RETAIL MARKETING STRATEGIES ADOPTED BY BOTTLING COMPANIES IN KENYA

BY

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A Management Research Project Submitted in partial fulfillment of the requirements for the award of Master of Business Administration (MBA) degree, University of Nairobi

September, ...

DECLARATION

This management project is my own original work and has never been submitted for a degree in any other University.

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This management project has been submitted for examination with my approval as a University Supervisor.

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DEDICATION

To my lovely wife, Dr. Joyce Koech and son Trevor for their love, persistence, understanding, encouragement and support.

Special dedication to my parents, Noah and Anne who denied themselves so much for the sake of my future. They tirelessly guided and moulded me into what I am today.
Thank you!

ACKNOWLEDGEMENT

My sincere gratitude goes to my project supervisor, the Late Mrs. Margaret Ombok for her tireless efforts, support and guidance throughout the course of this project. She showed me ways to approach a research problem and the need to be persistent to accomplish my goals.

May the Lord rest her soul in eternal peace.

I am also highly indebted to my boss, Rosalind Kimani and fellow colleagues Peter Muriuki, Boyani and friends the Kering's family, Michelle and Robert for the timely support without which this work would not have been a reality.

My special thanks go to Justus Ombok who provided very valuable information to making this project a reality.

May God bless you all.

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ABSTRACT

Bottling companies play a key role in the Kenyan economy. They generate revenue to the government through taxes, create employment to the locals in the product manufacturing, packaging and distribution to the retail outlets. The bottling companies have significantly grown in Kenya. In 1963, when Kenya became an independent state, there were only two bottling plants, Coca-Cola Company and East African Breweries Limited. They are now over 30 bottling companies in Kenya. The effect of this has been a reduction in market share, declining profitability and stiff competition. The very existence of any company or firm that manufactures products is to find and get market for its commodities. Thus crafting and adopting retail marketing strategies is key for the bottling companies.

This study thus was aimed at investigating the strategies adopted by the bottling companies in Kenya. The objectives of this study was to establish the retail marketing strategies adopted by the bottling companies in Kenya, determine the factors that influence the choice of retail marketing strategies and to determine whether these strategies have given some of the bottling companies a competitive advantage. Research design used was a descriptive approach design. The population of the study was all bottling companies in Kenya. According to a survey carried out by Research International, there are 30 bottling companies in Kenya (see appendix 3). Primary data was then collected using a semi-structured questionnaire. The questionnaires were personally delivered or emailed to marketing managers and or sales managers prior to making an initial contact through telephone. The filled questionnaires were then collected or emailed back to the researcher.

The findings of the study revealed that, bottling companies surveyed to a large extent have a coherent retail marketing strategies i.e. market segmentation, product strategies, distribution strategies, pricing strategies, promotions strategies, and customer relationship management. These strategies have enabled these companies cope up with the dynamic changes taking place in the retail sector.

PART ONE
INTRODUCTION

1.1 Background

The market place is not what it used to be, it is radically changing as a result of major societal forces such as technological advances, globalization, and deregulation. These major forces have created new behaviors and challenges. Kottler (2000) argues that customers increasingly expect higher quality and service and some customization. They perceive fewer real product differences and show less brand loyalty. They can obtain extensive product information from the internet and other sources, permitting them to shop more intelligently. They are showing greater price sensitivity in their search for value. Brand manufacturers are facing intense competition from the domestic and foreign brands, which is resulting in rising promotion costs and shrinking profit margins. They are further being buffeted by powerful retailers who command limited shelf space and are putting out their own store brands in competition with national brands. Store based retailers are suffering from an over saturation of retailing. Small retailers are succumbing to the growing power of giant retailers and the Category Killers. Store based retailers are facing competition from catalog houses, direct –mail firms, newspaper, magazine, and TV direct –to-consumer ads, home shopping TV, and the Internet. As a result they are experiencing shrinking margins.

It is important therefore to note that, Retail Sector is constantly changing so fast that those who do not innovate with time will ultimately lose substantially. It is an evolving industry which must cope with the various changes taking place. Jaworski and Kohli (1993) concluded that the ability of a firm to respond to identified changes in the market or customer behavior is an important feature exhibited by successful firms. Kotler (2001) argued that today's consumers are able to access objective information on competing brands, including costs, prices, features, and quality, without relying on individual manufacturers or retailers. In many cases they will be able to specify the customized services they want. They will be able to specify the prices they are willing to pay, and wait for the most eager sellers to respond. The result is the dramatic shift of economic power from retailers to consumers. Sternquist (1999) argues that retailers have been forced to engage in international expansion for a variety of reasons. Key among them are; the desire to reach beyond a mature home market with low growth potential, a need to diversify the investment, intense competition locally and the economic down turn. As a result of these, companies are changing in a number of ways including; reengineering, outsourcing-commerce, benchmarking, alliances, parner suppliers, and market centred, from being local to both local and global and decentralization, Kottler (2001).

Marketers are therefore changing their philophies, concepts and tools in order to survive during this competitive era. From focusing on transactions to building long term, profitable customer relationships. From making a profit from each sale to making profits by managing customer lifetime value. From a focus of gaining market share to a focus on building customer share i.e. by offering the best firm. From selling the same offer in the same way to individualizing, customizing messages and offerings. Companies will be able to design their own product features on the company's web page. From heavy reliance on one communication tool to such as advertising or sales force blending several tools to deliver on a consistent brand image to customers at every brand contact. From treating intermediaries as customers to treating them as partners in delivering value to final customers. From thinking that marketing is done only by marketing, sales, and customer support personnel to recognizing that every employee must be customer focused (Kottler, 2000).

Continuous analysis of what is happening in the stores helps a smart retailer to quickly and profitability adapt to the changing customer behaviour, buying pattern and monitor various dynamic parameters that determines the success or failure of any retail enterprise.

1.1.1 Retail Marketing Strategy

A strategy is a long term plan of action designed to achieve a particular goal, most often "winning". Strategy is differentiated from tactics or immediate actions with resources at hand by its nature of being extensively premeditated, and often practically rehearsed. Long term coordinated strategy is necessary to give the structure, direction and focus, Chandler (1962). Strategy is a specific course of action indicating precisely how the firm is going to use or deploy its resources in order to achieve its established objectives. It is a plan that, when executed, will produce the performance results desired by the enterprise, Davidson et al (2000). Marketing Strategy therefore is a process that allows a company to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. Marketing strategy integrates an organization's marketing goals, policies, and action sequences (tactics) into a cohesive whole. Similarly, the various strands of the strategy include advertising, channel marketing, internet marketing, promotion and public relations, can be orchestrated.

Retailing consists of the sale and all activities directly related to the sale of goods and services to the ultimate consumers for personal use i.e. non business use, Fortune (1993). Berkowitz (2000) defines it as where the customer meets the product. According to Kotler (2001), retailing includes all activities involved in selling goods or services directly to final consumers for personal or non business use. Kotler, argues that any organization selling to final consumers whether a manufacturer, wholesaler or retailer is doing retailing. It does not matter how the goods or services are sold (by person, mail, telephone, vending machine, or internet) or where they are sold (in a store, or the street or the consumers' home). Davidson et. al (1984) observes that consumers will expect the retailers to accomplish three tasks that are required in an advanced economy as we see today, these are; creating product and service assortment that anticipate and fulfill consumers needs and wants ; offering products and services in quantities small enough for individual or family consumption; providing for ready exchange of value through efficient handling of transactions, convenient hours and location, information that is useful in making choices and competitive prices.

Retailing is an important marketing activity. Not only do producers and consumers meet in the retailing outlet, but retailing also provides multiple values to the consumer and the economy as a whole. To consumers, these values are in the form of services provided, or utilities. Retailing's economic value is represented by the people employed in retailing, as well as by the total amount of money exchanged in retail sales. Retailers serve as purchasing agents for consumers and as sales specialists for producers and wholesaling middlemen. They perform many specific activities, such as anticipating customer's wants, developing product assortments, and financing, Fortune (1993). Retail market strategy identifies; the specific markets and market segments that the firm intends to pursue, the consumer and competitive performance that the firm desires in its selected markets, and specific means by which the firm intends to appeal to its target customers and establish its competitive position.

1.1.2 Bottling Companies in Kenya

Bottling is the act or process of putting anything into bottles such soda drink, juice, beer, water and sealing the bottle with a cork, a bottle cap or crowns. The main bottling companies in Kenya can be grouped into three categories based on their products; Soft drinks, Alcohol, Water and Juices or Non alcoholic beverages. Among them is; Nairobi Bottling plant under the umbrella of Coca-Cola East and Central Africa and beer bottling plant, East African Breweries Limited. Nairobi Bottlers Limited is located in Embakasi near the Jomo Kenyatta International Airport. Its main core business is to bottle and distribute the soft drinks – soda and water across Nairobi, Machakos and Nakuru. It handles 50% of the production of soft drinks business in Kenya. It has a market share of 98% within the coverage area.

Nairobi Bottlers Limited was founded in 1948 by the Coca-Cola Company. In November 1995, Coca-Cola South African Bottling Company (Coca-Cola Sabco) in partnership with Centum Investments acquired Nairobi Bottlers Limited from the Coca-Cola Company. Through bottler Agreements, Nairobi Bottlers Limited prepares the designated Coke trade marks beverages, package the drinks in authorized containers, and then sell the final product in the identified territories (Girad, 2005). East African Breweries Limited is a large East African brewing company which owns Kenya Breweries Limited, Uganda Breweries Limited, Central Glass Manufacturer, Kenya Maltings and United Distillers and Vintners (Kenya) Limited. It was founded in 1922 by two white settlers, George and Charles Hurst. By 1990, most of the share holders were Kenya and the company was very successful. The largest shareholder is Diageo Plc. East African Breweries primary listing is on the Nairobi stock exchange and is also cross listed in Uganda Securities and Dar es Salaam stock exchange.

