively mitigate failure in strategic marketing, strategists and marketers must understand the dynamics and principles upon which strategic marketing is theorized. Strategic marketing for firm revival is based on a number of theories that include Resource Based View Theory (Penrose, 1959), Knowledge Based Theory (Nelson & Winter, 1982) and Dynamic Capability Theory (Teece, Disano & Shuen, 1997). This study uses Dynamic Capability Theory and Resource Based View Theory.

Strategy implementation runs across-board firms and individuals and is always associated with specific challenging factors (Wangondu, 2010). So volatile are the challenges that hardly no particular industry player can survive without addressing them within the clearly developed strategic plan (Thompson, Strickland & John, 2010). In Kenya, the dairy sector is no exception and its performance depends on a number of specific factors (Nyariki & Thirtle, 2000). When these factors are not managed well, the resulting challenges become inevitable. One of the major venerable areas to these challenges is the strategic implementation process, which provide contact between the strategic marketing plan(s) and the organizations' target environment (Rap, 2004; Nyariki, 2009). This therefore means that for New Kenya Co-operative Creameries (KCC) to succeed in its grand comeback and turnaround strategies, more emphasis must be put on strategy implementation.

1.1.1 Strategic Marketing Plan

Strategic marketing is the process of analysing the environment, identifying market opportunities and threats, setting objectives and strategies, selecting target market and implementing decisions to meet target needs (Drucker, 1973). Jain (2000) on the other hand defines strategic marketing as the process of looking at the entire firm portfolio of markets and products and setting up schemes of managing the portfolio towards achieving the overall goal (s). Strategic marketing plan then, from the two definitions, can be depicted as a systematic and graphical representation of a firm's decision on marketing strategy, market segmentation, firm positioning and market-oriented policies. The role of the strategic marketing plan is to guide managers and marketeters towards taking action on attractive firm opportunities. Opportunities that relate to firm resources and that offer potential towards profitability and growth (Lambin, 1977).

Strategic marketing plan(s) provides procedures on how to allocate resources to available opportunities in an optimal manner and coordinate activities that are at the firms' disposal (White, Conant & Echambadi, 2003). The allocation and coordination in this context intends or seeks to attain firm's synergy and competitive advantage and integrate marketing mix elements. Strategic marketing plans always contain three elements that are identified by Jain (1993) as 3-Cs. The elements include 'how to compete,' 'where to compete' and 'when to compete.' Where to compete elements involves defining the market. Understanding of these 3-Cs allows market strategists to take into consideration and incorporate into marketing strategy means of improving products and intensifying adverts in a cost-sensitive manner. After strategists consider these issues then strategies can be said to align to Ansoff's (1957) matrix of product-market oriented requirement.

The four strategies from the matrix include market penetration which involves putting measures in place to increase company sales by either increasing sales per present customer through new products or luring in new customers; market development which entails the firm adapting to new missions; product development strategy which entails coming up with products that have new characteristics that aim at enhancing mission performance; diversification which leads to complete overhaul or scope enlargement of market structure and product lines (Walsh, 2013). Walsh's sentiments confirm Gruca and Sudharsan's (1995) assertion that strategic marketing plans provide firms with their desired future through creating reasonable pathways. The plans developed must be within a four-element market mix indicated by Kubicki (2015), which include prices, products, promotion and place. However, the entire process of strategic marketing that includes strategy implementation must be considered if positive results are expected.

1.1.2 Strategy Implementation

There exist many definitions of strategic marketing implementation. Wind and Robertson (1983) defines it as the controlling and monitoring of a market program. Kotler (2003) looks at it as the process of turning plans into acts. Harrington (2004) defines it as the process through which firms execute policies, action plans and programs across organization. From the three definitions, implementation can then be summarized as the critical nexus between superior marketing performance and formulation of smart marketing strategy. This means that for firms to realize that which marketing strategies offer, they must interrogate the whole implementation process that pertains that strategy and align necessary controls. As Kotler indicates in Ludikova (2008) that the marketing department must constantly engage in market control to avoid the many surprises that are usually experienced during strategy implementation.

Implementation of marketing strategy starts with the process of acquiring necessary resources, then moves to designing of marketing organizations and finally developing of phase planning and scheduling (Coufalova, 2011). Then production, pricing, promotion and distribution processes follow. During the implementation phase, all firm departments must be involved and an implementation method selected. Marketing strategists should consider method selection from the following; customer education, direct customer contact, trade ally cooperation, promotion and advertising, direct incentives and alternative pricing (Gellings, n.d.). Performance of a particular method depends on alignment of strategic plan to organizational capabilities and administrative mechanisms (Okumus, 2003).

To successfully implement strategic marketing plans, Aaker and Mills (2005) argue that four key components must be identified and involved. These components include systems, culture, people and structure. Structure in this case refers to lines of communication and authority; systems refers to the use of management systems in strategy implementation; people points out on organizational competency which relies on employee skills, experience and knowledge; culture consists of behaviour norms, symbolism and shared values. These four components highly influence implementation of strategic marketing plans. However, in most cases and as identified by Rap (2004), most firms face difficulties in realizing the potential of their strategic marketing plans because of failure in the implementation phase. Failure that is caused by weak sale roles, lack of guiding communications and knowledge, strategy understanding, poor scheduling and timing, lack of sufficient monitoring and evaluation and poor coordination. These failure agents are also known as challenges (Sterling, 2003; Wangondu, 2010; Oduor (2013). Then, for companies like KCC to mitigate and cut down these strategic marketing challenges they must draw from motivation and ability, opportunity and implementation behaviour (Johnson, 2013).

1.1.3 Dairy Sub-Sector in Kenya

Animal rearing in Kenya is dated back into ancient times, before even the colonial period. Kenyans then depended on indigenous cattle and goats for household milk consumption. However, after the introduction of exotic breeds in 1902 by the European settlers cross-breeding of exotic and indigenous cattle took shape, ushering in new outlook of dairy industry (Mbungu, 2014). Up then till 1922 when the first creamery was setup in Naivasha, dairy products were produced in micro-scales. Growth of the sector persisted with time to 3.5% of national gross domestic product (GDP) and 14% of agricultural GDP in 2010 (Kenya Dairy Board, 2011). According to Abdi (2012), dairy farming tops as the largest single sub-sector of Kenya's agricultural sector. The dairy sub-sector in Kenya has the highest expanding rate in sub-Saharan Africa with more than 85% of East Africa's cattle population (ILRI, 2000; Mbungu, 2014). The dairy sub-sector is regulated by the Kenya Dairy Board under the Dairy Industry Act, section 4 (Cap. 336).

Kenya's dairy production segment is classified into small-scale and large-scale, depending on the quantity of milk processes by an entity within a certain period. Market share is calculated on both large and small scale entities. In the year 2008, the large-scale segment had 4 players who include New Kenya Co-operative Creameries (KCC) at 32% market share, Brookside at 30%, Githunguri at 13% and Spin Knit at 11%. The remaining 14% belonged to small-scale traders who include registered mini dairies, cottage industry, cooling plants and producers (Muriuki, 2011). Since then to date, Brookside has overtaken KCC to operate at a least share of 35% and a high of 41% market share in 2014. KCC are always second ranked to Brookside.

