EXTENT TO WHICH STRATEGIC MARKETING PRACTICES ARE APPLIED BY NON GOVERNMENTAL ORGANISATIONS IN NAIROBI, KENYA

BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA), SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

NOVEMBER, 2011

DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

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DEDICATION

I dedicate this project to my dear parents Samuel Waweru and Margaret Waihuini and who laid a solid foundation for my career journey and to my loving husband Stanley Njoroge for his love, inspiration and support and to my children Wanjiru and Waihuini for being there for me. God bless you always.

ACKNOWLEDGEMENTS

I acknowledge the contribution from all those who participated either directly or indirectly towards making this research project a success.

I honour God for giving me the grace and strength to go through this process of writing this project successfully to completion.

I am greatly appreciative of my supervisor Dr. Justus Munyoki, for his professional guidance, direction and his dedication throughout the entire process .His nudge for quality and knowledge of the subject matter enabled me to produce this document as it is now.

Finally my gratitude goes to my husband and our daughters for their overwhelming support and encouragement during the whole process of writing this project and to my friends and colleagues for all their moral support.

Thank you all and May the Almighty God bless you.

ABSTRACT

The turbulence of the contemporary business environment places a special importance on the role of strategic marketing on the market and competitor monitoring activities. The key to achieving customer satisfaction is linking buyers' needs with the organization's product or service planning process. Success in creating high quality products and services depends most importantly on finding out which dimensions of product and service quality drive customer satisfaction. Organizations including NGO's need to develop sound strategies that help to fully understand the landscape, ward off threats, and become more capable to meet changing conditions. Businesses that are market oriented allow their culture to systematically and entirely commit to the continuous creation of superior customer value. Marketing strategy contributes to competitive advantage by combining the customer influencing strategies of the business into an integrated array of market focused actions.

The objective of the study was to determine extent to which strategic marketing practices are applied by Non Governmental organizations in Nairobi, Kenya. The research design for the study was a survey of NGO's operating in Nairobi. Stratified sampling was used to classify the data into strata. The study used primary data which was collected using a questionnaire. The data was summarized using descriptive measures, percentages and frequency distribution tables while tables and graphs were used for presentation of findings. In accomplishing all analysis details with efficiency and effectiveness Statistical Package for Social Sciences (SPSS) software was utilized for the study.

The study established that strategic marketing practices which were applied by the NGOs were that some NGO's carries out their own or commissioned market research, some of them provides subsidies in some of the services instead of free services and that some of the organization have well integrated marketing and branding activities such as Media, public relations, logos, and websites. The adoption of the strategies also creates value for the firm. The recommendations were that there are great deals of competitive advantage that can be harnessed from strategic marketing practices in an organization. Towards the achievement of this, an organization should implement appropriate process of identifying and harnessing the practices in the organization in order to face the challenges from the uncertain business environment

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CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

Markets have become increasingly complex and hyper-competitive. Globalization, rapid and increasingly disruptive innovation, accelerated commoditization, and excess capacities are drastically altering opportunities and competitive space. As a result, while there are many factors contributing to the importance of strategic thinking for changing markets, disruptive innovation, commoditization of products (goods and services), value driven segmentation, and creation of new market space are particularly relevant (Webster *et al.*, 2004). This has meant that there has been need of the strategic process to shift from traditional corporate management to corporate strategic marketing (CSM) that will aim in shaping sustainable relationship between an organization and all the stakeholders. Strategic marketing is crucial to an organization because it takes into consideration fundamental changes in the environment thus making firms proactive rather than reactive (Okutoyi, 1992). This is because effective strategy may enable a business to influence the environment in its favor and even defend itself against competition. Indeed Aker (1992) posits that in the current business set up, there is need to understand competitor strengths in the market and then position ones' own offerings to take advantage of weaknesses and avoid head on clashes against strengths.

Bryson (1995) the guiding principles in any strategic management process, whether in the public or private sector, is about understanding what changes are needed, how to implement and manage these changes, and how to create a roadmap for sustaining improvements that lead to better performance. The difficulty in strategic management

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is the challenge of laying a foundation for success in the future while meeting today's challenges. Strategic planning is based on the premise that leaders and managers of public and nonprofit organizations must be effective strategists if their organizations are to fulfill their missions, meet their mandates, and satisfy constituents in the years ahead. This observation is in tandem with what Pearce and Robinson (2000) suggest that if firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government on how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength.

Porter (1980) stresses that strategy enables businesses to position themselves in industries. This further underscores the importance of strategy for a company to compete effectively in a liberalized market. Managers should be aware of the external market and its effect in the organization that they run. Strategic relationships between value chain members and/or competitors are important initiatives for achieving various objectives such as market entry, sales force coverage, and innovation. Importantly, these relationships are challenging to manage and sustain, particularly on a cross-national basis. Overcoming collaborative challenges is a high-priority strategic marketing initiative. The value chains linking suppliers, producers, marketing intermediaries, and consumer and organizational end-users have become a very important dimension of marketing strategy.

