INFLUENCE OF MARKETING PRACTICES ON PERFORMANCE OF RESTAURANTS IN KILELESHWA, NAIROBI COUNTY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF SCIENCE IN MARKETING, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

2019

DECLARATION

This research project proposal is my original work and has not been presented in any other university for examination

Signed…………………………………….   Date……………………………

VANICE K. MORWABE

D65/8259/2017

This research proposal has been submitted to University of Nairobi School of Business with my approval as the university supervisor.

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DEDICATION

A Dedication to all My Fellow Managers and Restaurant Owners

ACKNOWLEDGEMENT

This project is the final result of input from many people and entities. I wish to acknowledge my fellow classmates in the MSC Marketing program at the University of Nairobi. I sincerely thank my supervisor Dr. Muya Ndambuki for his guidance throughout this study. I cannot forget to appreciate those restaurant owners and managers who took their time to participate in this study. To my Family, I say thank you.

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ABSTRACT

The objective of this study was to establish the relationship between marketing practices and performance of restaurants in Kileleshwa. The population comprised of 58 restaurants in this geographical area. This was a census study. The response rate was 52 % of the respondents. A majority of the respondents indicated that they develop new menu in response to customer needs (Mean= 4.876, Std. Dev=. 453). The statement on whether the overall quality of food impacts on performance was also heavily supported (Mean= 4.645). However the statement on whether restaurants had the ability to develop new products was not supported (Mean= 2.897). on pricing strategies shows that a majority of the respondent managers were aware of their competitors' prices (Mean= 4.645) a majority of respondents also indicated that maintenance of reasonable price levels impacts on the number of visits per person (Mean= 4.343). The statement that offering discounted prices attracts incremental customers was however not supported (Mean= 2.786). . The security offered by the restaurant to visitors was given the highest rating (Mean= 4.897). The statements on availability of parking and the strategic location of the restaurant were equally highly rated (Means above 4.5). Operating hours were not believed to influence performance. On promotion strategies shows that most restaurants relied on word of mouth for promotion (Mean= 4.987). This finding implies that most restaurants do below the line promotion. A similarly high number also indicated that they do no promote their offers through the media (Mean= 4.887). A majority of respondents agreed on the use of internet for marketing. The regression analysis carried out presents the following: the R square of .769 means that the predictor variable (marketing practices) is responsible for or explains 76.9 % of the dependent variable. The remaining 33.1 % is explained by variables outside this study. The ANOVA findings on the other hand indicate that the significance is 0.002. This implies that there exists a statistically relationship between marketing practices and performance. Conclusions and recommendations for further studies are made taking into account the findings.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

The relationship between the activities of the firm and the performance of that firm has been of interest to scholars. Kodwalla (2010) reports a statistically significant relationship between the marketing practices of internet marketing firms a and their performance. The concept of marketing as introduced by Borden (1964) contains a list of 12 variables including product, price, branding, distribution, personal selling, advertising, promotions, packaging among others. The influence of this integrated marketing program on performance has continued to gain interest in both management and practice of marketing. With the growth of marketing management, effectively replacing the functionalist school of thought, marketers are seriously interrogating the relationship from the standpoint developing successful marketing.

The marketing mix theory proposes that it is less imperative to ponder and clarify how showcasing as a training capacities than rather how advertising should work (Skalen et al. 2005), which infers the mix of advertising exercises. McCarthy (1960),in a fundamental work, displayed the advertising blend, remaking Borden's unique 12 factors into the 4Ps model of Price, Product, Promotion and Place, despite the fact that this idea held a considerable lot of the key components of the Functional School, it shifted the point of view solidly towards the showcasing the board approach. The resource-based view of the firm holds that a firm's resources can be a source of competitive advantage thereby earning the company incremental rent or earnings. Properly manipulated, the marketing practices of a firm can be viewed as a resource (Kodwalla, 2010).