Another change of status is on Spin Knit that held third position till 2007 before Githunguri overtook them, but was later in 2009 acquired by Brookside. Githunguri has since then occupied the third position with market share ranging from 14% to 17% in spite of entry of new players. The new market matrix for large scale entities is shared among 6 companies that include Brookside, New KCC, Githunguri, Sammer A & L and Meru Central FC (Kimenju, Narin & Mathenge, 2017), indicating a challenge of intensive competition. Other challenges include poor dairy management skills, small operations vis-à-vis economies of scale, low-quality feeds and shambolic collectiveness of farmers, poor breeding trends, costly animals care and poor logistic infrastructure (FAO, 2011; 2017). To deal with the challenges a number of reforms have been put forth by the government. These reforms include the 1992 sub-sector liberalization and formulation of the dairy development policy in 1993.

Population of the dairy cattle in Kenya is estimated to be above 4.3 million with milk production estimate of above 3.43 billion litres annually (RoK, 2015). Among the 3% sub-Sahara Africa global contribution in 2006 alone, Kenya dairy sub-sector comprised 18 % (IFAD, 2006). This contribution could even be more if the sub-sector could access high class breeding and feeds, easy access to credit facilities, disease controls and access to output markets (Mutvi, Kanui, Musimba & Amwata, 2016). Production per cow in a year is indicated by Mugambi, Maina, Kairu and Gitunu (2015) to be at 4575 kilograms against a world record of 9000 kilograms by Technoserve (2013). This variance indicates a gap for potential improvement if the factors indicated by Mutvi et al. (2016) are corrected. Kenyan per capita consumption of milk is also the highest in sub-Sharan Africa with at 110 litres and annual consumption growth at 5.8% (Rademaker, Bebe, Lee, Kilelu & Tonui, 2016). The 5.8 growth rate poses a continuous demand of dairy products. Some players like Brookside and KCC have shown interest of investing on this opportunistic demand. They are exhibiting new marketing strategies that include branding to eventuality of pulling market dominance.

1.1.4 New Kenya Co-operative Creameries (KCC)

The New KCC (KCC) was incorporated in the year 2003 under Companies Act (Cap. 486). The creamery is regulated by the Dairy Industry Act, section 4 (Cap. 336) and the State Corporations Act (Cap.446). Its operations are overseen by the Kenya Dairy Board (KDB). The company's headquarter is situated in the Industrial Area of Nairobi County, along with the regional creamery (KCC Company Profile Document: New KCC/ST-D/CP-DOC/001). The company profile indicates a branch network of cooling plants in Nairobi, Muranga, Kangema, Naivasha, Kilgoris, Molo Nandi, Kitale, Eldama Ravine, Sotik and Ainamoi. It also indicates two more sales depot and milk cooling plants in Miritini, Eldoret, Nanyuki and Nakuru (New KCC Operations Grid: New KCC/ST-D/CP-DOC/003). From 2003 to date, the New KCC has operated for 15 year. However, its incorporation was not based on initial market entry but on a transformation from the old Kenya Co-operative Creameries that was founded in 1922 as the first creamery in Kenya (Ngati, 2009). The incorporation of New KCC from the old Kenya Co-operative Creameries came amid extreme poor performance of the old creamery. Among the bones of failure surrounding the old creamery is that of competition that was brought by sector liberalization in 1990s and poor management (Auma, 2004; Oduor, 2013).

In spite of failure, the old Kenya Co-operative Creameries had a stunning performance that attributed to the monopolistic market it occupied (KCCHL, 2001). The current dairy sub-sector indicates that Brookside is ahead in market share by an average margin of 9% (KNBS, 2017). The New KCC's major focus then is on turnaround strategies. Strategies that can reinstate the East and Central Africa region market leadership that it possessed in the era behind the 1990s and before market liberation. To achieve its mission "To be the market leader in quality refreshing dairy products in East and Central Africa," KCC is committed to quality through the integrity, loyalty, innovation and quality core values (New KCC, 2015). Among key area of concern to KCC is the relationship with milk supplier and point of sales.

As indicated by New KCC Annual Report (2016), the company has instituted measures, policies, standard operating procedures and systems that directly enhance communication and collaboration along the supply chain. In 2003, the company was privatized to enhance governance. Concerning internal performance, the company's staff are now working under performance contract as required of parastatals and stipulated by the Public Service Act 1A (2015). However, with all the best strategic measures put in place, the New KCC still fails to attain its set key performance indicators. Fifteen (16) years down the line since its incorporation and restructuring, it is yet to regain market superiority and lead in sales. Nevertheless, the company's strategic marketing plans are termed as excellent and realistic.

1.2 Research Problem

The idea behind strategic marketing is to enhance the firm's portfolio of markets and products within the market place and the firm-customer's point of contact (Jenkins, 2015). Through this perspective, many firms have drafted nearly perfect strategic marketing plans. Strategic plans that from a strategists point of view, might mean already realized success if other proceeding processes are assumed feasible. However, with such sufficiently drafted plans we still have a large number of strategic failure. Rap (2004) and Oduor (2013) argue that this failure is attributed to poor strategic marketing implementation. To fix this strategic marketing problem, the challenges involved in the implementation process must be identified and corrective actions taken.

In the Kenya Dairy sub-sector, competition is highly intensified and many creameries are forced to institute and operationalize strategies for their sustainability (Kiveu, 2013). From industry analysis by Mutvi et al. (2016), it is noted that the demand for dairy products in Kenya is still high. This motivates the sub-sector players to further intensify their operations and marketing approaches, all aiming at pulling significant market share and gaining quality ratings. Among these players we have the New KCC which has implemented a number of turnaround strategies in the effort to remodify the previous recorded failures (Oduor, 2013). One of the key critical areas that the company focuses on is strategic marketing, plans and implementation in particular, which seem to lag behind on anticipated milestones. It is therefore prudent to determine the challenges that are behind this lagging.

Several studies have been undertaken on firm marketing strategy and challenges. Internationally, White Conant and Echambadi (2003) note that there is growing interest in strategic marketing approaches more especially with the implementation part. The study adds that training on implementation capability can enhance the whole process. Gurney (2009) indicates that oral communication, community awareness, recruitment policies, reputation, doctor-patient relationship and handling of medical insurance highly influenced realization of marketing strategies. Internal strategy communication was also established to be a major motivating factor. Johnson (2013) asserts that motivation, opportunity and ability are the three most important factors that affect strategic marketing implementation. Proper management of the three factors ensure that adverse environmental conditions exert less impact on strategic marketing, he adds.