The challenges facing the industry are; the high cost of investment, high excise taxes imposed on raw materials, distribution difficulties due to high cost of transportation, surging fuel prices, poor road network, unskilled labour, high energy cost, and low income population with unfair trade practices. In addition the liberalization of the market has led to increased competition of products, cheap imports being sold at lower prices than the recommended retail prices, counterfeits, and the constant change in consumer trends. As a result of these challenges, the industry has been forced to enter into franchises, strategic alliances, and collaboration with customers, planning and executing to win. Market place leadership is more than just the highest unit sales, it's about leadership in quality, being relevant in technology, emphasis on lower prices and lower costs, being conscious of the changing demographics and industry structure/patterns, accent on convenience and service, focus on productivity, added experimentation and continued growth of non store retailing while offering our customers value for money.

Other Bottling Companies in Kenya are; Mount Kenya Bottlers Limited located in Nyeri and serves Central province and parts of Eastern and Rift Valley provinces. Rift Valley Bottlers Limited located in Eldoret town serves the North Rift and Western provinces. Kisii Bottlers Limited located in Kisii town covers the South Nyanza region and parts of South Rift Valley and Beverage Services of Kenya Limited located in Nairobi. Other bottling companies are Softa Bottling Company Limited, Milly Fruit Processors Limited, Jetlak Foods Limited, Crown Foods Limited, Grange Park Limited, GlaxoSmithKline Company Limited, Kenya Wine Agencies Limited, Kenya London distillers Limited.

1.2 Statement of the Problem

Bottling companies have played a role in the country's economic growth. They generate revenue to the government through taxes, create employment to the locals in the product manufacturing, packaging and distribution to the retail outlets. The bottling companies have significantly grown in Kenya. In 1963, when Kenya became an independent state, there were only two bottling plants, Coca-Cola Company and EABL. They are now over 30 bottling companies in Kenya. The effect of this has been a reduction in market share, declining profitability and stiff competition.

As a result companies have been forced to craft strategies in order to sustain or grow their market share, expand to new territories or markets, acquire new technologies, develop brand or line extensions, reduce costs and risks (Oliver, 1995). Bottling companies in Kenya need to adopt distribution strategies that ensure they reach their markets efficiently. A key player in the chain of distribution is retailers which accounts to over 90% of their sales. Hence the need to focus more on the retailers. According to Ramamurthy (2007) consumers expect that retailers will offer the right match in terms of right product offering, quantities, place, time, and price by the right appeal. Retailing in Kenya has gone through a significant change in the last couple of years with a complete shift in shopper's expectations and experiences. While the shoppers have remained the same everything has changed and gone mega, ranging from the size of the outlets to the layout, the ambience, the experience, the service, the loyalty, Incentives to the way promotions are done (Hursty and Reardon, 1997).

In order for the retailing to function efficiently and profitably, and to serve the best interests of its consumers, its present and future managers need a systematized body of knowledge about how it works. Presenting such knowledge is a challenge considering the complexity of human behavior, the highly competitive nature of the retail business and the large number of environmental unknowns such as weather, government regulation, supply availability, economic conditions, technological change, and the vagaries of fashion, changing consumer habits and expectations, social change and the squeeze on space. Companies have therefore been forced to build organizations that consistently deliver the best customer offers. This has been made possible by adopting the best retail strategies which identifies the needs and wants of a market place and customizing marketing efforts at the store and the individual level allowing the retailer capitalize on differences in the consumer and competition (Hursty and Reardon, 1997). Randal(1991) argues that by adopting the best retail strategies, most companies have managed to get a clear path to beat competition, succeed in difficult markets, increase your sales and profits, but above all increase your customer's satisfaction and loyalty.

Studies in marketing strategies by Mazrui (2003), Kamanu (2004), Musa (2004), Ohaga (2004) and Mukule (2006) mainly focused on strategies used by managers to address customer service challenges in banking in Kenya, the extent to which commercial banks in Kenya have adopted and implemented integrated marketing, the responses by commercial banks operating in Kenya to changes in the environment, and the Retail marketing strategies adopted by the banking institutions in Kenya. Key among the findings is that commercial banks pursue several strategies as part of the wider retail banking strategies. The most pursued strategies are market segmentation, product strategies, distribution, pricing, marketing relationship and promotions. While not ignoring these findings, they cannot be applied by the bottling companies in Kenya. It is however not known as to which retail marketing strategies have been adopted by the bottling companies in Kenya. The proposed research therefore intends to close the information gap by seeking responses to the following research questions;

i. Which Retail Marketing Strategies have the Bottling Companies in Kenya adopted?

ii. What factors have influenced The Bottling companies to adopt the retail marketing strategies?

iii. Has the adoption of these strategies given the bottling companies in Kenya a competitive advantage?

1.3 Research objectives

The objectives of the study are:-

i. To establish the retail marketing strategies adopted by the Bottling Companies in Kenya.

ii. To determine the factors that influences the choice of retail marketing strategies adopted by the bottling companies in Kenya.

iii. To determine whether these strategies have given the bottling companies in Kenya a competitive advantage.

1.4 Importance of the study

It is anticipated that the study will be of benefit to the bottling companies, its managers will be able to articulate the retail marketing strategies aimed at winning and retaining retail customers.

The study will help customers or retailers understand the interventions companies should implement in addressing the challenges that affect them from both the internal and external environment. Other companies would benefit from the findings of the study especially when benchmarking themselves with other players in the same industry line or different industry dealing with retailers in their distribution chain or in the area of strategic responses.

The study will also add value to the existing body of knowledge in the area of retailing, strategic responses companies should adopt in order to gain a competitive advantage. It will also set foundation for scholars and researchers who wish to further understand the strategies that have been adopted by the different companies in Kenya.

PART TWO
LITERATURE REVIEW

2.1 The concept of strategy

One of the concepts, which have developed and is useful to management, is strategy. The importance of this concept has been underscored by various leading management scholars and practitioners such as Porter (1980), Ansoff (1987), and Harvey-Jones (1987) and many others. Different authors have defined strategy in different ways. Some authors define the concept broadly to include both goals and means to achieve them, such authors are Chandler (1962), Andrews (1971), Chaffee (1985). Others define strategy narrowly by including only the means to achieve the goals e.g. Ansoff (1965), Hofer and Schendel (1978), Gluek and Juach (1984). The various definitions suggested that the authors gave selective attention to aspects of strategy, which are all relevant to our understanding of the concept. Drucker (1954) was among the earliest authors to address the strategy issue. He viewed strategy as defining the business of a company. Chandler (1962) added to the view taken by Drucker (1954) and defined strategy as, "the determination of the basic long-term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals". Chandler considered strategy as a means of establishing the purpose of a company by specifying its long-term goals and objectives, action plans and resource allocation patterns to achieve the set goals and objectives.

Andrews (1971) brought together the views of both Drucker and Chandler in defining strategy. To him, strategy was;" the pattern of major objectives, purposes or goals and essential policies and plans for achieving these, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be". In this definition, Andrews brings in an additional dimension that strategy deals with the definition of the competitive domain of the company. This strategy should specify the competitive posture of the company in the market place. This view of strategy was later amplified by Porter (1980). He argued that strategy is the central vehicle for achieving competitive advantage in the market place. The aim of strategy is to establish a sustainable and profitable position against the forces that determine industry competition.

Gluek and Juach (1984) defined strategy as; "a unified, comprehensive and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization". Gluek and Juach (1984) bring in the added dimension that strategy is a consistent unifying and integrative plan for the whole organization. It is meant to provide guidance and direction for the activities of the organization. This idea of strategy may be seen as an amplification of an earlier view by Ansoff (1965) who saw strategy as the, "common thread" among organization activities. Gluek and Juach (1984) also view strategy as a company's response to the external environment given the resources the company possesses.

Chaffe (1985) directly introduced the element of stakeholder in her interpretative definition of strategy. She viewed strategy as an organizations attraction of individuals in a social contract or a collection of co-operative agreements. Strategy here is seen as a guideline that helps enhance or elicit co-operation from the various stakeholders of the company. Such cooperation is essential for achieving company success. Mintzberg (1987) argued that we could not afford to rely on a single definition of strategy despite our tendency to want to do so. He proposed five definitions of strategy. To him, strategy could be seen as a plan, a ploy, a pattern, a position and a perspective. As a plan, strategy specifies consciously intended course of action of a company. The strategy is designed in advance of actions and is developed purposefully. As a ploy, strategy is seen as a pattern emerging in a stream of actions. Here strategy is seen as a consistency in behavior. The strategy develops or emerges in the absence of intentions. As a position, strategy is a means of locating an organization in its environment. Lastly, as perspective, strategy consists of a position and of an ingrained way of perceiving the world. It gives the company an identity or personality.