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The hospitality industry in Kenya is arguably one of the industries in Kenya that have benefited from an expanded middle class. With this economic and demographic shift, restaurants and fast food establishments are experiencing a period of growth. This explains the recent entry and expansion of global fast food providers such as McDonalds, Pizza Hut and KFC among others. With the increase in the number of players, the market has become quite competitive and therefore performance, financial and non-financial is hinged on the ability to design and execute superior marketing strategy.

1.1.1 Concept of marketing

The AMA (1997) characterizes marketing as the exhibition of business exercises that coordinates the progression of merchandise and enterprises from makers to shoppers or clients. As per Aeris (2005) advertising is the procedure in a general public by which the requests structure for merchandise and enterprises is anticipated or extended and fulfillment conveyed through the origination, advancement and physical dissemination of such products and ventures.

Kotler (2010) defines marketing as the human activity directed at satisfying needs and wants through the exchange process. Kotler (2010) explains that marketing is a process within the society that is intended to identify needs and design marketing programs to deliver satisfaction better than competitors. According to this definition, the focus of marketing is to deliver satisfaction but as noted the presence of competition cannot be ignored.

1.1.2 Marketing Practices

Marketing practices are viewed as the exercises that organizations set up to recognize needs and fulfill those requirements superior to contenders. The Mobile Marketing Association (2009) contends that advertising is a science a lot of practices that empowers associations to impart and connect with their audience in an intelligent and applicable way. These practices have been noted to incorporate exercises, organizations, forms, industry players, gauges, publicizing and media, direct reaction, advancements, relationship the executives, CRM, client administrations, dependability, social promoting, and all the numerous appearances and features of advertising.

Coviello et al. (1997) identifies four perspectives of marketing practice namely transaction, database, interaction, and network marketing. . Transaction marketing is worried about dealing with the promoting blend to pull in and fulfill clients; database advertising concerns utilizing innovation based devices to choose and hold clients; connection promoting is tied in with creating relational connections to make agreeable association among purchasers and merchants for common advantage; and system showcasing concerns creating between firm connections to take into consideration coordination of exercises between various groups for shared advantage and asset trade.

The above practices, exchange, database, connection, and system showcasing, contain what is alluded to as the contemporary promoting rehearses (CMP) structure; an order that takes into account synchronous evaluation of both value-based and social exercises. The CMP system contain the arrangement of showcasing rehearses accessible to a firm. The capacity to at the same time look at value-based and social practices is viewed as imperative to discover (a) which advertising rationale (as show

in showcasing practice) is stressed by firms and (b) how the different practices identify with firm performance.

1.1.3 Firm performance

According to Ukko (2009), performance relates to actual results or outputs of activities. Performance relates to the degree of attainment or otherwise of predetermined objectives. In organizational settings, performance is classified into financial such as profitability, earnings before taxes, return on investments among others. Non financial performance can be measured on the basis of growth in market share, customer retention, employee retention and so on. The manner in which performance is measured depends on the specific industry (Venkatraman & Ramanujam, 1986). Kaplan and Norton (1996) presented the balanced score card which classifies performance on the basis of the Balanced Scorecard which seeks to document performance using financial, customer, internal process, and learning and growth. This tool has been hailed as the most realistic approach to the measurement of performance. This tool is not sector specific and has to be aligned to the dynamics of the specific industry.

Dornier and Selmi (2012) identified three types of factors determining firm performance: environmental factors, organizational and human factors. Environmental factors include the characteristics of the industry in which a firm operates, the advertisement intensity, the average profit of the industry and the technological change. The measurement of performance ought to be industry specific (Kumar et al., 1998). The implication of this statement is that there is no way the performance of a firm can be diligently done without consideration of internal variable and contextual environment.

1.1.4 Restaurants in Kileleshwa

The emerging global markets have accounted for rapid expansion of new business innovations. Evolving markets in Asia and Africa are among particular places accounting for the increase in middle class and changes in household consumer behaviors. Similarly, the emergence of the fast food industry in Nairobi continue to expand due to growing middle class and the developing tourism industry. Recent investment worth millions of dollars by global and local restaurant chains such as KFC, Java Houses, Subway, Teriyaki, Coldstone Creamery, Domino's Pizza, Steers and Café Deli, among others has expanded their chain of restaurants in Nairobi County. According to National Restaurant Association of Kenya (NRAK) forecast of 2016, fast food chain service is rapidly growing within the Restaurants and Service Industry.