Porters (2007), five forces theory of strategic planning provides a framework that models an industry as being influenced by five forces. Porter assumed that companies, when implementing strategies, must do so within the framework of five forces; the force of suppliers, the force of buyers, the force of substitute products, the force of new entrants and the force of competitive rivalry. The five-force model looks at the strength of the five distinct competitive forces, which, when taken together, determine long-term profitability and competition. The strategic business manager seeking to develop an edge over rival firms use this model to understand the industry context in which the firm operates (Porter, 2007). Porter states that, in order to position the organization best, or to cope with the environment best, the strategist needs to understand the competitive structure of the marketplace in which his/her organization operates. The "five forces" model can be used to help strategists better understand the competitive dynamics of their marketplaces and align their organization successfully against each of the forces. The model can also be used to assess the general attractiveness of a market place and to help strategists decide whether, where and how to compete in a market place.

1.1.1 Concept of Strategic Marketing

Strategic marketing has been defined as a set of determination that guide or direct managers to reach their long term desired market position (Ferrell and Lucas, 1989). Strategic marketing practice has evolved through interaction with marketing management, strategy and planning. Strategic marketing is strategically concerned with the direction and scope of the long-term activities performed by the organization to obtain a competitive advantage. The organization applies its resources within a changing

environment to satisfy customer needs while meeting stakeholder expectations. Implied in this view of strategic marketing is the requirement to develop a strategy to cope with competitors, identify market opportunities, develop and commercialize new products and services, allocate resources among marketing activities and design an appropriate organizational structure to ensure the performance desired is achieved.

Strategic marketing is viewed as all-embracing, flexible and adaptable practice. Strategic Marketing demands that marketing managers ensure that the organization achieves a sustainable competitive advantage (Wright, 2005); hence a structured approach to planning and strategy formulation is advocated. Wright (2005) views Strategic Marketing as incorporating competitive intelligence activities, and this ensures that competitive intelligence "embraces the serendipity and the one-off aspects of intelligence gathering which leads to better visioning and more exciting scenario development" (Wright,2005). As a consequence, top management view strategy formulation from the stance of reducing the organization's vulnerability. This has the advantage of forcing marketing managers to think in terms of what constitutes resilience.

Managing a business involves anticipating and responding to changes that affect the market place so that a decisions are made today that allow the business to be ready for tomorrow in such a fashion as to avoid the threats and take advantage of the opportunities (Field, 1998). Further, Cohen (1988) observes that strategic marketing is crucial to an organization because it takes into consideration the fundamental change in the

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environment, thus making organization more proactive. The strategy element is therefore outstandingly important.

According to Abdalla (2001), achieving a competitive advantage is a major preoccupation of senior executives in a competitive slow growth market that characterizes many industries today. Gaining strategic leverage is a problem for companies in turbulent and uncertain markets. He further adds that branding plays an important role in product strategies with product quality being a major emphasis. To succeed, companies also have to carefully and continuously study consumer behavioral trends over time and adjust accordingly.

1.1.2 Non - Governmental Organization in Kenya

Non Governmental organizations are non-profit, voluntary citizens' groups which are organized on a local, national or international level ; task-oriented and driven by people with a common interest. NGOs perform a variety of service and humanitarian functions, bring citizen concerns to Governments, advocate and monitor policies and encourage political participation through provision of information.

The government of Kenya in 1990 enacted the NGOs Coordination Act to be a central reference point for registration of all NGOs (both local and international) operating in Kenya. The Non-Governmental Organizations Co-ordination Board was established with a main reason to streamline the registration and Co-ordination of NGOs, facilitate the work of national and international NGOs operating in Kenya, and maintain a register of

national and international NGOs operating in Kenya, with their precise sectors, affiliations and location of their activities. Prior to this, NGOs in Kenya were registered in different legal regimes. These are operational agreements with the Kenyan Government through the Ministry of Culture and Social Services, Legislation, the Department of Social Services,and the Attorney General's Office, seeking registration as Societies, Companies Limited by Guarantee, or Trusts. Due to the multiple registration frameworks available for registration, NGOs in Kenya operate in diverse forms and operational structures (Mbote 2000).