The multiplicity of definitions given on strategy suggested that strategy is a multidimensional concept. No one definition can be said to capture explicitly all the dimensions of strategy. As Mintzberg (1987) argues, in some ways these definitions compete in the sense that they can substitute each other. As such, their complementary nature provides additional insights that facilitate our understanding of strategy. Advances in behavioral thinking were in view that organizations are made up of people and so behavior has always been an important factor in management. However, there has been a tendency to emphasize analytical aspects of strategic management almost to the exclusion of behavioral and political factors. Some of the writers who have drawn our attention to the importance of behavioral aspects of strategy are Mumford and Pettigrew (1975), Kotler (1982), Quinn (1978) and Giles (1991). In recognizing these complementary natures of the various views on strategy, Hax and Majluf (1998) have suggested a comprehensive definition of strategy. To them, strategy is a coherent, unifying and integrative pattern of decisions which determines and reveals the organizational purpose in terms of long-term objectives, action programmes and resource priorities. They also view that strategy selects the business the organization is in or should be in and defines the kind of economic and human organizations the company is or intends to be in.

Davidson (2000) defined strategy as a long term, time-phased plan designed to achieve, at a high rate of growth and at a high rate of return on investment, a market position so advantageous that competitors can respond only over an extended period of time and at a prohibitive cost. This concept of strategy identifies the very close relationship between a firm's objectives, both financial and marketing, and its major strategies. The objectives indicates where the company intends to go or what performance results it wants to achieve, and its major strategies indicates which route the company intends to take to reach its destination, or how it intends to use and deploy its resources to achieve its desired performance results. Johnson & Scholes defines strategy as the direction and scope of an organization over the long term; which achieves advantage for the organization through configuration of resources within a challenging environment, to meet the needs of markets and fulfill stakeholder expectations.

The view that strategy is about; where is business trying to get into the future, which markets should a businesses competes in and what marketing activities are involved in such markets, how can a business perform better in those markets, what resources are required to be able to compete, what external, environmental factors affect the business's ability to compete and what are the values and expectations of those who have power in and around business. This comprehensive definition is useful to the extent that it brings together the different dimensions of strategy that other authors had identified.

2.2 Retail Marketing

Davidson et al (2000) defined retailing as the final part of the marketing process in which the various functions of the seller, usually a store or service establishment, and the buyer, an individual consumer are primarily oriented to accomplishing the exchange of economic goods and services, for purposes of personal, family or household use. Although retailing deals predominantly with the ultimate consumer, it must be recognized that the retail store is only one of several alternative means by which consumers can obtain the products and services they desire. Increasingly, consumer expenditures that might have traditionally gone through the retailing structure are being diverted to other types of consumption markets which are being aggressively served by a variety of both private and public enterprises. Berkowitz (2000) defined retail marketing as all activities involved in selling, renting, and providing services to ultimate customers for personal, non business use. In the channel of distribution, retailing is where the customer meets the product. It is through retailing that exchange occurs. Berkowitz added that there are fundamental questions that are integral part of retail marketing. These are; where do your customers shop? What retail outlet should you use? What type of outlet should it be? How much should you charge?

Retailing provides values to the individual consumer and is important to the economy as a whole. The utilities provided by intermediaries are a major value to the retailers. Time, place, possession, and form utilities are offered by most retailers in varying proportions but in most cases one is stressed more than the others. To understand retailing therefore, it is important to recognize that outlets can be classified along several dimensions: the form of ownership, level of service, merchandise line, that is how many different types of products does the store carries and in what assortment, and finally the Method of operation. This means the manner in which services are provided, how and where the customer purchases products.

There are several forms of ownership: the independent, chain, consumer cooperative, or franchise. Stores vary in the level of service, being self service, limited service, or full service. In terms of method of operation, retailing includes store and direct marketing operations. Outlets also vary in terms of the breadth and depth of their merchandise lines. Breadth here refers to the number of different items carried, and depth refers to the assortment of each item offered. In assessing their competitive position, retail outlets should consider their position in terms of breadth of merchandise line and the amount of value added, which is the service level and method of operation, Berkowitz (2000).

Major retailing trends include the shifts in which stores are most popular with consumers. Also, technology has brought retailers new opportunities and challenges. In many cases, adapting to these trends has meant offering better prices. As a result more and more organizational buyers are making purchases from retailers rather than through more traditional channels of distribution, Churchill (2000). Husty and Readon (1997) argue that embracing change will be fundamental to retailers in order to obtain and retain competitive advantage. The changes taking place are changing retail formats, globalization, new retail formats, retail data base marketing, powerful or vendor relationships, value pricing and low cost structures, efficient organizational structures, customer focused technologies and cyber space retailing. The value of this consciousness will continue and will keep weeding out all but the retailers that best meet consumer's desire for value. In the meantime, big suppliers are helping such mid price as supermarkets look for ways to keep their costs down so they can offer lower prices. Today, more than ever, technology offers retailing opportunities to expand the way they communicate with and sell to customers.

2.3 Retail Marketing Strategies

Strategic management is getting everybody in the company to do the right things. It entails deciding what things are right for company under some given set of consumer expectations and competitive circumstances. Davidson et al (2000) defined Strategic management as the process of deciding on the mission of the enterprise, the basic goals and objectives that it seeks to achieve, and the major strategies that will govern the use of firm's resources to achieve its objectives. A fully developed retail market strategy identifies: the specific markets and market segments that the firm intends to pursue, the consumer and competitive performance that the firm desires in its selected markets, the specific means by which the firm intends to appeal to its target customers and establish its competitive position. The growing complexity of large, diversified retail enterprises, the rapid change in consumer markets, and the intensifying competitive environment make it imperative that the retail firms have a thoroughly well thought out strategic plan detailing how it intends to capture the target market.

Companies are therefore evaluating their retail services with an aim of coming up with more focused strategies that help them meet their unit and company wide objectives. They are working towards developing coherent strategies on how to differentiate and add value to retail customers. Companies are therefore pursuing marketing strategies to not only win and grow their businesses but to also stay a head of the competition, towards this end; the most commonly pursued marketing strategies are; product assortment, pricing, location & distribution, relationship marketing or customer services and promotion strategies. Renart (2007) argues that the conventional wisdom was that leadership in the market place could be attained by means of designing and implementing a sound marketing plan. Such a plan entails first defining the four P's later evolved to six elements of the marketing mix: Market segmentation, product or service, Pricing, channels of distribution, sales team management, advertising, promotions and public relations.

2.3.1 Market Segmentation

Today's market place is characterized as the "age of diversity" in which consumers demand and get tremendous variety in the products and services they buy. For example there are 300 different types of cars and light trucks, 400 brands of beer, and 21, 000 products in the average supermarket (David and Albert, 2006). Different groups of consumers exhibit different sets of shopping expectations referred to as market segments. A retailer can view the total consumer market as being made up of a collection of segments, each one representing a distinct and separate set of customer expectations. Retailers view of market segment consists of those customers who share a common set of expectations regarding retail stores, and consequently tend to respond favorably to a particular combination of value offerings, consisting not only attributes of physical products but also of services, atmosphere, and any other sources of potential satisfaction (Davidson et al, 2000). Market segmentation is the process of partitioning the heterogeneous market into segments. The various segments identified should be homogeneous within themselves, but heterogeneous without (i.e. different from other segments). The goal is to facilitate the development of unique and effective marketing programs that will be most effective for these specific segments (David and Albert, 2006).

Smith (1956) articulated the view that to sustain growth in apparently non-growth scenarios, companies had to adopt the concept of market segmentation. The essential logic behind the proposition was that by acquiring a deeper understanding of variations in customer needs, companies could develop new products specifically aimed at satisfying different groups of customers. Market Segmentation starts with the belief that there are identifiable differences among a product's various consumers and that the differences are relevant to their buying and store patronage behavior. The goal of market segmentation therefore is to identify smaller, homogeneous submarkets within the larger heterogeneous mass market (Lewinson and Delozier, 1982).

Cahill (1997) argued that the possible benefits of segmentation were; by specialization, companies could stimulate greater consumption and thereby market expansion. If there are few competitors within a given segment, promotional costs might be reduced. For the retailer, it is essential that a decision to use a market segmentation strategy should rest on consideration of four important criteria that affect its profitability. The market must be; identifiable and measurable, accessible, substantial, and responsive. There are a number of variables that can be used to segment a market. Generally, those variables can be grouped into two broad categories; customer characteristics and buying situations. The traditional bases for segmentation have been classified as geographic, demographic, socioeconomic conditions (whether upscale or down scale), psychographic and behavioral, nature of housing, fashion interest and the concept of value. In retail operations approach, the retailer examines factors that might enhance or limit operations. Several factors influence directly the retailer's chances to operate successfully: distribution, competition, promotion and legal considerations.

Lewinson and Dolozier (1982) argue that a crucial problem that affects a retailer is getting the product into the store. This problem involves inventory control – overstocks increase carrying costs, whereas stock outs cause lost sales and customer ill will. The retailer must therefore consider transportation and handling costs, delivery time, and reliability of delivery services. The retailer must also consider the location and delivery practices of suppliers and the market area's ability to support distribution facilities. It is imperative that the retailer take into account the reality of the competition when identifying markets areas. A retailer that depends heavily on promotional activities can identify market areas by analyzing the advertising media within each market area and the behaviour of the competitive retailers. Other companies have segmented their markets based on regions. An approach known as identifying markets areas. It consists of determining the right region of the country and the right part of the region for example urban, peri-urban and rural markets.