Kileleshwa, situated in Nairobi, Kenya. Over the last couple of years, the number of foreign food restaurants has been increasing in Kileleshwa. This has changed the environment with segments of the industry such as Hotels and the branded and none branded fast food outlets increasing in the area. Most of the restaurants are foreign foods restaurants.

These restaurants have found contentment in having a single outlet located in one of the prime areas of the city. Little has been done on promotion and/or expansion efforts. These firms seem to have found solace in the word of mouth as the single marketing tool. This is despite the intensifying competition and the increasing number of new entrants in to the segment. Meanwhile these foreign food restaurants

continue to increase in number putting pressure on managers to design and redesign winning marketing programs.

1.2 Research Problem

The relationship between marketing strategy and performance is of interest to scholars for a long time (Kodwalla, 2010). Managers desire to predict the outcomes of pursuing certain lines of marketing strategy with some degree of certainty. The interaction between the marketing practices of the firm and performance is however subject to the influence of external environmental developments (Slater and Chapouka, 2007). Previous studies on the relationship between marketing practices and performance predict a statistically significant relationship.

The Kenyan restaurant business sector is in transformational state and upmarket locations such as Kileleshwa now host Italian, Ethiopian, Chinese, Indian and French establishments, which have specialized in foreign foods business. The prevailing competitive environment requires that marketing practices are properly applied along marketing mix and four P's of marketing, which include product, price, place and promotion. These marketing practices have been shown to contribute to growth of business in many respects when efficiently practiced and can lead to increased volume of sales, return on investment and goodwill from customers. It is however unclear whether restaurants in Kileleshwa use marketing practices to improve their performance. Insufficient knowledge about marketing practices in the restaurant business sector in Kileleshwa has a bearing on the quality of service, customer satisfaction and performance of firms.

There are studies globally and locally on marketing practices but contextual, methodological and conceptual gaps have been identified. A study by Slater and

Chapouka (2007 on the impact of retail cigarette marketing practices on youth smoking uptake associates higher levels of advertising with smoking uptake.

Advertising increased the probability of youth starting smoking, cost improved the probability of smoking all things considered degrees of take-up, and accessibility of advancements improved the probability that young will move from experimentation to ordinary smoking. Ghouri et al. (2011) investigation of the advertising rehearses and their consequences for firms' exhibition, discoveries from little and medium estimated providing food and eateries in Karachi. Ndegwa et al. (2017) analysed the impact of Entrepreneurial Marketing on practices the Growth of Small and Medium Water Bottling Enterprises in Kenya. The study found solid connection between advancement, item, estimating and dispersion procedures and development of SME water packaging firms in Kenya. The present investigation looks to respond to the accompanying inquiry: What is impact of showcasing rehearses on execution of cafés in kileleshwa inNairobi County ?

1.3 Objective of the study
The objective of the study is to establish the influence of marketing practices on the performance of restaurants in Kileleshwa in Nairobi County

1.4 Value of the study
The research findings will contribute to understanding of the nature of operations of restaurants in Kileleshwa and aid the performance and growth of these sector in Kenyagenerally. Mangers will be in a position to clearly work on strengthening the marketing practices of their firms since a clear relationship to performance will gave been established.

Scholars interested in undertaking research in the sector will be able to access useful reference point for their studies. The theory of marketing mix and also the resource-based view theories and their postulations will be tested in the hospitality context. The government will be in a position to make better judgement regarding policies targeted at the hospitality industry and more particularly on the restaurant businesses in a way that creates a conducive environment for productivity, growth and employment.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter comprises theoretical review, which focuses on two theories, namely, the marketing mix theory and the resource-based view, theories that are pertinent to marketing practices and performance. The chapter further elaborates on the concepts of marketing practices and performance, with a view to understanding gaps in literature concerning factors that influence performance of restaurants.