Clark (1991) has categorized NGOs into six groups namely; relief and Welfare agencies, technical innovation organizations, public service contractors, popular development agencies, grassroots development organizations and advocacy groups and networks. Although all organizations found in Clarks categorization are represented in the Kenya voluntary sector, it becomes difficult to place each and every NGO in its right category based on its operation or scope because on any occasion the activities of an NGO may overlap across the categories with those of others (Bikuri, 2003). Most of these NGO'S are improving the livelihood of most Kenyans who live below the poverty line (Mbote, 2000)

1.1.3 NGO's in Nairobi

Nairobi is one of the 'capitals' of the international community and international and local Non-Governmental Organizations (NGOs) worldwide. Probably no other city hosts so many organizations that are operating within humanitarian agendas, such as relief work,

slum upgrading, community services, schooling, employment, empowerment and emancipation, environmental preservation or refugee activities (Bowman, 2007).Many of NGOs operating in Kenya have offices in Nairobi mainly because it is the capital of a country which has experienced relative stability and has a well developed infrastructure, surrounded by countries affected by wars, internal conflicts and general dire needs. These organizations are playing a fundamental role in the economic development of the country. For instance, since the enactment of the NGO Act, Kenya has experienced a general increase in the economic importance of NGOs as providers of health, educational, food, social, and environmental services. There are about 1425 registered NGO'S in Nairobi according to the NGO council of Kenya.

1.2. Statement of the Problem

A number of companies today are experiencing difficulties with planning, and there is a growing realization that survival and success in the future will come only from sound strategic planning and market preparation. In the current competitive environment of increasing consumer empowerment through the internet and other avenues, a company has to compete in the market for product and service information and this therefore means that rewards will accrue to individual firms on the basis of their ability to read what consumers want by continuously scanning the environment and delivering the greatest value to customers (Cova and Cova, 2002). NGO'S have started to adopt business-like techniques used in the for-profit sector as they are becoming increasingly confronted with market pressures typical of for-profit organizations, like competition for funding and the need to earn money to fulfil their mission (Andreasen and Kotler, 2003).

However the competitive advantages that could be gained from using the full portfolio of the strategic marketing toolbox are not harvested as successfully as they could be (Bruce, 1995). Instead of embracing the   strategic marketing concept and beginning the marketing process with the customer and investigating what the market actually needs and wants , non-profit organizations have an "organization centered" marketing mindset and may falsely believe that their product or service is needed by the market (Andreasen and Kotler, 2003).

Several studies have been undertaken in the area of strategic marketing. For instance Ambetsa (2009) studied the strategic marketing practices adopted by General Motors East-Africa. She found out that scanning of the environment which involved forecasting demand for products, availability of suppliers, changes in consumer tastes, number of employees and market size has always been undertaken before marketing plans were prepared. In addition, she found that the company studies emerging trends to develop new brands where appropriate and withdraw poorly performing brands from the market. On the other hand Kassamani (2000) researched on the state of strategic marketing in Kenya Sugar companies and found out that there exist comparative strategies of service among the players in the sugar industry in Kenya. Abdallah (2001) undertook a research on the empirical investigation of the Strategic marketing practices of the soft drink industry in Kenya. He found out that strategic marketing practices applied in the soft drinks industry in Kenya are promotion, personal selling and brand public relation in that order. He further found out that good network distribution strategies fulfill demand and

ensure extensive brand availability within consumers reach when needed especially in high traffic areas.

While the above studies have contributed significantly to the area of Strategic marketing, it's worth noting that not much has been done in the area of NGOs which is also a very important sector. Therefore, there is need to carryout research in the area of Strategic Marketing of NGOs in order to understand the extent to which they practice Strategic Marketing. This study therefore seeks to determine the extent to which NGOs in Nairobi practice strategic marketing. It will be guided by the following study question: - to what extent do NGOs in Nairobi apply Strategic Marketing practices?

1.3 Objective of the Study

To determine the extent to which strategic marketing is applied by NGO's in Nairobi,

1.4 Value of the Study

The management of the NGOs based in Nairobi and generally in the country will be able to assess how effective they have been in scanning the external environment and implement strategic Marketing to take advantage of the dynamic environment. The study will act as a basis upon which improvement can be sought in effective fundraising, client service delivery, donor satisfaction as well on the company's return on investment. In addition, the research will be able to bring in current statistics that the government can utilize in analyzing the NGOs in the country and also financing partners and donors in

assessing whether their funds will be utilized effectively by these NGOs by having in place effective strategic marketing practices.

The government and regulators of the NGOs will also find invaluable information in how good strategies can be adopted and as a result put in place policies that will guide and encourage other organizations within and without the government sector in implementing their strategies. For academicians, this study will form the foundation upon which other related and replicated studies can be based on. Investors can also gain an insight on the NGO and its strategic position within the environment, which can assist them in determining viability of their investments.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This Chapter will have several subsections covering literature by various authors and researchers on the strategic marketing concept. Subsection 2.2 reviews the concept of strategic marketing and how it influences organizations strategy. Subsection 2.3 covers on the characteristics of strategic marketing while 2.4 looks at the forces that influence strategic marketing. In addition subsection 2.5 covers the strategic marketing process subsections 2.6 and 2.7 covers challenges facing NGOs and strategic marketing practices in NGOs..