Wangondu (2010) focuses on general strategy rather than strategic marketing and identifies that the main challenges to strategy implementation at New KCC include poor control and evaluation, lack of participation, unrealistic targets, poor coordination, unsupportive organizational structure and culture, low motivation and incompetent skills. The study recommends holistic trainings and motivation to all staff but does not indicate whether the same challenges affect strategic marketing as a separate unit. Abdi (2012) recommends that New KCC focus on strategic marketing and related rejuvenation strategies if performance is prioritized. The study further adds that advertising go handy with branding. Oduor (2013) indicates that new product development, quality and development of an all-function integrative Enterprise Resource Planning is among the strategies that New KCC is using to penetrate the market. Chege and Bula (2015) assert that strategic practices determine firm performance. The study identifies that New KCC, in its grand approach to turnaround strategy, uses product differentiation and low cost approach. Recommendations include intensification of customer awareness.

The analysed studies indicate how strategic marketing is shaping firm goals, within the context of implementation. The contribution is immense, with Wangondu (2010) undertaking an inconclusive focus of corporate strategy rather than strategic marketing. With the insufficient existence of information in this area and Wangondu's inconclusiveness, there exists a research gap. In addition, the concerns of marketing managers and the existence of no universally acceptable approach to strategic marketing plan implementation prompts the need to investigate the challenges involved. This study therefore sought to bridge this research gap based on the following question. What challenges do the New Kenya Co-operative Creameries experience in the implementation of strategic marketing plans?

1.3 Research Objectives

The general objective of this study was to establish strategic marketing plan implementation challenges experienced by the New Kenya Co-operative Creameries. Specific objectives include:

i. To establish the extent to which New Kenya Co-operative Creameries uses strategic marketing plans.

ii. To determine the challenges involved in the implementation of strategic marketing plans at New Kenya Co-operative Creameries.

1.4 Value of the Study

Scholars in the line of strategic marketing, and firm performance will benefit from this study as they will find it a useful instrument in providing data that can give great contribution to literature reviews. This is because the study will definitely contribute to existence of strategic information on marketing and success of turnaround strategies among other strategies. The information provided herein shall serve in providing insight towards holistic relook at the dairy industry.

This study will add value to local dairy companies and across borders in providing them with information about the challenges experienced in strategic marketing. Through provision of this critical information, the companies will then make decisions pertaining measures that can see them circumvent the challenges and realize their intended strategic goals.

The dairy industry regulators and government, especially the Kenya Dairy Board, Ministry of Agriculture and the Ministry of Industry, Trade and Cooperatives among international regulators shall also draw policy and regulation updates upon findings. This will be possible if some of the challenges are legal and political and controllable through prudential regulations. This is so as to promote trade and improve the political and legal environment that pertain the dairy sub-sector. The regulators and government shall use specifics in this study to effect adequate sub-sector structures.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the foundational theories, strategic plan implementation challenges, and empirical studies and research gaps.

2.2 Theoretical Foundation

This study emulates the resource-based view theory and the dynamic capability theory. The theories are discussed in relation to various research works pertaining implementation of strategic marketing plans.

2.2.1 Resource Based Theory

The Resource-Based View theory (RBV) was established by Penrose in the year 1959 (Barney, 1986) with aim of evaluating an organization's competitive edge using a particular resource. It focuses on identification of a strategy and use of the organization resources to develop a sustainable competitive advantage. The theory indicates that a firm's performance is always attributed to its specific resources and capabilities. Wernerfelt (1984) emphasize on these determinants, further adding that competitive advantage is equally attained alongside performance as a result of the said resources being costly and difficult to replicate among competitors. RBV indicate that resources and capabilities involved must possess special attributes. Attributes that according to Rumelt (1984) and Barney (1991) include value, rare, imperfectly imitable and that lack substitutes, otherwise abbreviated as VRIN.

Relevance of the resource-based view theory to this study is that resources and capabilities are vital considerations in strategy formulation and implementation. They are also the primary constraints through which an organization can find its identity and frame its strategic future change. Strategy itself is viewed as a resource. It is therefore important to understand how as a resource, a strategic marketing plan is important: an understanding provided by RBV. RBV is criticized on the premises that it is self-varying. It is also criticized on the foundation that resources of an organization can be configured differently without necessarily yielding a competitive advantage for the firm (Prem & Butler, 2001). The theory also has limited prescriptive implications. However, the theory provides a rational base for networking of resources, information and technology to the betterment of strategic marketing plan implementation.

2.2.2 Dynamic Capability Theory

This is the concept of the work of Prahald and Garry (1991) on multinational strategy research and how it leads to core competence in organizations. Dynamic capabilities are defined as the ability to incorporate, put up, and reconfigure internal and external competences to address highly unstable environment(s) (Teece, Gary & Amy 1997). The genesis of dynamic capabilities concept is from a major limitation of resource-based view of an organization. Critics of the resource-based view argue that the view ignores many factors that surround the resources of an organization and assume that they just exist; which is a terrible mistake. Dynamic capabilities approach makes an attempt at bridging the gap. This is through a process approach which aims at cushioning the organization resources against the varying business environment. Using the dynamic capabilities, an organization embraces dynamic resources hence boosting its suitable competitive advantage as a prerequisite, and as a result the impact is felt within the stakeholder’s expectations.

While the resource based view put more emphasis on resource selection, dynamic capabilities emphasizes on the review and enhancement of these resources. Dynamic capabilities are worthwhile to organizations whose long-term goal is to succeed and survive in ever-changing and unstable business environment (Bie & Ovenil 2012). Though implementation of a strategic marketing plan may not necessarily translate to instant gain in competitive advantage, it may lead to this advantage in the long run. The dynamic capability theory emphases on an organization using core competencies to enable it adjust the short term competitive advantage. According to Teece et al. (1997), the dynamic capability theory lacks theoretical background, logical inconsistencies and inconsistencies of explanations. However, it is still extremely resourceful in the realignment of the resources to achieve better strategic implementation outcomes.

2.3 Strategic Marketing Plan Implementation Challenges

Change in the marketing dynamics usually informs organizations on the level of systems and people tuning that is needed. As a result, strategic marketing actions are proportionately aligned to the change and all resources and capabilities committed (Pearce & Robinson, 2007). However, in many occasions the natural immune tendency to resist change (Schein, 1993) and organization bureaucracy (Mbindyo, 2011) poses a number challenges. These challenges to the successful implementation of strategic marketing plan(s) include incompatible organizational structure, unanticipated market changes, poor communication, lack of focus, inadequate resources, and poor monitoring and evaluation.

Organizational structure and strategic marketing plan should complement each other (Pearce & Robinson, 1997). Organizational structure highly determines strategic outcome and correct integration among the two leads to effective channelling of time, capabilities and people resources (Mbindyo, 2011). Implementation of strategic marketing plan depends on job assignments, information flow and feedbacks, and quick decisions that are determined by the type of organizational structure that is in place (Johnson & Scholes, 2002). The structure further determines span of control, reporting relationship and hierarchy affecting the implementation of strategic marketing plans. Lack of a supportive and participative-based organizational structure gives a gambled outcome. For effective implementation of strategic marketing plans, organizations should adopt structures that promote synergy and strategic fit. In this case mechanistic structures should be avoided.