2.2 Theoretical Foundations

This study is founded on the postulations of the theory of marketing mix.

2.2.1 The Marketing Mix Theory

The marketing mix theory is a one of the theories whose proponents are difficult to identify. It has its foundations on the works of McCarthy in early 1960s. Marketing mix refers to the combination of product, distribution, promotion and pricing strategies that a company uses (Kotler, 2000). Sereikienė-Abromaitytė (2013) views marketing mix as the solutions designed by the company to meet consumer needs and to achieve the company's marketing goals.

The marketing mix theory predicts the relationship between the marketing practices and the performance of the company. The marketing practices that a firm engages in have been reported to influence the performance of that firm (Kodwalla, 2010). This theory therefore supports the relationship[p between the variables under investigation in the current study.

2.4 Marketing Mix Variables

A product is what a firm can offer to the market to satisfy a need or want, it refers to a set of tangible and intangible attributes that include packaging, colour, price, quality and brand as well as sellers' service and reputation (Etzel et al., 2007). The product concept aver that consumers tend to favour products that offer the most quality performance or feature that are innovative. The features emphasized depends on the firms' strategy and if the firm wants to differentiate itself then it should emphasize the different features packaged in the product that the competitors lack. The product can also represent different needs for the different market segments. Product positioning is an important concept in marketing that refer to the place that the product occupies in the consumers mind relative to competing products.

Place alludes to the way toward moving items from makers to the expected client (Marc, 2014). So as to work and deal with these procedures, the organizations need to construct an appropriate advertising channel that compares with the organizations' goals. Kotler and Armstrong (2014) characterize promoting channel or circulation channel as a lot of associated associations that help make an item or administration accessible for client or utilization by the shopper or business client.

Promotion is a mode of communication and a tool used to persuade as well as inform target audience. It has an effect on the awareness, feelings and behaviour of prospective customers (Etzel, Walker, Stanton, 2003). Personal marketing is a face to face presentation of a product while advertising is a non-personal communication paid for by a sponsor to promote product. Public relations are communications efforts aimed at developing favourable attitudes and opinions towards an organization as well as its products.

The value of a product indicates that the product has the kind and the amount of potential benefits such as quality, image and purchase convenience consumers expect at a particular price level. Price affects the competitive position of a firm in terms of revenue and profits and is a major determinant of demand. Factors such as differentiated product features, favourite brand, high quality, convenience affect pricing in an organization and therefore effectively combined can lead to business success (Kotler & Armstrong, 2014).

Distribution refers to the physical transportation of a good from production site to the place it is needed (Etzel et al., 2003). It is the process that makes a product or service available for use by the consumer or business for that matter (Kottler & Armstrong, 2014). The role of distribution within the marketing mix is to get the product to the target market. This may involve a number of middlemen to render service related to the sale or purchase of a product and its flow from the producers to the consumers. However, middlemen are perceived to cause high prices of goods although their role in the distribution process is at the same time critical to the timely consumer access to products. Firms consider middlemen as an essential component of their supply chain. Advertising, sales promotion, sales peopleand packaging are not sufficiently powerful forces to influence consumers core values by themselves despite the important role that they play in generation of sales.

2.5 Marketing Practices and Performance

Ghouri et al.(2011) considered the impact of promoting practices on execution of discoveries from little and medium size catering firms in Karachi, looking to comprehend the significant showcasing practices utilized and consequences for the cafés just as the connection between the showcasing practices and firm performance, found that the seven exercises of showcasing practices, which incorporate business

relationship, division, innovation use, inventory network the board, publicizing, estimating and advertising clarified 18.2% of the fluctuation in execution of firms, and that lone promoting practice was emphatically connected with firm performance. Saxena's (2011) study on found that the strategic place factors ultimately increase sales performance.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Chapter three describes the research methodology and includes, research design, the population of the study, the survey method, data collection and the data analysis techniques.