2.3.2 Product strategy

The product can be argued to be the most important element of the retailing mix, as only with reasonable products will the effort put into such things as pricing and promotions reap any rewards (Rose and Watkins, 1997). Product is the principal item offered by a company to satisfy the needs of their consumers. It is important to win over the consumer by product excellence. Some of the strategies adopted in the domain of products are: Perceived quality or Image, as the market faces competition, quality and reliability of the product offerings gain importance. Quality in this case is viewed as customer's perception of the product. Perceived quality or image has to be created. Features- with many products in the market, what distinguishes them is the features. The 'first with the new feature' has an advantage similar to the 'first product' in the market. In the consumer non-durables, brand extensions have taken the line of added features. Up gradation or innovation, in today's competitive world, it is difficult to retain the first position. The increasingly prosperous sections demand improvement. New products, a new product faces difficulties of acceptability in the market. The first product of its kind has an edge over others and sets the standards for subsequent ones (Ramanuj, 1996). Successful product management relies on a well planned and executed product strategy and product range strategy. Product strategy is mostly influenced by competition and customer needs.

Consumers patronize a particular retail outlet for many different reasons: its convenient location, friendly personnel, desirable prices, and pleasant shopping atmosphere. The patronage reason common to all consumers for visiting a certain a particular store, however is the expectation of finding a product or a set of products that will fulfill some present or future need. Fulfilling customer product expectations is what retail merchandising all about (Lewinson and Delozier, 1982). Merchandising is the process of developing, securing, and managing the merchandise mix to meet the firm's objectives. The Merchandise mix therefore refers to the retailers total offering, be it goods or services or both. The three stages of a merchandising mix are developing the merchandise mix (product and service mix), securing the merchandising mix (buying and procurement process), and the managing the merchandise mix (planning and controlling process). The total product concept is the sum of the product's functional, aesthetic, and service features plus the psychological benefits the customer expects from buying and using the product. Retailers respond to the changes taking place in the market place by employing the either the shotgun or a rifle approach to merchandising. The shotgun, the merchandiser appeals to a combination of market segments by broadening its product lines through either product –item addition or product line combination. The Rifle merchandiser appeals to a target market segment by using either a market positioning strategy or multiplex distribution system (Lewinson and Deloizer, 1982).

2.3.3 Pricing Strategy

Consumers are becoming more increasingly price sensitive, Eaglesham (1990). Pricing is a major competitive tool. The economics of production only sets the bottom line limit and the company then has a wide range of strategies to set the price. The commonly used price strategies are: 'Image' pricing, the price here follows the image of the brand. Adidas shoes or Nike are priced high because of the premium value attached to the brand name. Price undercutting, some companies have used this strategy very successfully. For undercutting to succeed, the company has to offer the minimum performance standard (Ramanuj, 1996). Aggressive or Penetration pricing, firms in this sector wishing to offer a high level of benefits at an average price.

This pricing strategy normally works in market sectors where the supplier is able to inform the customer from the onset that if high volumes are moved, the firm is able to lower prices down as a result of the economies of scale. Skimming strategy involves the supplier exploiting the knowledge that customers are willing to pay a higher than average price for goods which offer only an average level of benefits. In early stages of product life cycle for a new product, companies skim the market by setting high price, and then reduce the price to an average level as the product moves to later stages of growth. Average pricing is used by firms which service the needs of the majority of customers seeking an average range of benefits from the product purchased. Sale pricing involves a lower price than usual price on average benefit goods. This strategy is used by firms which normally want to retain customer confidence over the benefit claim. It is usually when firms want to stimulate short term increase in sales. In the case of many convenience-good purchases, for example, small price differences may be irrelevant to the consumer. Even when it is important, it may be but one of the many differentiating variables which are important to the store, Davidson et al (2000).

Retailers view prices in terms of their ability to generate profits, sales, and consumer traffic, as well as how they affect the stores image. In setting retail prices, the retailer is guided by the value chains set by the company, profits, sales or competitive objectives. Retailers use price adjustments as adaptive mechanisms to accommodate changing market conditions and operating requirements. Both upward and down adjustments are needed from time to time to adapt to the dynamic retailing environment (Lewinson and Delozier, 1982).

2.3.4 Distribution Strategy

Distribution of products usually involves some form of vertical system where transaction and logistics responsibilities are transferred through a number of levels (Ian, 2005). Davidson (2000) argued that distribution is part of merchandising and must be considered in any merchandising system. Distribution management involves; merchandise replenishment, transportation management and distribution center facilities management. The type of distribution system a retailer needs is influenced by the buying system the retailer uses, the number of stores the retailer has, the geographic dispersion of the stores, and the characteristics of the merchandise carried.

Some of the distribution systems employed by the retailing companies are; Store direct systems, vendor prepack through distribution center systems, the stocking distribution center system, multiple and master/ satellite distribution center system: Store direct system, in this system the merchandise is delivered directly from the vendor to the individual stores, although the merchandise can be ordered at the store level by the central merchandising staff. It is appropriate for high fashion content, significant seasonal fluctuations or high bulk such as paper. Stocking distribution center system employs the distribution center much as a ware house. A central buying staff orders merchandise to be sent to and stored in the warehouse. Merchandise is sent from the warehouse to the individual stores, allocated either by the central headquarters staff or as requisitioned by the store personnel. This system normally reduces costs of goods sold from the vendor because merchandise is ordered and sent to the distribution center in large quantities

2.3.5 Promotions Strategy

Promotion involves both providing the consumer information regarding the retailer's store and its product - service offering as well as influencing the consumer perceptions, attitudes, and behaviour towards the store and what it has to offer. It is both an informative and persuasive communication process. Companies use news paper ads, posters, TV, internet that stress its good prices (persuasive communication) and but instead of just listing the merchandise, the ads tell exactly why the manufacturer closed out the goods. That way, customers would not suspect that the products are irregular, damaged or counterfeit (informative communication).

Promotional mix comprise of a number of different elements. Each element exhibits certain strengths and weaknesses. The development of a successful promotional mix demands the careful integration of each of the following elements; situation analysis, developing objectives, designing messages, selecting channels, preparing budget, choosing mix and evaluating. In situation analysis, companies are assessing the current position of customer features, the competitive situation and the environment. While assessing the target audience, companies look at the demographics and lifestyles, life stages, usage levels, understanding and perception of services and the organization and the buying process of the targets. While designing advertising messages, manufacturers use emotional and moral appeal, there is also use of rational messages and humour, one danger is that a wrongly chosen promotional strategy can bring negative reaction. Sponsorship contributes to the building of the brand/product and corporate image.

Direct marketing is an interactive system of marketing which use one or more advertising media to affect a measurable response and / or transactions at any location, Betts and York (1994), it aims to create and exploit the dialogue between the service provider and the customer, and offer several potential benefits such as targeting precision, testing the market, providing new distribution channels and support existing ones, it also leads to cost effective advertising. There is a role for consumer promotions in the marketing of even the strongest brand, a role which is mainly tactical and which needs to be carefully planned. The retailers must be involved, since most promotions necessarily require their cooperation, but it should be the manufacturer who decides on the purpose of and budget for the schemes. Trade promotions at the same time need negotiations with customers, but again the decision must be designed by the manufacturers and have specific targets (Randall ,1991). Personal selling is the direct face to face communication between a retail sales person and a retail consumer. Store displays are direct, impersonal in-store presentations and exhibitions of merchandise together with related information.

Lewinson and Delozier (1992) define advertising as an indirect, impersonal communication carried by a mass medium and paid for by the company running it. Customers need and desire constant flow of factual information to use as a basis of making need- satisfying purchase decisions. They want to know stores hours, what specials are being run, what styles are in fashion, product features, and a host of all other things. Since retailers desire to influence their customers to take desired course of action, retail communications must be well organized and designed so that each message contains the appropriate balance of information and persuasion. Retail advertising has two basic purposes: to get the customers into the store and to contribute to the stores image or the company. The first purpose is immediate: today's advertising brings buyers into the store tomorrow; tomorrow's advertising brings buyers into the store the next day. To accomplish this, the store must give buyers some specific reason to come to the store now. Retailers also want long-run, or delayed, results from advertising. They want customers to know "who" the store belongs to in relation to the competitors and community as a whole. Advertising can be of two kinds: product advertising, institutional and cooperative advertising (Hasty and Reardon, 1997).

2.3.6 Relationship marketing

Relationship marketing is a process of collecting data relating to customers, to grasp future of customers and to apply those qualities in specific marketing activities (Swift, 2001). Relationship marketing focuses on leveraging and exploiting interactions with the customer to maximize customer satisfaction, ensure return business and ultimately enhance customer profitability. The consumption of a service is process consumption rather than outcome consumption (Gronroos, 1998). The consumer or user perceives the service production process as part of service consumption and not only the outcome of a process of as in traditional consumer packaged goods marketing. Three areas that are vital for the successful execution of a relationship strategy are: the interaction process as the core of relationship marketing, the planned communication process supporting the development and enhancement of relationship and the value process as the output of relationship marketing.

Large and small retailers are now developing strategic partnerships with suppliers in order to deliver the right product to the retailer at the right time. These changes are partly the advances in the information technology and the relatively the increasing power of large retailers. Not only must the retailer and the supplier agree on the price and the amount of merchandise to be bought or sold, but the terms of sale and the terms of payment must be agreed on as well (Hasty and Reardon, 1997).

2.4 Competitive Advantage

Competitive advantage is the creation of a perceived or real advantage for a product or a brand over rival products in the eyes of the target market. Without understanding the competitor, a marketer cannot realistically differentiate his or her products from those of competitors. Without monitoring rival strategies, it is not evident which rivals pose the greatest threat and how or which competitors are the most vulnerable to attack (Sally, 2001). Pearce and Robinson (2005) define competitive advantage as that advantage gained by the first firm among competitors to achieve appropriate strategy-structure fit. However this advantage disappears as the firm's competitors also attain such a fit. Porter (1980) suggests that, the routes to competitive advantage include focusing on tightly defined markets or products, developing cost based advantage in order to trade on the basis of price, and differentiation. Karen et al (2005) argued that, competitive advantage results from offering superior value to customers through; lowering prices than competitors for the equivalent benefits, and offering unique benefits that more than offset a higher price.