Markets are always experiencing undefined but continuous changes (Wangondu, 2010). This continuous change equally requires continuous recasting of the strategic marketing plan implementation approaches to the strategy that is already in place. From this perspective, many strategies fail because the strategically intended marketing conditions change before the strategy takes effective and hold (Burnes, 2004). Among the rapidly changing market characteristics, we have the product requirements which change handy with the technology and competitor development. To effectively counter the challenge of unanticipated market changes, involved strategic implementation process should incorporate market intelligence and align corrective action plans accordingly.

In strategic marketing plan implementation, communication dictates the level of strategy understanding and buy-in among participants and stakeholders (Aaltonen & Ikavalko, 2002). When implementers are not involved they tend to disown the whole or part of the implementation process. The involvement itself is done through ensuring that there is two-way and proper communication. In marketing, the interaction with the external environment requires feasible and active support systems along with organization commitment as it represents the point of customer contact. Guffey and Nienhaus (2002) in Teare et al. assert that organizational communication is highly determined the level of support that can be given during strategy implementation. Aosa (1992) indicate that open communication channels engage all implementers, influencing positive attitude and enhancing seeking of timely solution.

Lack of focus among strategic marketing implementers equally poses a challenge to realization of marketing strategies and plans (Wangondu, 2010). This challenge normally results from issues like lack of proper communication and poor organizational culture. In marketing, execution of strategic plans requires order of tasks and distinctiveness in carrying them out. However, in most cases many organizations try out all scenarios at the same time resulting to reduced expertise and resource concentration (Berthoff, 2002). Balancing focus and response to undefined continuous changes complicates matters even more. This is due to the conflicting requirement that in order to tackle continuous change, implementers should exhibit soft focus. Equally hard focus reduces scenario building that institutes the solution for continuous change. It is therefore essential for strategic marketers to strike a reasonable focus; one that considers the level and rate of environmental changes.

Inadequate resource allocation to the implementation process of strategic marketing plan is a failure recipe. These resources include capital, supportive and human resources (Kubinski, 2002). Lack of adequate resources translates to a struggling and straining strategic marketing plan implementation process; one that will have to compromise either quality or delivery schedules or both. Lorette (2006) argues that among the resources involved in the implementation of strategic marketing plans, well trained and highly skilled personnel contribute to more than half of the resource sphere. In addition, the human resource factor contributes to the efficiency and effectiveness associated with utilization of the capital and supportive resources.

Therefore, lack of adequate budgets and unskilled and inadequate human resources result in poor implementation process of strategic marketing plans, leading to high chances of failure.

Monitoring and evaluation (M&E) equally plays a significant role in the implementation process of strategic marketing plan(s). As indicated by Burne (2004), changes will keep happening and ways of reacting will always be instituted along with the on-going strategy. At this point in time, M&E becomes very useful not only to counter Trojan changes but also to enable resource control and taking of corrective action plans. Poor M&E process does not allow identification of challenges and draw-backs as expected. When instituting and operationalizing M&E, strategic marketers should equally ensure that the M&E system put in place is continuous and resourcefully supported (Keitany, 2014). Poor M&E encourages growth of strategic marketing implementation weaknesses and anomalies.

2.4 Empirical Review and Research Gaps

Johnson (2013) examined the implementation of new marketing strategies by the salesperson. The study draws from motivation, opportunity and ability (MOA) theory. A large-scale business-to-business survey was conducted to test on the empirically hypothesized relationships. Multiple theoretically-supported drivers of salesperson's opportunity, motivation and ability were equally examined. Salesperson's implementation contingent impact was tested. Findings indicate divergent interests to practice and theory. In was also established that the role of environmental conditions on implementation by salesperson is not significant. The research gap in this study is depicted contextually having used a survey of a number of large businesses.

A study by Brinkschroder (2014) focused on challenges, key factors and solutions to strategy Implementation. The study relied on establishing comparison factors between theory and practice. Interviewing was categorically carried out on five respondents holding chief executive offices from different industries. The choice to use CEOs as respondents increased relevance and diversity. The study established that communication and lack of intake on overall direction, aims and support to strategy contributes to failure of strategy implementation processes. The study suggested clear communication, resource allocation and commitment to responsibilities as part of solutions. The study undertakes an inductive industry approach of five organizations rather than the currently intended deductive approach on New KCC. Unlike the inductive approach, deductive approach does in-depth analysis.

Leskaj (2017) focused on the strategic management challenges that public organizations face. The study was anchored on strategy formulation, implementation, evaluation processes and management of change. It was identified that leadership support, monitoring and evaluation, strategic resources and organizational strategy and structure contributes greatly to strategy implementation failure or success. Contextually, unlike the current study that focuses one organization, Leskaj focused on many public organizations. Along with the contextual gap, it also dictates a methodological gap.

Mutuvi (2013) examined factors that affect how strategic plans are implemented in non-governmental organizations (NGOs). The study narrowed down to organizations within Nairobi County. Findings indicate that all challenges emanate from the NGOs' internal environment and more largely from the management who encouraged approach to strategic plans as a onetime activity. The research in this study includes its focus on NGOs unlike the current focus on New KCC. A partial conceptual gap is also experiences as it is centred on overall strategic plans and not on strategic marketing plans as intended by the current study.

Using a case study research design of the regional hub, Gikanka (2016) sought to establish strategic implementation challenges that the United Nations High Commissioner for Refugees (UNHCR) face. Findings indicate poor communication, inadequate resources, and poor culture, lack of motivation and commitment and complex administrative system as the main challenges to strategy implementation. Just like in mutuvi (2013), this study equally contains the partial conceptual gap. It also has the contextual gap as it focuses on UNHCR.

Another study by Amuti (2017) sought to establish challenges of strategic plan implementation among constitutional commissions in Kenya. Findings show that the challenges involved include inadequate funding, lack of coordination, poor communication, political interference and inadequate funding. Recommendations propose improvement of governance structure staff development to enhance communication, coordination and participation. Just like in Mutuvi (2013) and Gikanka (2016), the research gaps in this study are both contextual and partially conceptual. The study focused on constitutional commissions and general strategic plans; and not marketing oriented ones and within the New KCC.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methods that were used in conducting this study. It comprises of research design, data collection method and data analysis techniques and procedure.

3.2 Research Design

This study used a descriptive research design. According to Mugenda and Mugenda (2003), descriptive design is highly effective in seeking to establish information pertaining the status of a process or issue. The design was the most feasible one in this case as it was used to answer what and which of the challenges exhibited and how the so strategic marketing plan implementation challenges affect marketing at New Kenya Co-operative Creameries Limited.

3.3 Data Collection

The study used primary qualitative data. Collection of the qualitative data was done through the use of an interview guide which was structured to have both open-ended and closed-ended questions. The interview guide had section A and section B. Section A collected data on extent to which New Kenya Creameries uses strategic marketing plan approach while section B collected data on the involved implementation challenges. The study targeted 10 respondents from marketing and operations departments. The identification of the respondents was done through the use of expert sampling criterion.