3.2 Research Design

The study used a descriptive cross-sectional survey design. The descriptive research design was considered appropriate for this study as it allowed collection of data from the sample and the description of phenomenon under study.

3.3 Population of the Study

According to Mugenda & Mugenda, (2003), a population is the entire set of relevant units or elements that a researcher intends to study. The population of the study included restaurants located in Kileleshwa. According to the Nairobi County Council Licensing Department (2019) there were a total of 58 registered restaurants in Kileleshwa. This number form the target population include. A census study was conducted since the population was relatively small.

3.4 Data Collection

The investigation utilized primary data. Essential information was gathered utilizing an structured questionnaire. The overseeing directors, proprietors or the marketing or project lead were the key sources in every café as they were considered to have the particular information, duties and experience(Mugenda, 2003).The research instrument was a self-directed through drop and get later strategy. Follow-up phone calls and messages will be made to expand the reaction rate.

3.5 Data Analysis

Data was analysed using both descriptive statistics (mean and measures of dispersion) and inferential statistics (correlation, analysis of variance and regression analysis). Descriptive analysis was conducted to present the main characteristics of the sample. Correlation and regression analyses was computed to determine the expected relationships between the marketing practicesand firm performance. The general model for predicting firm performance, was represented by the following model:

$$Y = \alpha + \beta_1 X_1 + + \varepsilon_i$$

Y= Performance

A= constant

β_1= the coefficient relating to the independent variable

ε_i= Error term

CHAPTER FOUR: DATA ANALYSIS PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter contains the analysis of data collected. The results are presented and subsequently discussed. Data analysis begins with the descriptive statistics and proceeds to higher level inferential statistics.

4.2 Response Rate

The population of this study consisted of all restaurants in Kileleshwa area of Nairobi County. According to the records of the Nairobi City County, there were a total of 58 licensed restaurants in Kileleshwa. Questionnaires were administered to the proprietors of the restaurants. Out of a total of 58 questionnaires, 30 questionnaires were filled and collected. This represented a 52 % response rate. This figure was considered high enough for further statistical analysis.

4.3 Number of Years the Restaurant has been in Operation

This question sought to establish the number of years the restaurant has been in operation. The belief is that there is a correlation between a firm's marketing practicesand its performance. The analysis is ads provided in Table 4.1 below.

Table 4.1 Age of Restaurant

Age	Number	Percentage
Below 3 Years	10	33.3 %
3- 6 Years	7	23.3 %
6- 9 Years	8	26.7 %
Above 9 Years	5	16.7 %

Source: Research Data, 2019

According to Table 4.1 above, a majority of the restaurants were aged below 3 years (33.3 %). The percentage that accounted for restaurants aged above 6 years 43.4 %. That means that majority of the restaurants were below 6 years (56.6 %).

4.4 Number of Employees

This question was meant to determine the size of the restaurants in terms of number of employees. The assumption was that there is a correlation between the size of a firm and the marketingpractices it employs.

Table 4.2 Number of Employees

Number of Employees	Number of Restaurants	Percentage
Below 5 Employees	8	26.7 %
5- 10 Employees	10	33.3 %
10- 15 Employees	9	30 %
Above 15 Employees	3	10 %
Total	30	100 %

Source: Research Data, 2019

Table 4.2 indicates that 27 % of the restaurants have below 5 employees. Those with between 5 and 15 employees accounted for 63.3 % of the respondents. Only 10 % of the respondent restaurants had employed above 15 employees.

4.5 Product Strategies

This question sought to determine the strategies restaurants are employing in relation to their products.

Table 4.3 Product Strategies

Product statements	Mean	Std. Dev
We have the ability to develop new products	2.987	.897
We successfully launch new products in our menu	4.087	.767
Our menu improvement efforts are responsive to customer needs	4.876	.453
The availability of foods viewed as premium affects on visits and sales	3.786	.543
The overall quality of food and services impact on performance	4.645	.785
The existence of wide variety of menu affects the choice of our customers	3.656	.342

Source: Research Data, 2019

Table 4.3 shows the responses in relation to the degree of agreement or otherwise to product related statements. A majority of the respondents indicated that they develop new menu in response to customer needs (Mean= 4.876, Std. Dev=. 453). The statement on whether the overall quality of food impacts on performance was also heavily supported (Mean= 4.645). However the statement on whether restaurants had the ability to develop new products was not supported (Mean= 2.897).