Various options available for creating competitive advantage include porter's generic strategies of cost leadership, focus and differentiation. A differential advantage is an attribute of a brand, product or service or marketing mix that is unique to an organization and desired by targeted customers. This requires identifying the segments in the market place, ascertaining the needs and wants of consumers in each segment, an assessment of which rivals offer these, determining rivals strengths, assessing the gaps between customers expectations and competitors offers, matching the organizations own capabilities and strengths with these gaps, and checking the emerging differential advantage is plausible and able to be communicated to targeted customers (Sally, 2001).

2.5 Relationship between Retail marketing strategies and Competitive advantage

Ramanuj (1996) argued that any competitive advantage is worthwhile only if it is sustainable. It opens the basic issue of how to achieve an edge that is perhaps enduring. Two distinct conditions should be for a company to achieve sustainable competitive advantage namely, differentiation in important attributes and capability gap. Differentiation in important attributes means the customers are able to perceive a consistent difference in important attributes between the firm's offerings vis a vis that of its competitors. The differences must be reflected in some product or delivery attributes which are key buying criteria. Product or delivery attributes could be familiar elements like price, quality, aesthetics, and even attributes such as availability, consumer awareness and visibility, and after sales service.

Anything that affects customer's perceptions of the product, it's usefulness to them is a product or delivery attribute. To contribute to sustainable competitive advantage, the differences in product or delivery attributes must command the attention and loyalty of a substantial customer base. In other words they must "produce a foot print in the market" of significant breadth and depth. Breadth refers to how many customers are attracted by the difference in product attributes? What volumes do they purchase? Depth pertains to how strong a preference this difference has generated. Would minor changes in the balance of attributes cause customers to switch?

Capability gap is the difference as a result of direct consequence of a capability gap between the firm and its competitors. An advantage is durable only if competitors cannot readily imitate the firm's superior product or delivery attributes. In other words, a gap in the capability underlying the differentiation must separate the firm from its competitors; otherwise the competitive advantage will be eroded. The important attributes should be expected to endure over time.

2.6 Summary of the literature review

This literature review chapter tried to shed light in the meaning of the concept of strategy and how the concept has been viewed by different authors. The multiplicity of definitions given on strategy is a multi-dimensional concept. It has emerged that there is no one definition that can be said to capture explicitly all the dimensions of strategy. In addition the literature tried to shed more light on the strategies that have been applied and adopted by the retail companies elsewhere in attempt to understand how retailing functions. Based on the understanding from the literature on how strategies have been applied in other sectors for example the strategies applied in the retail banking, the researcher seeks to understand how bottling companies have applied the retail marketing strategies in their operations.

PART THREE

RESEARCH METHODOLOGY

3.1 Research design

The proposed study was modeled on a descriptive design. According to Cooper (1996), a descriptive study is concerned with finding out who, what, where and how of a phenomenon which was the concern of the study. The study intended to determine what retail marketing strategies, where and how the bottling companies in Kenya have adopted and whether they led to a sustainable competitive advantage, which fits into the design. Njoroge (2003), Mazrui (2003), Kamanu (2004) and Mukule (2006) used descriptive study in the related studies.

3.2 The Population

The population of interest was all the bottling companies in Kenya. According to a survey carried out by Research International, there are 30 bottling companies in Kenya (see appendix 3). For the purposes of the study, a census study was conducted due to small size of the population.

3.3 Data collection

Primary data was collected using semi-structured questionnaire (see appendix 2). The questionnaire was dropped at the respective company headquarters and collected later. The researcher also established a contact person in the bottling companies that did not have their headquarters in Nairobi and sent the questionnaires to them via e-mail. The respondents were head of strategy or head of marketing department or the equivalent were interviewed in each of the company. The questionnaire was divided into three sections. Section one consists of general information, Section two had questions on the extent of adoption of retail marketing strategy and the factors that influence strategy adoption. Section three contained questions that addressed the competitive advantage gained as a result of adoption of the retail marketing strategies.

3.4 Operationalization of retail marketing strategies by the Bottling Companies

Retail marketing strategies that were tested in the study were market segmentation, product, distribution, pricing, promotion and customer relationship. In this section, the strategies were operationalized. A likert scale was used to determine the extent of use of these strategies.

Broad dimensions of retail strategies	Expanded dimensions	Relevant issues to retail strategies	Relevant questions
Market segmentation	Geographic	-Classification by regions or markets -Classification based on the density (urban, rural)	10(i -ii)
	Demographic	-Age -Gender -Family life cycle (Teens, Adults, Old)	10(iii -vi)
	Behavioral	-Usage rate (light users, medium users, heavy users) -Benefits (quality, service, economy, speed) -Loyalty status (none, medium, strong, absolute) -Readiness stage (unaware, aware, informed, interested, intending to buy -Attitude toward product (Enthusiastic, positive, indifferent, negative, Hostile)	10(viii - xii)
Product	Quality/ Value for money	-Packaging -modifying products, new line extensions -continuing product innovation -Product characteristics/ differentiation -products produced based on customers feedback -efficient, flexible production operations with technical superiority	10(viii- xviii)
Distribution	Convenience to customers	-Manufacturer to Retailer -Have trucks that sell directly to the retail -Have appointed distributors	10(xix - xxi)

Pricing	Cost convenience to customers	-Low price (price reduction but stressing on higher value) -introduce an economy model (give the market what it wants) -Raise price and perceived quality -Maintain price and perceived quality (engage in customer pruning)	10(xxii-xxv)
Promotions	Advertising	-Print and broadcast ads -Point of purchase displays -Billboards -Display signs -Symbol and logos -Posters and leaflets -Bronchures and booklets -Packaging Inserts -Packaging outer -Audiovisual material	10(xxvi-xxv)
	Sales Promotion	-Contests, games and lotteries - Sampling -Fairs and trade shows -demonstrations road shows -Rebates -continuity programs	10(xxxvi-xli)
	Personal Selling	-sales presentations -sales meetings -Incentive programs	10(xlii-xliv)
	Direct selling	-Telemarketing -Mailings -Email	10(xlvi-xlvii)
Customer Relationship Marketing	Customer markets	-Company Reps answering calls from customers -Company Reps calling customers and prospects -Community relations or social responsibility -Special Events	10(xlviii-li)

3.5 Operationalization of factors influencing the retail marketing strategies in the Bottling Companies

Factors influencing retail marketing strategies are competition, political, legal, economic and technological factors. In this section, the factors influencing retail marketing strategies were operationalized and a likert scale was used to determine the extent.

Broad dimensions of retail strategies	Expanded dimensions	Relevant issues to retail strategies	Relevant questions
Factors influencing retail marketing strategies in the bottling companies	Effects environmental trends	-Competition -Legal factors -Economic factors -Technological changes -Political factors -Changing needs of retail customers	11 (a – h), 12

3.6 Operationalization of Competitive advantage of retail marketing strategies to the Bottling Companies

Competitive advantage as a result of adoption of retail marketing strategies is depicted by increased market share, loyal customer base, current benefits being enjoyed by the company and having a competitive position. In this section, competitive advantage was operationalized to determine to what extent did the adoption of retail marketing strategies led to competitive advantage?

Broad dimensions of retail strategies	Expanded dimensions	Relevant issues to retail strategies	Relevant questions
Competitive advantage of Retail Marketing Strategies to Bottling companies	Competitive advantage	Does the product have: -Superior performance or reliability? -Have a prominent location -Performance in growth? -Position held by the company -Loyal customer base?	13 (a – j), 14

3.7 Data analysis

Descriptive statistics was used to analyze the data. Data on section one was analyzed using frequencies and percentages. The section contains the general profile of the respondents and the company profile. Section two focused on the extent to which various retail marketing strategies were adopted by the respondents' organizations and the factors that influenced strategy adoption thus were analyzed using frequencies and percentages, means and standard deviation while the third section exclusively focused on the competitive advantage gained by the bottling companies as a result of adoption of the retail marketing strategies. The section was analyzed using mean score tabulations and standard deviation. Output of the data analysis was presented in tables.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 INTRODUCTION

This chapter contains summaries of data findings together with their possible interpretations. This chapter will be divided into three sections. Section one will contain the general profile of the respondents, section two will focus on the extent to which various retail marketing strategies have been adopted by the respondents' organizations and the factors that influence strategy adoption, while the third section will exclusively focus on competitive advantage gained by bottling companies as a result of adopting the retail marketing strategies. Contact persons were established in the bottling companies and a total of thirty (30) semi-structured questionnaires were dropped at respective company headquarters both personally and electronically. Twenty nine (29) questionnaires were successfully retrieved; however, only twenty five (25) questionnaires were used in the analysis, due to preliminary analyses.

4.2 GENERAL PROFILE OF RESPONDENTS

4.2.1 Ownership

Table 4.2.1: Bottling company ownership

Ownership	**Frequency**	**Percentage**
Predominantly local (51% or more)	9	36%
Predominantly foreign (51% or more)	10	40%
Balanced between foreign and local (50/50)	6	24%
Total	25	100%

Out of the twenty five bottling companies interviewed, 40% were predominantly foreign, 36% were predominantly local, whereas only 24% had a balance between foreign and local ownership.