3.4 Data Analysis

The data collected from the respondents was analysed by comparing it with theoretical approaches cited in the literature review in an attempt to get more insights on the challenges experienced in the implementation of strategic plan(s) at new kcc.The researcher employed qualitative methods of data analysis to summarise the data and come up with conclusions and recommendations. The qualitative data collected was analysed using content analysis. This is a set of procedures for collecting and analysing non structured information into a standardised format that allows one to make inferences about the research objective(s) content analysis has been used successfully by Sombe (2013) and Wangondu (2010) in similar studies.

According to Mugenda and Mugenda (2003) the main purpose of content analysis is to study existing information in order to determine factors that explain a given specific phenomena. In coding qualitative data the researcher read all responses identified key words and phrases in the response then related the key words to emerging patterns from these themes and patterns a category of data was drawn out and meaning derived from them to interpret the results.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents analysis of the findings, results, and discussions with regard to the specific objectives of establishing the extent to which New Kenya Co-operative Creameries use strategic marketing Plan(s) as well as determining the challenges involved in the implementation of the plans. Obtained data from the interview guide was analysed using content analysis. Contents of this chapter include response rate; differentiation of the strategic marketing plan and the inherent timing, integration, execution responsibilities and changes and implementation process; impact of strategic marketing plan on marketing objectives; Plan support and implementation challenges.

4.2 Response Rate

The respondents consisted head of sales& marketing departments, head of strategy and business development, regional sales managers and senior sales representatives. Respondents from the operations department included a quality controller and a production manager. The researcher did not interview all the respondents as some regional managers were not available at the time of interview. This resulted to 80% response rate which was considered adequate for the study. All the respondents have had adequate experience and knowledge on the challenges experienced in implementation of strategic marketing plan as most of them had been working for the company for the last four years. The level of education of all the respondents was also an asset to the researcher in the sense that they were all degree holders and above which them easy to understand the research subject matter on discussion and research objective.

4.3 Strategic Marketing Plan at New Kenya Co-operative Creameries

This sub-section is based on objective one which sought to establish the extent to which New Kenya Co-operative Creameries (NKCC) uses strategic marketing plans. Findings on this objective were provided by ‘section A’ on the interview guide. The interview questions pertains this section focused on establishing the fundamental understanding and use of the strategic marketing plan within the New Kenya Co-operative Creameries limited.

4.3.1 Differentiation of Strategic Marketing Plan

The study sought to establish if it exists and differentiate any other parallel marketing approaches to strategic marketing plans. All respondents indicated the existence of other approaches that included more specific sales plans for individual sales representatives, sales expansion plans and catchment strategic plan. The respondents further indicated that specific sales plans were uniquely designed to fit the unique regions covered by various sales teams: They exhibited specific packaging and delivery modes that reciprocate the anticipation of a particular market region. Sales expansion plans and catchment strategic plans were also established to be directly associated and complimentary to each other. The catchment strategic plan served as the basis for expansion plans.

The three different approaches were established to be essentially standalone plans but highly related and integrated. For instance, the responses indicated that the existence of an expansion plan highly depends of the catchment strategic plan to determine the direction of expansion. Equally, the sales plans depend on the expansion plans for distribution rates. Most importantly, as indicated by the respondents, all parallel marketing approaches are designed in relation to and guided by the strategic marketing plan. Summing the argument of the respondents, it can be deduced that the strategic marketing plan is overall while the other marketing approaches are specific and for the various regions, and are tailored towards the over law strategic marketing plan but all depending on the market needs of that region.

4.3.2 Strategic Marketing Period and Integration

To understand the level of awareness on strategic marketing planning, the study sought to establish the periodic upon which the strategic marketing plan is based. The study equally sought to establish if the market system which the strategic marketing plan integrates runs across the supply chain. The two questions were adequately responded to by all respondents.

All respondents indicated that the company's strategic marketing plan makes a cycle run of five years alongside the corporate integrated development strategic plan. So far, as per the responses, a total of two strategic marketing plan periods have elapsed since the year 2003 when the company was incorporated into the New Kenya Co-operative Creameries. The two periods do not include the initial five year between the year 2003 and 2008. The current and third strategic marketing plan has been in place for one year since 2018 and is expected to run all the way to the year 2023. So far, the plan is one year down on milestone since its inauguration.

Pertaining how far into the supply chain the strategic marketing plan is integrated, respondents were asked to declare 'yes' if the plan runs through the supply chain and 'no' if the plan does not run through the supply chain. All respondents affirmed that the plan was not fully incorporated into the supply chain, but only in areas that were deemed necessary and critical to the realization of the plan in general. The contracted outbound logistics on finished products was the only supply chain segment that the interviewees indicated as having high involvement, as they played a critical role in availing the products to the market within specified and expected time.

It was further established that in order for NKCC to avoid failure through contradiction and agency conflict, the contracted logistic entities were required sign a non-contradictory declaration document before being handed the transportation contract. Findings indicated that the reasons as to why the strategic marketing plan was not incorporated into the entire supply chain was that the plan usually provide either full or partial control of the incorporated areas, meaning that otherwise there will occur a conflict against other parties due to their own anticipated autonomous state of operations. In spite of the low supply chain integration, the respondents affirmed that the level of control was sufficient enough to enhance sales and reduce inefficiencies.

4.3.3 Execution Responsibilities and Changes

The respondents were required to provide the individual positions that were responsible in ensuring that the strategic marketing plans succeeded as well as the changes that have occurred so far since the inauguration of the first plan. All respondents provided information accordingly. The respondents indicated that at the apex of the plan was the chief manager sales and marketing, National sales marketing manager and Head of strategy &business development. The responsibilities of the three included ensuring adequate resources and capabilities. The next team included regional sales managers whose tasks involves breaking down the plan targets and goals into attainable segment for regional projections and targets. The last team included the sales representatives and logistic crew, per region, who were given the primary responsibility of ensuring that basic logistics and sales and marketing tasks are up to expectations and requirements. Together, the three levels ensure that the strategic marketing plan is adequately and sufficiently implemented.

Concerning the changes and benefits that have occurred with adoption of strategic market plan, the respondents indicated that the company has made major milestones. Even though all respondents provided responses, those from the sales &marketing department provided more details than their counterparts from the operations department. While all of them indicated that the plan has so far helped in market penetration of products and those that were rebranded into the market and also increase customer interaction, the operations-based respondents added that as a result, the company's distribution channels have been significantly improved.

It was further established from the responses that the existing and more attractive products are as a result of channelled feedbacks from customers and distribution channels collaboration. The respondents equally added that due to the exploitation of the strategic marketing plan, the current mode of executing adverts and customer luring approaches have been significantly improved. As a result, the gradual improvement in the company's interaction with the external environment has become steadier from time to time. Perhaps the most important aspect disclosed by the responses was the phenomenal cut down of the chronic redundancy that was initially observed among the company staff.