4. 6 Pricing Strategies

On a scale of 1-5 respondents were required to indicate the extend to which they agreed with statements relating to pricing strategies. The responses are presented in Table 4.4

Table 4.4 Pricing Strategies

Pricing statements	Mean	Std. Dev
We know our competitors pricing tactics	4.645	.564
Charging premium prices affect performance	2.878	.656
Reasonably pricing our food impact visits	4.343	.766
We do an effective job of pricing our products	3.656	.888
The availability of happy hour and discounts attract clients.	2.786	.453

Source: Research Data, 2019

Table 4.4 on pricing strategies shows that a majority of the respondent managers were aware of their competitors' prices (Mean= 4.645) a majority of respondents also indicated that maintenance of reasonable price levels impacts on the number of visits per person (Mean= 4.343). The statement that offering discounted prices attracts incremental customers was however not supported (Mean= 2.786). The implication is that there is no relationship between lowered prices and revenues of restaurants.

4.7 Distribution Strategies

This question was about the distribution strategies employed by restaurants in availing their products to their customers. The findings are presented as below.

Table 4.5 Distribution Strategies

Distribution statements	Mean	Std. Dev
The location of restaurant is a determinant of traffic	4.765	.645
The restaurant's operating hours have effect on service delivery and traffic	3.453	.343
Accessibility by PSVs has affected the traffic and service delivery	4.323	.564
shoppers visits and sales delivery affect security and safety of restaurant influence the	4.897	.876
The availability of parking space impacts on visits and service delivery	4.778	.346

Source : Research Data, 2019

Most of the statements in this part of the questionnaire were supported by the respondents as indicated by the means posted by each statement. The security offered by the restaurant to visitors was given the highest rating (Mean= 4.897). The statements on availability of parking and the strategic location of the restaurant were equally highly rated (Means above 4.5). Operating hours were not believed to influence performance.

4.8 Promotion Strategies

Respondents were required to indicate the extent to which they agreed with statements on communication. The findings are as presented below

Table 4.6 Promotion Strategies

Promotion statements	Mean	Std. Dev
We do not promote our services in the media	4.887	.007
We rely on word of mouth for promotion	4.987	.067
Our sales promotions are well developed and executed	2.453	.897
We give the sales people the training they need to be effective	1.765	.656
We provide sales management planning and control systems	1.897	.432
Our internet marketing programs are well developed and executed	4.765	.545

Source: Research Data, 2019

Table 4.6 on promotion strategies shows that most restaurants relied on word of mouth for promotion (Mean= 4.987). This finding implies that most restaurants do below the line promotion. A similarly high number also indicated that they do no promote their offers through the media (Mean= 4.887). A majority of respondents agreed on the use of internet for marketing. From the analysis, it does appear that most restaurants do not use sales people for promotion.

4.9 Inferential Statistics

Inferential statistics were carried out using regression analysis. The findings are presented in the model fitness, ANOVA table and the Table of Coefficients.

Table 4.7 : Regression Model

Predictors: (constant), Marketing practices

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.877[a]	.769	.532	.5643

Predictors: (constant), Marketing practices

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.456	1	2.564	13.675	.002[b]
	Residual	3.324	29	.154		
	Total	**6.780**	**30**			

a. Dependent Variable: Performance of Restaurants

b. Predictors: (Constant), Marketing practices

Coefficients

Model		Un-standardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.453	.675		3.564	.04
	Marketing Strategies	.453	.121	.877	3.656	.01

Source: Research Data, 2019

The regression analysis carried out presents the following: the R square of .769 means that the predictor variable (marketingpractices) is responsible for or explains 76.9 % of the dependent variable. The remaining 33.1 % is explained by variables outside this study.