4.2.2 Duration of Company Operations

Table 4.2.2: Duration in the bottling business

Duration	Frequency	Percentage
1-5 Years	4	16%
6-10 Years	6	24%
11-15 Years	5	20%
16 and above years	10	40%
Total	25	100%

Further inquiry revealed that majority (40%) of the bottling companies had been in existence for equal to or more than sixteen years, 24% had been in operation for between six to ten years, 20% had been in the bottling business between six and ten years, while the minority who had operated for less than five years were 16%.

4.2.3 Business Category of Organization

Table 4.2.3: Business Category

Type of business	Frequency	Percentage
Carbonated Soft Drinks	10	40%
Water	17	68%
Juice	11	44%
Beer	1	4%
Spirits	5	20%
Wines	3	12%

Respondents were asked to indicate the business category in which they were in, based on a list of predetermined categories. Analyses revealed that most (68%) of the respondents dealt with water products, followed by dealers in the juice category (44%), then carbonated soft drinks (40%), then spirits and wines dealers, (20 and 12% respectively) and dealers in the beer category came in last as they represented only 4% of all those interviewed.

4.2.4 Packaging

Table 4.2.4: Packaging

Type of packaging	Frequency	Percentage
Glass Bottle	17	68%
Plastic containers (PET's)	11	44%
Tetra Packs	9	36%

Respondents were required, based on specific categories provided, to indicate the type of packaging their organizations used to bottle their products. It was evident that majority (68%) of the bottling companies use glass bottles to package their products. 44% used plastic containers, also known as PET's, while a minority, 36% preferred tetra packs.

4.2.5 Market Share

Table 4.2.5: Market Share

Market Share	Frequency	Percentage
Between 10% and 30%	7	28%
Between 31% and 50%	5	20%
Between 51 and 70%	4	16%
Over 70%	9	36%
Total	25	100%

Majority (36%) of the bottling companies interviewed had a market share greater than 70% of their entire market. 28% claimed to posses a market share of between 10% and 30% of their total market. An additional 20% had a market share of between 31% and 50% of the market. The minority (16%) possessed a market share of between 51% and 70%.

4.2.6 Number of Brands

Table 4.2.6: Number of Brands

Number of brands	Frequency	Percentage
Below 5	2	8%
Between 5 and 10	11	44%
More than 10	12	48%
Total	25	100%

Most (48%) of the bottling companies had more than 10 brands they were dealing with, followed by 44% dealing with between five to ten brands. The minority (8%) only dealt with less than five brands.

4.3 EXTENT OF ADOPTION OF RETAIL MARKETING STRATEGIES

4.3.1 Extent Of Adoption Of Retail Marketing Strategies

Respondents were asked to indicate to what extent their companies had done in pursuit of the adoption of retail marketing strategies, on a scale of 1-5. The responses were analyzed using means and standard deviations (SD) and presented in table 4.3.1 below.

Table 4.3.1: Extent of Adoption of Retail Marketing Strategies

	Retail marketing strategy	Mean	SD
i.	Have a coherent retail strategy	4.27	0.65
ii.	Committed to the retail strategy	4.64	0.67
iii.	Have rural and urban splits	4.00	1.00
iv.	Have regional splits e.g. Nairobi and Nakuru sales regions	4.64	0.50
v.	Profile their customers by gender (Male or Female)	1.64	1.21
vi.	Profile their customers by Age i.e.13-19, 20-29, 30-40, 45+	2.64	1.63
vii.	Profile customers by family lifecycle i.e. Teens, young, old	2.73	1.56
viii.	Profile their customers by usage rate-light, medium & heavy	3.45	1.44
ix.	Provide products different levels of benefit offerings	3.64	1.29
x.	Profile customers based on loyalty status (high, low& none)	3.18	1.40
xi.	Classify based on readiness stage(aware, unaware, ready etc)	3.09	1.30
xii.	Classify based on attitude i.e. +ve,-ve, enthusiast, indifferent	2.91	1.64
xiii.	Have different pack offerings i.e. Glass and PET's	4.00	1.41
xiv.	Have brand/ line extensions customized to satisfy the needs	4.55	0.69
xv.	Clear product differentiation based on brand characteristics	4.18	1.25
xvi.	Continuous product innovation based on customer needs	4.55	0.69
xvii.	New products produced based on customers feedback	4.09	0.83
xviii.	Efficient, flexible and superior technical operations	4.64	0.50
xix.	Distributes directly from the manufacturer to the retail	2.64	1.57
xx.	Have appointed distributors who distributes to the retail	4.27	1.27
xxi.	Have trucks that go round selling to individual retailers	3.45	1.51
xxii.	Offer low priced products with higher quality	3.82	0.75
xxiii.	Have products for different customer clusters(based on need)	3.82	1.54
xxiv.	Charge high prices for goods with high perceived value	3.09	1.45
xxv.	Prices and quality is maintained to lock out some customers	2.36	1.43
xxvi.	Have ads in print or broadcast	4.00	1.34
xxvii.	Have point of purchase displays	4.30	1.34
xxviii.	Have billboards	3.09	1.87
xxix.	Uses display signs	3.73	1.42
xxx.	Uses logos and symbols to position their products	4.27	1.10
xxxi.	Uses posters and leaflets to ensure good visibility for the co.	4.09	1.14
xxxii.	Creates awareness through brochures & booklets	3.36	1.12
xxxiii.	Communicates to its customers through package inserts	2.09	0.94
xxxiv.	Advertisements put on the outside cover of products	3.36	1.03
xxxv.	Have audio visual presentations	3.20	1.40
xxxvi.	Engages in lotteries, games and contests	2.64	1.29

xxxvii.	Give samples to its customers	3.64	1.43
xxxviii.	Participates in fairs and trade promotions	4.00	0.77
xxxix.	Participates in demonstrations and road shows	3.36	1.36
xl.	Give rebates to its customers	2.91	1.14
xli.	Have loyalty programmes with its customers	3.64	1.12
xlii.	Carry out sales presentations with customers	3.82	0.98
xliii.	Have sales meetings with customers	4.27	0.65
xliv.	Have incentives programs in place to its customers	3.91	1.22
xlv.	Uses telephone to market and sell to its customers	3.00	1.55
xlvi.	Uses mails to reach or sell to its customers	2.73	1.62
xlvii.	Uses e-mails to sell its products to its customers	2.18	1.66
xlviii.	Company reps answering calls from customers	4.18	0.98
xlix.	Company reps calling on customers and prospects	4.36	0.81
l.	Participates on social corporate responsibility	4.00	0.77
li.	Take part in special events taking place in its region	4.09	0.83

Respondents agreed that the following had been done to a very large extent. The bottling companies; were to a large extent committed to the retail strategy (4.64), with respect to geographic segmentation, they further had regional splits e.g. Nairobi and Nakuru sales regions (4.64), the bottling companies had brand/ line extensions customized to satisfy the needs (4.55), they had implemented continuous product innovation based on customer needs (4.55) and were implementing efficient, flexible and superior technical operations (4.64). Some of the responses had varied opinions amongst the respondents. This is attributed to the differences of the companies that were involved in terms of products bottled.

To a large extent, the bottling companies had a coherent retail strategy (4.27), in terms of market segmentation with respect to geography they had rural and urban splits (4.00), they provide products with different levels of benefit offerings (3.64), and they had different pack offerings i.e. Glass and PET's (4.00). There was clear product differentiation based on brand characteristics (4.18) in most bottling companies, there were to a large extent new products produced based on customers feedback (4.09). With respect to distribution strategies, bottling companies had to a large extent appointed distributors who distributed their products to the retailers on their behalf (4.27). In practicing the pricing strategy bottling companies, offered low priced products with higher quality (3.82) and further had products for different customer clusters (3.82). With regard to the advertising strategy, they had ads in print or broadcast (4.00), point of purchase displays (4.30), they used display signs (3.73), they used logos and symbols to position their products (4.27) and they gave posters and leaflets to ensure good visibility for the company (4.09), in terms of promotions, they gave samples to their customers (3.64), participated in fairs and trade promotions (4.00) and had loyalty programmes with its customers (3.64). The companies carried out sales presentations with customers (3.82), had sales meetings with customers (4.27) and had incentives programs in place to its customers (3.91), In an attempt to further their Customer Relationship Management (CRM) objectives, bottling companies had their company representatives answering calls from customers (4.18) and calling on customers and prospects (4.36), they also participated on social corporate responsibility (4.00) and took part in special events taking place in its region (4.09).

To some extent, interviewees were of the opinion that their respective bottling companies had demographically segmented their customers based on age (2.64) and family lifecycle (2.73). Behaviorally, markets had been segmented by usage rate (3.45), loyalty status (3.18), readiness stage (3.09) and attitude i.e. +ve, -ve, enthusiast, indifferent (2.91). Respondents agreed that their bottling companies distributed directly from the manufacturer to the retailer (2.64), and further, for this purpose, they had trucks that went round selling to individual retailers (3.45). Analyses revealed that the bottling companies charged high prices for goods with high perceived value (3.09). In terms of promotions, with respect to advertising the bottling companies had billboards (3.09), brochures & booklets (3.36), they had advertisements put on the outside cover of products (3.36). They had audio visual material (3.20). With regard to sales promotions, the bottling companies engaged in lotteries, games and contests (2.64), they participated in demonstrations and road shows (3.36) and they gave rebates to customers (2.91). In direct marketing engagement, bottling companies used telephone to market and sell to their customers (3.00) and also used mail to reach or sell to customers (2.73).