4.3.4 Implementation of Strategic Marketing Plan

In order to establish the operationalization of the strategic marketing plan, the study sought to establish the ones involved in implementation approaches. The respondents were therefore asked to provide a clear explanation on the approaches vis-à-vis the involved parties, rather the responsibilities. According to overall judgement of the responses, it was clear that the responsibility on the implementation approach and mechanism was spread across all departments, with sales and marketing and the operations departments, comparatively receiving more involvement.

The respondents asserted that the implementation criterion involved the use of phases and a scheme of tasks. In addition to the scheme, corrective action plans were used and deployed along to counter any diversion from the expectations. In a typical five year strategic marketing plan, a breakdown is to comprise five phases. The essence of such a breakdown is to enhance tracking of outcomes and results as per expectations. The breakdown is not based essentially on the involved tasks but on the identification of the specific aspects that require implementation within the first and subsequent year and reorganizing them in a manner that it is known what is to be done is a particular year and what to expect.

Addition information from the operations department indicated that the department utilizes tailored operational tools to sync and enhance the marketing plan. One tool that stood out was the use of tailored Gantt charts which were used to schedule sales and marketing events and tasks. The corrective action plan deployed was also strategic marketing oriented and it followed a plan-do-check-do principle. The sub-division of the plan onto a per year basis separated those issues that required to be performed early and those that reoccur annually for the five-year period from those that did not have specific timing as well as those that had a full five year span.

This process of implementing the strategic marketing plan, according to the respondents proved effective especially due to the nature and rapid change in the market and customer dynamics. The respondents further added that the process also enabled those involved to easily identify diversions from plans and adequately deal with uncertainties. The last ‘do’ aspect of the principle of plan-do-check-do essentially involved a redo process in which a better alternative was sought to correct the purported inappropriate situation or outcome.

The execution of the plan as well as its corrective action response was found to be highly supported by the middle-level management and those with direct market contact. Based on the feedbacks provided by the distribution channels and those directly in contact with the market, the sales and marketing representatives were tasked with the tracking of progress and execution of corrective action plans whenever necessary. It was established that the role of the top management level in the strategic marketing plan execution process was to ensure that the required planned and unplanned resources are availed. The sales and marketing representatives were also tasked with the follow-up and documentation of the strategic marketing plan milestones.

4.3.5 Impact of Strategic Marketing Plan on Marketing Objectives

To establish the essence of strategic marketing plan at New Kenya Co-operative Creameries, the study sought to identify how it impacts the realization of objectives. All respondents argued that the two, strategic marketing plan and overall marketing objectives, were related. The indication was that the plan was always formulated based on the inherent long-term marketing objectives. In other words, the long-term marketing objectives spanned over five-year period and were taken as the fundamental basics for the formulation of the strategic marketing plan. In essence, this relation ensured that no structural and systematic conflict appeared between the objectives and the executed strategic marketing plan.

Based on the involved strategic marketing drivers and personal opinions, the respondents indicated a number of ways in which the strategic marketing plan aided the overall marketing objectives. The first and predominant one was that the plan acts as the blue-print towards the realization of the marketing objectives: It represents the objectives in the form of actions and tasks. Realization of marketing feedback remained as the prioritised marketing objective. As a blue-print, the plan enabled the company to puts objectives in form of thoughts into material action.

The second main marketing objective was to effectively put marketing resources into action without waste and redundancy. The respondents argued that the plans presented the possibility of instituting a corrective action plan as well as commensurable responsibilities. Without a plan, execution will be based on probabilities and goodwill-based prudential actions, which are also a recipe for confusion and failure in both the institutionalization and the operationalization of objectives.

The respondents also noted the role of strategic marketing plans in the development of customer-based products. Their assertion was that the plans present useful market intelligence in form of feedbacks, and as a result relevant products, packaging, distribution and adequate point of service are taken into effect. This ensures that the marketing department and company objective of focusing on the customer holds up. In addition, this serves the research and development team with real-time innovative data. Another argument from the respondents indicated that the strategic marketing plan helped reduce waste of resource and intellectual capacity in the sense that it enhanced effective and efficient allocation of responsibilities.

4.4 Strategic Marketing Plan Support and Implementation Challenges

The study sought to identify the challenges that face the implementation of the strategic marketing plan, if any. The provision for the responses was broadened to not only include the internal challenges but also those that emanated from the external environment. As pre-requisite for the implementation challenges, the study established the level of internal support provided to the strategic marketing plan and its processes. All respondents responded adequately and sufficiently.

4.4.1 Level of Support

As far as internal support is concerned, the respondents indicated great multi-disciplinary and inter-departmental support on strategic marketing plans. One major reason indicated as a cause for this perspective was that the entire process from strategic marketing to the formulation of the plan was carried out on an open system. In this manner, all internal stakeholders were genuinely involved from the initial stages. Actually, one respondent from the operations department argued that the complete involvement and participation of the internal stakeholders was slowly turning into a culture rather than a practice.

The involvement, according to the respondent, was also the source of effective institutionalization and operationalization of the strategic marketing plan. It was also established that everyone in the company, including those that do not directly work in the two departments, had a chance of cross-examining the strategic marketing process and reporting back with suggestions whenever possible and necessary. As an indication of absolute support it was also observed that the corporate management level took upon them to own the milestone review process and its documentation. To enable this, the regional sales managers provided them with periodical progress reports, adjustments and suggestions based on the on-going implementation. The respondents added that such a routine involvement of all internal parties had enhanced the level of cohesion and integration is required to successfully implement the strategic marketing plan.

4.4.2 Implementation Challenges

According to the respondents responses, the implementation and the entire strategic processes were found to have a number of challenges. However and fairly enough, not all challenges mentioned were observed by all respondents: Some of the challenges seemed to be observable only to a few individuals. The challenges included rapid change of expectations in the market, product packaging requirements and product distribution channels, aggressive competition and product pricing, limited marketing-based resource and imports of competing products. The respondents were further asked to clarify these challenges.

The respondents indicated that change of expectations in the market were consumer-based and highly depended on the presentation of alternative products and health concerns as well. The argument was that with the availability of alternative products, most consumers face the internal dialogue on which product to buy and therefore making their choices more probabilistic. In terms of health concerns, the rapid awakening of health living has thrown sounded scrutiny on the contents of milk products, more especially their processing as well as the additives and preservatives. Respondents added that it is therefore easy for a group of consumers to disregard a genuine marketing campaign and terming it as just a selling tactic.

As an overflow from market expectations, the challenge on product packaging is tied to the expectation of consumers as well as from the legislative. The respondents indicates that within a period of five years in which a strategic marketing plan is expected to run, most consumers make numerous changes to their packaging requirements and expectations. Within the course, some expect more quantity of products for the same price while others expect downshift of prices over the same quantities. Closely influenced by packaging requirement challenge is the distribution issue. According to respondents from the department of operations, when the change in packaging expectations occur, the distribution quantities and networks shift adversely leading to inefficiencies in transportation models. In such cases you will find products moving to unplanned destination at extra cost or returned to warehouses, therefore weakening the distribution models defined within the strategic marketing plan(s).