The ANOVA findings on the other hand indicate that the significance is 0.002. This implies that there exists a statistically relationship between mpracticesarketing and performance. The significance of .002 represents the probability of accepting the null hypothesis.

The coefficients table provides the following equation:

$$Y = 3.453 + 0.877X_1 + e$$

Where

Y= Performance of Restaurants

X1= Marketing practices

4.10 Discussion of the Findings

This study was meant to determine the influence of marketing practiceson the performance of restaurants in Kileleshwa. The descriptive statistics on product strategies show that development of new products (menu) was in response to emergiong customer needs. This finding supports the assertions by Kotler (2000).

Kotler (2000) notes that new product development ought to be guided by customer needs.

On pricing strategies, the findings show that a majority of the respondent managers were aware of their competitors' prices while a majority of respondents also indicated that maintenance of reasonable price levels impacts on the number of visits per person. The implication is that competitor pricing activities are strong determinants of the restaurants pricing strategies. This is also supported by literature (Kotler,2000; Keller,1998; Baker, 1987).

On dimensions of distribution and promotion, the findings were as follows; security of visitors and their vehicles was rated as the most important in distribution. Promotion was noted to be mostly by way of below the line advertising. For example the respondents argued that they were not actively involved in promotion but relied on word of mouth advertising. The findings for regression analysis indicate that there is a statistically significant relationship between marketingpracticesand performance of restaurants. Literature also supports this finding (Kotler, 2000).

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter contains a summary of the project, conclusion and recommendations. This is guided by the objective of study.

5.2 Summary

The objective of this study was to establish the relationship between marketing practices and performance of restaurants in Kileleshwa. The population comprised of 58 restaurants in this geographical area. They were all involved in the study. The response rate was 56 %. The descriptive results were as follows. A majority of the respondents indicated that they develop new menu in response to customer needs (Mean= 4.876, Std. Dev=. 453). The statement on whether the overall quality of food impacts on performance was also heavily supported (Mean= 4.645). However the statement on whether restaurants had the ability to develop new products was not supported (Mean= 2.897). on pricing strategies shows that a majority of the respondent managers were aware of their competitors' prices (Mean= 4.645) a majority of respondents also indicated that maintenance of reasonable price levels impacts on the number of visits per person (Mean= 4.343). The statement that offering discounted prices attracts incremental customers was however not supported (Mean= 2.786). . The security offered by the restaurant to visitors was given the highest rating (Mean= 4.897). The statements on availability of parking and the strategic location of the restaurant were equally highly rated (Means above 4.5). Operating hours were not believed to influence performance.

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5.3 Conclusion

The study was on the influence of marketing practices on the performance of restaurants in Kileleshwa. From the descriptive, it can be concluded that when it comes to product strategies, new products need to be developed with customer needs in mind. The quality of the food was considered important. The findings also indicate that there is no relationship between price and number of customers. For promotion, it was reported that restaurants do not use above the level methods of promotion. Managers and owners indicated that they rely on word of mouth advertising. The findings also report a statistically significant relationship between marketing practices and performance of restaurants. The implication is that managers ought to enhance their manipulation of the marketing practices in order to influence performance.

5.4 Recommendations

The author makes the following recommendations with the results in view;

On practice, the findings show that there is a correlation between the marketing strategies and performance of a restaurant. The implication is that managers must enhance the intensity of the firm's marketing strategies if they intend to post enhanced profits.

For further studies, there is need to test the relationship between marketing strategies and performance to be tested in different context for example in the fast moving consumer goods industry.

In place of cross sectional studies, longitudinal studies also need to be carried out. The dynamic nature of the relationship between the variables in response to different times could mediate the influence the relationship between them.