To a small extent, with respect to demographic market segmentation most bottling companies had profiled their customers by gender (1.64). With respect to direct marketing, e-mails were used to sell its products to its customers (2.18). There was regular communication to customers through package inserts (2.09). In some companies, prices and quality were maintained to lock out some customers (2.36).

4.3.2 Environmental factors

Respondents were further asked to indicate, on a scale of one to five, the extent to which the following environmental factors had prompted their respective organizations' strategic move within the last five years.

Table 4.3.2: Environmental factors prompting strategic moves

Environmental factor	Mean	SD
Legal Factors	3.70	1.16
Diversification	4.00	0.82
Competition	4.10	0.88
Technological changes	4.00	0.94
Economic changes	4.00	0.82
Social factors	3.60	1.17
Political factors	3.20	1.32
Environmental factors	3.67	0.87
Total		

Analysis revealed that legal factors, diversification, competition, technological changes, economic changes, social factors, environmental factors and legal factors had prompted to a large extent, strategic moves, within the past five years (3.70, 4.00, 4.10, 4.00, 4.00, 3.60, 3.67 and 3.70 respectively). There were variations in responses (1.32) that political factors had, to some extent (3.20) prompted strategic moves within the past five years.

4.3.3 Consumer Research

Interviewees were requested to tick the situation that best described when their organizations did a retail consumer research.

Table 4.3.3: Consumer research

Last consumer research date	Frequency	Percentage
Within the last two years	5	20%
Between 2 to 4 years ago	9	36%
More than five years ago	11	44%
Has never done	0	0%
Total	25	100%

While none claimed to have never done a retail consumer research before, 44% of the bottling companies had actually conducted a retail consumer research more than five years ago. 36% had conducted retail consumer research between two to four years ago, while 10% had recently done the research, i.e. within the last two years.

4.4 COMPETITIVE ADVANTAGE

Respondents were asked to what extent they agreed with the following statements concerning the competitive advantage their companies had enjoyed, as a result of adopting the retail marketing strategy. Responses were highly varied, which can be attributed to the different natures and products offered by the bottling companies in question.

Table 4.4: Competitive Advantage

Statement	Mean	SD
Command a bigger market Share	1.36	0.81
We command a successful market niche	2.18	1.99
We enjoy low cost advantage	3.00	1.61
We have developed strong marketing ability	1.73	1.56
We have developed strong capability in research	3.30	1.64
Have reputation in product and service quality	1.80	1.62
Acquired a strategic position in the market	2.10	1.60
Have reduced migration to substitutes	3.00	1.41
Have an aligned retail performance measure	2.40	1.58
Clear product differentiation	2.50	1.51

As a result of adopting the retail marketing strategy, organizations strongly agreed (0.81) that they commanded a bigger market share (1.36)

The bottling companies interviewed fairly agreed that they command a successful market niche (2.18) they also had developed strong marketing ability (1.73), they further had a reputation in product and service quality (1.80). Most bottling companies had acquired a strategic position in the market (2.10) and had an aligned retail performance measure (2.40) and a clear product differentiation (2.50)

Also, as a result of adopting the retail marketing strategy, bottling companies agreed that they enjoyed a low cost advantage (3.00), they also had developed strong capability in research (3.30) and finally, that they had reduced migration to substitutes (3.00).

Respondents were asked to rate, to what extent they view the competitive advantage arising out of their retail marketing strategy. There was general consensus (0.83) that their marketing strategies gave rise to competitive advantage to a large extent (1.77).

CHAPTER FIVE

SUMMARY OF DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of discussions, findings of the study as per the research objectives and conclusions. Also presented in this chapter are the limitations of the study, recommendations and suggestions for further studies.

5.2 Discussions

The objectives of this study were to establish the retail marketing strategies adopted by the Bottling Companies in Kenya, to determine the factors that influence the choice of retail marketing strategies adopted by the bottling companies in Kenya and to determine whether these strategies have given the bottling companies a competitive advantage.

Analyses revealed that the retail marketing strategies, i.e. market segmentation, product strategies, distribution strategies, pricing strategies, promotions strategies, and customer relationship management were generally used to large extents by most bottling companies, as a result the dynamic environment in which they are operating in have to a large extent pushed them to undertake strategic moves, i.e. the competition, legal environment, technological changes, economic shifts, social changes and need for diversification. As a result, the major advantage enjoyed by the bottling companies is the command of a bigger market share, followed by strong market ability and improved product quality and service.

It is now evident that, the bottling companies in Kenya have a coherent retail marketing strategies (4.27) with a clear market segmentation strategy in respect to geographical location i.e. rural and urban splits (4.00). They are also engaged in different levels of benefit offerings (3.64) with different pack offerings i.e. Glass and PET's (4.00). It is also clear that bottling companies constantly do come up with new brands (4.18) and this is done in view of customer's feedback (4.09). 70% of the bottling companies agreed that there is a clear distribution strategy. Bottling companies to a large extent do distribute their products through appointed distributors who distributes on their behalf (4.27). In an attempt to further their customer relationship management objectives, bottling companies have established call centre operations to call or assist their customers from time to time (4.18).

5.3 Conclusion

The findings of the study, revealed that, no one company can operate without clear strategies on how to achieve its goals and objectives. Thus it is anticipated that the study will be of benefit to the bottling company managers in articulating retail marketing strategies aimed at winning and retaining retail customers.

The study will also help customers or retailers understand the interventions companies have implemented in addressing the challenges that affect them from both the internal and external environment such as legal factors, diversification, competition, technological changes, economic changes, social factors, environmental factors.

Other companies heavily benefit from the findings of the study especially when benchmarking themselves with other players in the same industry line or different industry dealing with retailers in their distribution chain or in the area of strategic responses.

The study will also add value to the existing body of knowledge in the area of retailing, strategic responses companies should adopt in order to gain a competitive advantage. It will also set foundation for scholars and researchers who wish to further understand the strategies that have been adopted by the different companies in Kenya.

5.4 Recommendations

It is important therefore to note that, the retail sector is constantly changing so fast that those companies who do not innovate with time will ultimately lose substantially. It is an evolving industry which must cope with the various changes taking place. Jaworski and Kohli (1993) concluded that the ability of a firm to respond to identified changes in the market or customer behavior is an important feature exhibited by successful firms. Kotler (2001) argued that today's consumers are able to access objective information on competing brands, compare prices, quality of the product, the different features offered, where to shop or find the product, packaging, satisfaction levels based on the services provided without relying on individual manufacturers or retailers. In many cases they will be able to specify the customized services they want or expect from the manufacturer or the retailer. They will be able to specify the prices they are willing to pay, and wait for the most eager sellers to respond.

It is therefore important for bottling companies in Kenya to adhere to the retail marketing strategies they have developed, as these strategies defines the structure, direction and focus for the company which ultimately gives them a lead over its competitors.

Limitations of the study

The study was too broad as it covered all bottlers from soft drinks, to water to beer. For this reason, most responses were varied hence the spiking standard deviations. Another limitation of the study was the inability of the researcher to personally administer the questionnaires due to the large geographical scope of the research, hence some of the questions were misunderstood by the respondents.

The study also targeted to interview marketing managers or sales managers who understands the overall business. Thus it was time consuming as the researcher had to book an appointment first with the secretary and request to see the manager who might give you an appointment for another day.

Suggestions for further studies

This research covered an area that was too broad, and hence responses might have been generalized. Future researchers can focus on one specific industry or category and where possible within a reachable geographical scope.

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APPENDICES

Appendix 1: Letter of introduction

July 13th, 2008

Dear Respondent

REF: REQUEST FOR RESEARCH DATA

I am a Master of Business Administration (M.B.A.) student at the University of Nairobi. I am required to submit as part of my course work assessment a research project report on **"A survey of the adoption of retail marketing strategies by the Bottling Companies in Kenya".** To achieve this, your organization is one of those selected for the study. I kindly request you to fill the attached questionnaire to generate data required for this study. This information will be used purely for academic purpose and your name will not be mentioned in the report. Findings of the study, shall upon request, be availed to you.

Your assistance and cooperation will be highly appreciated.

Thank you in advance.

Daniel Koech
M.B.A. Student- Researcher
Nairobi

Ms Margaret Ombok
Supervisor
University of Nairobi

Appendix 2

QUESTIONAIRE

SECTION ONE: GENERAL INFORMATION

1. Name of company____

2. Name of interviewee ____

3. Please state your position in the company___________________________

4. Please indicate the ownership of the company using the categories below (please tick one)

a) Predominantly local (51% or more) [ ]

b) Predominantly foreign (51% or more) [ ]

c) Balanced between foreign and local (50/50) [ ]

5. Using the categories below please indicate how long your company has been in operation.

1-5 Years [ ]

6-10 Years [ ]

11-15 Years [ ]

16 and above years [ ]

6. Using the categories below, please indicate which business your company is in (The answer can be more than one)

Carbonated Soft Drinks [ ]

Water [ ]

Juice [ ]

Beer [ ]

Spirits [ ]

Wines [ ]

7. Using the categories below, please indicate the type of packaging you use to bottle your products

Glass Bottle [ ]

Plastic containers (PET's) [ ]

Tetra Packs [ ]

Others [ ] Please state______________

8. Please indicate how big your market share is

Between 10% and 30% [ ]

Between 31% and 50% [ ]

Between 51 and 70% [ ]

Over 70% [ ]

9. Please indicate in the box below, how many brands does your company specialize in?

Below 5 [ ]

Between 5 and 10 [ ]

More than 10 [ ]

SECTION TWO: EXTENT OF ADOPTION OF RETAIL MARKETING STRATEGIES

10. Please indicate to what extent your company has done in pursuit of the Adoption of retail marketing strategies, using a scale of 1-5 below, in which;

5- To a very large extent.