Aggressive local competition from other milk and milk products processing companies was found to be a major challenge in the implementation of strategic marketing plan. As indicated by the respondents, strong and mature competition posed by the likes of Brookside, Githunguri and Mt. Kenya Milk and others meant a shrinking sales base. Their argument was that this challenging aspect worked against the sole purpose of the strategic marketing plan which was to enrich customer loyalty and increase customer base and market share. Coincidental and in addition to the aggressive local competition challenge is the importation of cheap milk product. The respondents indicated that such imports pushed the local products from the market, and NKCC's products were not exceptional. The respondents saw this challenge as a threat to the already defined market share within the strategic marketing plan as well as its improvement objective.

Lastly, there is the challenge of limited resources that affect the implementation of strategic marketing plan. As indicated by the respondents, the most important resources are always limited. They gave financial resource as a perfect example. The argument behind this challenge was that with more financial support, the marketing campaigns would be taken a notch higher to enhance awareness and inspire the psychological product utility perspective into consumers and the market in general. This will in return make strategic marketing a success. Another resource that was cited included the lack of sufficient and innovative personnel in the strategic marketing plan implementation process. As an example, the respondents argued that the advertising section normally contracts road campaigning agencies to carry out road shows which with adequate capacity should be done by internal marketing personnel.

4.5 Discussion of Findings

The first objective of this study was to establish the extent to which New Kenya Co-operative Creameries (NKCC) uses strategic marketing plan. Findings from the conducted interviews revealed that strategic marketing plan was a priority in the company due to its position in driving the total transformation agenda that brought about the incorporation of KCC into NKCC. This priority was illustrated by the level in which NKCC integrated a multi-departmental and open-system based approach to the entire process since its inception.

As a result of the integration and multi-disciplinary approach, strategic marketing plan(s) at NKCC was found to have a successful institutionalization and operationalization process. These findings on levels of priority were found to be consistent with the Dynamic Capability Theory (Prahald & Garry, 1991) which argues that it is highly possible to address a generally rough and unstable environment when priorities are shared across-the-board. In addition, the assertion of Bie and Ovenil (2012) that enhanced internal capabilities alone influence towards enhanced positive outlook within the general business environment holds true. This is so since successful institutionalization and operationalization of the strategic marketing plan depend exclusively on up-take readiness by all individual stakeholders.

Another important aspect that was found to enhance the institutionalization of the plan was the exhibited level of differentiation between strategic marketing plans and other strategies and plans. Findings indicated that other different strategies and plans existed not only at NKCC but also within the marketing department. To avoid confusion and overlapping of tasks and responsibilities, a scheme of work on the different strategies and plans were created and clear responsibilities assigned. This process was all about identifying a unique resource and responsibility to each plan and allocating it in the most efficient means possible. This approach was found to reiterate the principles of the Resource-Based View Theory by Penrose (1959) and Barney (1991) who indicate that better results are obtained when special attributes and uniqueness are created and attached accordingly.

Complementing the high level of institutionalization was a prudent operationalization approach that exhibited an absolute assignment of responsibilities and support from all organizational levels. The responsibilities were clearly assigned to individuals for the accurate exploitation of the organizational structure and enhance outcomes. Together, the high levels of institutionalization and operationalization were found to enhance the process to plan-do-check-do that was impended into the correction action plan through real-time feedbacks. These findings agree with Johnson and Scholes (2002) who argue that strategic marketing highly depends on job assignments, information flow and feedbacks. The reasons behind the wholesome integration of the strategic marketing plan equally agree with Mbindyo (2011) who argue that correct integration leads to effective channelling of time, capabilities and people resources.

The second objective of this study was to determine the challenges involved in the implementation of strategic marketing plans at New Kenya Co-operative Creameries. Findings indicated a number of challenges emanating from both the internal and external environment, therefore agreeing with Wangondu (2010) who affirm that changes are inevitable and come with varying environmental challenges. The challenges that were expressed by the respondents included changes in market dynamics and expectations, changes in product requirement and drives of distribution channels, increased local competition and price sensitivity, increased competitive imports and limitation of useful resources.

The combination of these challenges was found to have a significant negative impact on the implementation of the strategic marketing plan, especially the delivery schedules. In particular and coinciding with Burnes (2004) and Brinkschroder (2014), the respondents argued that those challenges that were beyond the company's control put the situation far worse as they had no influence but only measures whose expected outcomes were always doubtful and probabilistic. The challenges under this category included competitive imports, change of customer expectations and existence of perfect substitutes to NKCC products. These challenges affected the level of strategic fit between the strategic marketing plan and the target market(s).

On the other hand, internal-based challenges were found to be easily manipulated. The respondents flagged these challenges as highly foreseeable and fixable, therefore agreeing with Mutuvi (2013) and Gikanka (2016) who assume that internal challenges are only vital when system are not developed to be responsive. Mutuvi (2013) further argues that most non-private organizations shy off and do not strive to put in place responsive systems to deal with the challenges. However in this NKCC case, which is still under Parastatal schemes, a responsive corrective action system was found to be in existence. The system was found to be vital to the realization of the strategic marketing objectives as it dealt with both internal and external-based diversions from planned and unplanned expectations. The final comments of the respondents indicated that NKCC is on-course though not yet at the position that it intends to be occupying. This meant that there is room for the company to do better and improve its position in the market.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter presents summary of the findings obtained from the respondents made conclusions and recommendation on strategic marketing plan implementation challenges faced by the New Kenya Co-operative Creameries Limited. The study limitations and subsequent recommendations are also included. This chapter is based on the research objective of establishing the strategic marketing plan implementation challenges experienced by the New Kenya Co-operative Creameries.

5.2 Summary of the study

Findings indicate that New Kenya Co-operative Creameries (NKCC) has quite embraced strategic marketing through integration and stakeholder participation. To ensure that the processes of institutionalization and operationalization of the strategic marketing plan are successful, NKCC has enhanced its differentiation from other strategies and plans. However in spite of the differentiation the strategic marketing plan exhibits, there still is a connection to the integrated development strategy and other departmental strategies. Special collaboration of the sales and marketing department with the operations department was also evidence enough that there existed inter-departmental approach to strategic marketing and strategic marketing plan implementation.

The study established that strategic marketing plan took a five-year time frame running along the integrated development strategy/plan. Findings further indicated that the first strategic marketing was carried out in the year 2008, five years after the incorporation of the New Kenya Co-operative Creameries. This meant that only two strategic marketing period had elapsed. It was also established that due to the nature of the operating environment, the New Kenya Co-operative Creameries was only able to integrate the strategic marketing plan to the contracted outbound logistics as far down the supply chain. It was affirmed that with integrated outbound logistics, the strategic marketing plan still had better chances of improving the overall marketing of the NKCC.