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APPENDICES

Appendix I: Questionnaire

PART I: RESPONDENT AND FIRM PROFILE

1.   Please indicate the position you hold in the company_____

2.   How long have you been in this position?

    Up to 5 years   [ ]   6-10 years   [ ]   11-15 years [ ]
16-20 years   [ ]   above 20 years   [ ]

3.   Please indicate with a (√) your highest level of education?

    O level   [ ]   A level   [ ]   Certificate   [ ]
Diploma [ ] Bachelor's Degree [ ]   Master's Degree   [ ]
Ph.D/Doctorate   [ ]

4.   What is the ownership status of your firm?

Fully Kenyan owned   [ ]   Fully foreign owned [ ]
Joint Kenyan and foreign owned   [ ]

5.   How many years has your business been in operation in Kenya?

Up to 3 years   [ ]   3-6years   [ ]   6-9 years [ ]   9-12
years   [ ]   Over 12 years   [ ]

6.   How many employees are currently permanently employed in your firm?

Up to 10 employees   [ ] 11-20 employees [ ]   21-30 employees   [ ]
31-40 employees   [ ]   41-50 employees [ ]   Over 50 employees   [ ]

PART II: MARKETING PRACTICES

Please indicate with a tick (√) the extent to which you agree with the following statements. Where 1 = Not at all,   2 = To a small extent, 3 = To a moderate extent 4 = To a large extent and 5 = To a very large extent

N	Product statements	1	2	3	4	5
1	We have the ability to develop new products					
3	We successfully launch new products in our menu					
4	We ensure that product development efforts are responsive to customer needs					
5	The availability of premium foods impacts on visits and sales					
6	The overall quality of food and services impact on performance					
7	The existence of wide variety of menu affects the purchase					

1. Pricing

Please indicate with a tick (√) the extent to which you agree with the following statements. Where 1 = Not at all,   2 = To a small extent, 3 = To a moderate extent 4 = To a large extent and 5 = To a very large extent

	Pricing statements	1	2	3	4	5
1	We use pricing skills and systems to respond quickly to market changes					
2	We know our competitors pricing tactics					
3	Charging premium prices affect performance					
4	Maintenance of reasonable price levels impact visits					
5	We do an effective job of pricing our products					
6	We monitor competitors' prices and price changes					
7	The availability of price offers and discounts attract shoppers.					

2. Place

Please indicate with a tick (√) the extent to which you agree with the following statements. Where 1 = Not at all, 2 = To a small extent, 3 = To a moderate extent 4 = To a large extent and 5 = To a very large extent

N	Place statements	1	2	3	4	5
1	The strategic location of restaurant affects traffic and purchase decision					
2	The restaurant's operating hours have effect on service delivery and traffic					
3	The accessibility of restaurant by public service vehicles affects the traffic and service delivery					
4	The security and safety of restaurant influence the shoppers visits and sales delivery					
5	the availability of parking space impacts on visits and service delivery					

3. Promotion

Please indicate with a tick (√) the extent to which you agree with the following statements. Where 1 = Not at all, 2 = To a small extent, 3 = To a moderate extent 4 = To a large extent and 5 = To a very large extent

N	Promotion statements	1	2	3	4	5
1	Our advertising programs are well developed and executed					
2	We do not promote our services in the media					
3	We have good advertising and creative skills					
4	We rely on word of mouth for promotion					
5	Our sales promotions are well developed and executed					
6	We give the sales people the training they need to be effective					
7	We provide sales management planning and control systems					
8	Our public relations programs well developed and executed					
9	Our internet marketing programs are well developed and executed					

4. Performance

Please indicate with a tick (√) the extent to which you agree with the following statements. Where 1 = Not at all,   2 = To a small extent, 3 = To a moderate extent 4 = To a large extent and 5 = To a very large extent

N	Performance Statements	1	2	3	4	5
1	We have lower employee turnover than that of our competitors					
2	We often receive complimentary phone calls/letters/emails from our customers					
3	A system is in place to assess effectiveness of our restaurant					
4	Our restaurantclosely monitors its effectiveness					
5	The restaurantuses feedback to improve itself					
6	Our restaurantintroduces new products and services regularly					
7	We have loyal customers in our restaurant					
8	we monitor timeliness of service delivery					
9	We regularly monitor and adapt to the business environment					
10	Our restaurantconsistently has more revenue than expenses					