4- To a large extent.

3- To some Extent.

2- To a small extent.

1- To no extent.

		1	2	3	4	5
lii.	Have a coherent retail strategy	[ ]	[ ]	[ ]	[ ]	[ ]
liii.	Committed to the retail strategy	[ ]	[ ]	[ ]	[ ]	[ ]
liv.	Have rural and urban splits	[ ]	[ ]	[ ]	[ ]	[ ]
lv.	Have regional splits e.g. Nairobi and Nakuru sales regions	[ ]	[ ]	[ ]	[ ]	[ ]
lvi.	Profile their customers by gender (Male or Female)	[ ]	[ ]	[ ]	[ ]	[ ]
lvii.	Profile their customers by Age i.e.13-19, 20-29, 30-40, 45+	[ ]	[ ]	[ ]	[ ]	[ ]
lviii.	Profile customers by family lifecycle i.e. Teens, young, old	[ ]	[ ]	[ ]	[ ]	[ ]
lix.	Profile their customers by usage rate-light, medium & heavy	[ ]	[ ]	[ ]	[ ]	[ ]

lx.	Provide products different levels of benefit offerings	[ ]	[ ]	[ ]	[ ]	[ ]
lxi.	Profile customers based on loyalty status (high, low& none)	[ ]	[ ]	[ ]	[ ]	[ ]
lxii.	Classify based on readiness stage(aware, unaware, ready etc)	[ ]	[ ]	[ ]	[ ]	[ ]
lxiii.	Classify based on attitude i.e. +ve,-ve, enthusiast, indifferent	[ ]	[ ]	[ ]	[ ]	[ ]
lxiv.	Have different pack offerings i.e. Glass and PET's	[ ]	[ ]	[ ]	[ ]	[ ]
lxv.	Have brand/ line extensions customized to satisfy the needs	[ ]	[ ]	[ ]	[ ]	[ ]
lxvi.	Clear product differentiation based on brand characteristics	[ ]	[ ]	[ ]	[ ]	[ ]
xvii.	Continuous product innovation based on customer needs	[ ]	[ ]	[ ]	[ ]	[ ]
xviii.	New products produced based on customers feedback	[ ]	[ ]	[ ]	[ ]	[ ]
lxix.	Efficient, flexible and superior technical operations	[ ]	[ ]	[ ]	[ ]	[ ]
lxx.	Distributes directly from the manufacturer to the retail	[ ]	[ ]	[ ]	[ ]	[ ]
lxxi.	Have appointed distributors who distributes to the retail	[ ]	[ ]	[ ]	[ ]	[ ]
xxii.	Have trucks that go round selling to individual retailers	[ ]	[ ]	[ ]	[ ]	[ ]
xxiii.	Offer low priced products with higher quality	[ ]	[ ]	[ ]	[ ]	[ ]
xxiv.	Have products for different customer clusters(based on need)	[ ]	[ ]	[ ]	[ ]	[ ]
lxxv.	Charge high prices for goods with high perceived value	[ ]	[ ]	[ ]	[ ]	[ ]
xxvi.	Prices and quality is maintained to lock out some customers	[ ]	[ ]	[ ]	[ ]	[ ]
xvii.	Have ads in print or broadcast	[ ]	[ ]	[ ]	[ ]	[ ]
xviii.	Have point of purchase displays	[ ]	[ ]	[ ]	[ ]	[ ]
xxix.	Have billboards	[ ]	[ ]	[ ]	[ ]	[ ]
lxxx.	Uses display signs	[ ]	[ ]	[ ]	[ ]	[ ]
xxxi.	Uses logos and symbols to position their products	[ ]	[ ]	[ ]	[ ]	[ ]
xxii.	Uses posters and leaflets to ensure good visibility for the co.	[ ]	[ ]	[ ]	[ ]	[ ]
xxiii.	Creates awareness through brochures & booklets	[ ]	[ ]	[ ]	[ ]	[ ]
xxiv.	Communicates to its customers through package inserts	[ ]	[ ]	[ ]	[ ]	[ ]
xxv.	Advertisements put on the outside cover of products	[ ]	[ ]	[ ]	[ ]	[ ]
xxvi.	Have audio visual presentations	[ ]	[ ]	[ ]	[ ]	[ ]
xvii.	Engages in lotteries, games and contests	[ ]	[ ]	[ ]	[ ]	[ ]
xviii.	Give samples to its customers	[ ]	[ ]	[ ]	[ ]	[ ]
xxix.	Participates in fairs and trade promotions	[ ]	[ ]	[ ]	[ ]	[ ]

xc.	Participates in demonstrations and road shows	[ ]	[ ]	[ ]	[ ]	[ ]
xci.	Give rebates to its customers	[ ]	[ ]	[ ]	[ ]	[ ]
xcii.	Have loyalty programmes with its customers	[ ]	[ ]	[ ]	[ ]	[ ]
xciii.	Carry out sales presentations with customers	[ ]	[ ]	[ ]	[ ]	[ ]
xciv.	Have sales meetings with customers	[ ]	[ ]	[ ]	[ ]	[ ]
xcv.	Have incentives programs in place to its customers	[ ]	[ ]	[ ]	[ ]	[ ]
xcvi.	Uses telephone to market and sell to its customers	[ ]	[ ]	[ ]	[ ]	[ ]
xcvii.	Uses mails to reach or sell to its customers	[ ]	[ ]	[ ]	[ ]	[ ]
xcviii.	Uses e-mails to sell its products to its customers	[ ]	[ ]	[ ]	[ ]	[ ]
xcix.	Company reps answering calls from customers	[ ]	[ ]	[ ]	[ ]	[ ]
c.	Company reps calling on customers and prospects	[ ]	[ ]	[ ]	[ ]	[ ]
ci.	Participates on social corporate responsibility	[ ]	[ ]	[ ]	[ ]	[ ]
cii.	Take part in special events taking place in its region	[ ]	[ ]	[ ]	[ ]	[ ]

11. Please indicate the extent to which the following environmental factors have prompted your strategic move within the last five years on a scale of 1-5, in which;

5- To a very large extent.

4- To a large extent.

3- To some Extent.

2- To a small extent.

1- To no extent.

	1	2	3	4	5
a) Legal Factors	[ ]	[ ]	[ ]	[ ]	[ ]
b) Diversification	[ ]	[ ]	[ ]	[ ]	[ ]
c) Competition	[ ]	[ ]	[ ]	[ ]	[ ]
d) Technological changes	[ ]	[ ]	[ ]	[ ]	[ ]
e) Economic changes	[ ]	[ ]	[ ]	[ ]	[ ]
f) Social factors	[ ]	[ ]	[ ]	[ ]	[ ]
g) Political factors	[ ]	[ ]	[ ]	[ ]	[ ]
h) Environmental factors	[ ]	[ ]	[ ]	[ ]	[ ]

12. Using the categories below, please tick the situation that best describes when your Organization did a retail consumer research.

Within the last two years	[ ]
Between 2 to 4 years ago	[ ]
More than five years ago	[ ]
Has never done	[ ]

SECTION THREE: COMPETITIVE ADVANTAGE

13. To what extent do you agree with the following statements concerning the Competitive Advantage your company has enjoyed as a result of adopting the retail marketing strategy in your company? Please tick where appropriate using the categories below

Key:	Strongly Agree	SA
	Fairly Agree	FA
	Agree	A
	Disagree	D
	Fairly Disagree	FD
	Strongly Disagree	SD

	SA	FA	A	D	FD	SD
a) Command a bigger market Share	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
b) We command a successful market niche	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
c) We enjoy low cost advantage	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
d) We have developed strong marketing ability	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
e) We have developed strong capability in research	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
f) Have reputation in product and service quality	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
g) Acquired a strategic position in the market	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
h) Have reduced migration to substitutes	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
i) Have an aligned retail performance measure	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
j) Clear product differentiation	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

14. To what extent do you rate the competitive advantage arising out of your retail marketing strategy; please use the scale below to indicate.

a) Very large extent [ ]

b) Large extent [ ]

c) Moderate Extent [ ]

d) To low extent [ ]

e) To no extent [ ]

Appendix 3

1) Africa Spirits Ltd.
2) Beverage services of Kenya Ltd
3) Coast Bottling Company Ltd.
4) Crown Foods Ltd.
5) Delmonte Kenya ltd.
6) East African Breweries Ltd.
7) Erderman Co. (K) Ltd.
8) Excel chemicals Ltd.
9) Equator bottling company Ltd.
10) Global Beverages Ltd.
11) Grange Park Ltd.
12) Glaxo Smithkline Ltd.
13) Highlands mineral water company Ltd.
14) Keroche Indutries Ltd.
15) Kenya Wine Agencies ltd.
16) Kisii bottling company Ltd.
17) London Distillers ltd.
18) Miritini Kenya Ltd.
19) Milly fruit Processors Ltd.
20) Mt. Kenya Bottling Company Ltd.
21) Nairobi Bottling Company Ltd.
22) Pearly waters Ltd.
23) Premier Foods Ltd.
24) Rift Valley Bottling Company Ltd.
25) Safepak Ltd.
26) Softa Bottling Co. Ltd.
27) Trufoods Kenya Ltd.
28) United Distillers Ltd.
29) Vintners Kenya Ltd.
30) Western Kenya Express Suppliers