In terms of assigned responsibilities, the study established that individuals were assigned clear and precise authority and responsibility to ensure minimum confusion of roles and functions. The corporate level was basically held within the role of lobbying for resources and assessing the milestones. The middle upper level management and regional sales and marketing managers played the role of preparing guidelines and allocation of resources to the sales and marketing representatives. The sales and marketing representatives came as the last level and were given the responsibility of directly handling individual tasks associated with the strategic marketing plan. Implementation was done in phases: One year phase for five years. Concerning changes, it was established that due to the implementation of strategic marketing, NKCC had made tremendous improvements in market share and customer loyalty.

As far as challenges are concerned, the study established that New Kenya Co-operative Creameries experienced rapid change of expectations in the market, product packaging requirements and product distribution channels, aggressive competition and product pricing, limited marketing-based resource and imports of competing products. The rapid change in market expectations were found to be influenced by the sensitivity on matters health as well as presentation of alternative products. Matters health was found to question the safety of processed milk products, especially those that contained additives and preservatives. They influenced consumption levels. The existence of alternatives however provided a wide platform for probabilistic product selection.

With product packaging requirements and product distribution channel challenge, the study established that consumers often change their expectation within the five-year strategic marketing period. Other change the expected higher product quality with same price while others expect price downshifts. The changes were found to interfere with the already strategically planned distribution routes and quantities. Rapid entry into the market and importation of cheap milk products were also found to exert negative impact of NKCC's strategic marketing through increased cheap alternatives and tough competition. Lack of enough resources equally meant that certain marketing aspects such as advertising was outsourced therefore lacking original touch. To counter and mitigate such aggressive challenges, NKCC employs timely usage of corrective action plans impeded with plan-do-check-do principles.

5.3 Conclusions of the Study

From the research findings and the answers to the research questions, some conclusions can be made about the study.

The strategic marketing plan is the pattern or plan that integrates an organisation major goals, policies and action sequences into a cohesive whole. Well formulated strategy helps to marshal and allocate an organisation resources into unique and viable posture based on its relative internal competencies and shortcomings anticipated changes in the environment and contingent moves by intelligent opponents. A company strategy must achieve a fit between internal capability (strength and weakness) and external situation (opportunities and threats).

The development of marketing strategy is essential for success not only in developed markets where the competition can be intense and with every player attempting to gain market share but also in emerging markets where the elements of product, price, communication and distribution are recognised as valuable sources for competitive advantage. This importance becomes even more vital in the case of developing markets where local producers are coming under increasing pressure to become more competitive in order to face the intense competition.

The major challenges experienced in the implementation of the strategic marketing plan(s) are rapid changes of expectation in the market, product packaging requirements,. Product distribution channels, Aggressive competition, product pricing, .limited marketing based resources and imports of competing products

The findings of the study show that most of the factors that affect strategic marketing implementation plan are outside within the control of organisation(uncontrollable factors) however with proper crafting of strategies ahead of time the company can reap the benefits of generating more revenue by capitalizing on prevailing market opportunities within the dairy sector.

5.4 Recommendations of the Study

This study makes the following recommendations. First, the New Kenya Co-operative Creameries should prioritise the mitigation of internal-based challenges to strategic marketing plans as well as those external ones that are highly influenced by the internal environment. These particular challenges include market-instigated changes in packaging requirement, changes within products distribution channels and human resource-based limitation. These challenges are within the company's reach and can be relooked for improvement. Secondly, it is important to provide a short-term based strategic marketing plan; one that does not run for five year but rather a one year period. This is important as short-term strategies are easy to manipulate whenever sudden changes are required. It is also easy to track milestones and even completely change course when time frames are shorter.

5.5 Limitations of Study

Some of the respondents were not willing to share some of information they were concerned that they are revealing company secret information in which in future they may be victimised.

The challenge was overcome by assuring the respondents that a lot of confidentiality will be observed in providing any particular information. Also they were assured that the information presented is for academic purpose only and for this particular study.

Some of the target respondents were not available at the right time and the researcher had to make several visits and book appointments in order to get in touch with them.

The researcher overcame the challenge by explaining the importance of carrying out the particular research and their participation was of highly importance to enhance the success of the study.

5.6 Suggestion for Further Study

There is a need for another further research in strategic marketing plan implementation challenges in the other dairy companies within the same industry to ensure there is steady success during the implementation stages of their strategic plan without experiencing the same similar challenges.

Kenyan economy being driven and dependent largely on agriculture there is also a need for more study on strategic marketing plan implementation challenges experienced in other fields of agriculture sector such as tea, coffee, sugar and poultry farming in order to support the Kenyan economy.

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APPENDICES

Appendix I: Introductory Letter

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

Telephone: 020-8095398
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsities

Tel: 020 8095398
Nairobi, Kenya

DATE: 23/8/2019

TO WHOM IT MAY CONCERN

The bearer of this letter **Patrick M. Rintaugu** of Registration Number **D61/81044/2015** is a Master of Business Administration (MBA) student of the University of Nairobi.

He is required to submit as part of his coursework assessment a research project report

We would, therefore, appreciate if you assist him by allowing him to collect data within your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organization on request.

Thank you.

23 AUG 2019

PROF. JAMES NJIHIA
DEAN, SCHOOL OF BUSINESS

Appendix II: Interview Guide

The participants selected for this research are staff of New KCC Limited.

Purpose: To understand the strategic marketing plan implementation challenges experienced by New KCC Limited.

SECTION A: GENERAL INFORMATION

Confidentiality

This study seeks to get information on the marketing strategies applied by New KCC Limited to improve on the company's competitiveness. Your response will be highly appreciated.

Information obtained from this interview guide will be treated with uttermost confidentiality.

Gender……………………………………………………………………………………

Age………………………………………………………………………………………

Department………………………………………………………………………………

Position…………………………………………………………………………………..

Highest Education level……………………………………………….…………………

Extent to which NKCC uses strategic marketing plan

1. Does NKCC differentiate between strategic marketing plan and other common marketing approaches?

   Yes ☐ No ☐

   Kindly explain
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2. For how many years has NKCC involved strategic marketing plan approach ☐
3. Do you have a marketing system that runs through the supply chain?

   Yes ☐ No ☐

If yes, provide its structure and explain how it works
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4. Which strategic marketing changes have occurred in the NKCC?
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5. Who is responsible for ensuring that the strategic marketing plan succeeds?
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6. How is strategic marketing plan implemented in New KCC and who are major people involved?
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7. How does strategic marketing plan help NKCC in attaining its objectives?
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Section B: Strategic Marketing Plan Implementation Challenges

8. Do you think the implementation of strategic marketing plan is supported?
   If yes support your answer in the various ways?
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   If no support your answer in the various ways?
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9. Could you please describe the challenges experienced by your firm?
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10. From the challenges you have just mentioned above, which are the most critical ones which need the remedial action?
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11. How do you deal with the challenges in the strategic marketing plan implementation?
    ..…………………………………………………………………………………
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THANK YOU FOR YOUR PARTICIPATION