2.2 Strategic Marketing

Strategic marketing has been defined as a set of determinations that guide or direct managers to reach their long term desired market positions (Ferrell and Lucas, 1989). Strategic marketing has evolved through interaction amongst marketing management, strategy and planning. Cohen (1988) adds here that managing a business involves anticipating and responding to changes that affect the market place so that decisions are made today that allow the business to be ready for tomorrow in such a way as avoid the threats and take advantage of the opportunities. Strategic marketing has also been defined as the unique and differentiated position that organizations aim to hold in the minds of customers (Field, 1998). Strategic marketing is crucial to an organization because it takes into consideration the fundamental changes in the environment, thus making organizations more proactive. The strategy element is therefore outstandingly important here.

According to Wright (2005), the strategic marketing concept is viewed as all-embracing, flexible and adaptable. It demands that marketing managers ensure that the organisation achieves a sustainable competitive advantage (Wright, 2005); hence a structured approach to planning and strategy formulation is advocated. Strategic marketing also incorporates competitive intelligence activities, and this ensures that competitive intelligence "embraces the serendipity and the one-off aspects of intelligence gathering which leads to better visioning and more exciting scenario development" (Wright, 2005).

Porter (1980) stresses that strategy enables businesses to position themselves in industries. This further underscores the importance of strategy for a company to compete effectively in a liberalized market. Managers should be aware of external environmental factors, own strengths and weaknesses and the evaluation of alternatives, Roger (1990) postulates that strategy is the first level of bringing vision to the present, and it allows for specific goals to be defined, driving concrete actions, and making the vision a reality. Peters and Waterman (1985) dictum of getting closer to your customer holds that understanding what your customers truly need and value is the essential basis for strategic success in the market. Strategic marketing is therefore the managerial process that entails analysis, formulation, and evaluation of strategies that would enable an organization to achieve its goals by developing and maintaining strategic fit between its distinctive competencies against the threats arising from its environment (Abdalla, 2001). Strategic marketing management is therefore a planning process that is normally supplemented by techniques that allow the organization to be strategically responsive

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outside of the planning process. The strategy needs to be driven by the market and its environment rather than internal orientation.

2.3 Characteristics of Strategic Marketing

Strategic marketing focuses on financial performance rather than marketing concern about increasing sales and market share. Some of the characteristics of strategic marketing are foremost, market driven strategies. This means that strategies reflects market realities and as such should be responsive to customer changing needs, realities about competition, availability of resources and allowing for flexibility to reflect changes in market dynamics. Kottler (1980) underscores that organizations should monitor their competitive environment and understands their customer and their competitors, their weaknesses and strengths and how they will differentiate themselves in order to provide the superior value. Organizations need to develop sound strategies that help to fully understand the landscape, ward off threats, and become more capable to meet changing conditions. Businesses that are market oriented allow their culture to systematically and entirely commit to the continuous creation of superior customer value.

Competitive advantage is customer driven and it is based on the degree of customer satisfaction achieved by the firm, and the extent to which it exceeds the customer satisfaction levels of competitors. Marketing strategy contributes to competitive advantage by combining the customer influencing strategies of the business into an integrated array of market focused actions (Krohmer *et al.*, 2002). Whichever the competitive strategy a company adopts depends on its industry position which may be a

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market leader, market challenger, market follower or even a market nicher (Kottler 1980).

The turbulence of the contemporary business environment places a special importance on the role of strategic marketing on the market and competitor monitoring activities. Secondly, they revolve around customer satisfaction. The key to achieving customer satisfaction is linking buyers' needs with the organization's product or service planning process. Success in creating high quality products and services depends most importantly on finding out which dimensions of product and service quality drive customer satisfaction. Thirdly, they lean towards financial performance. The objective is to make strategic decisions that contribute to the financial performance of the business.

2.4 Forces Influencing Strategic Marketing

Several forces impact the strategic marketing decisions of a wide range of companies throughout the world. Moreover, these forces need to be addressed in managerial initiatives, course design, and several other promising research opportunities.

2.4.1 Disruptive Innovation

A disruptive innovation has the potential to negatively impact a market where there is not a good fit between customer value requirements and sustaining innovations. Bromley (2001) for example observed that, it is apparent that discount airlines such as Air Berlin, RyanAir, and Southwest Airlines have had a disruptive impact on the markets of traditional airlines. Therefore it is important that business organization should in the

course of their operation develop good fit between itself and the customers in order to reduce any impact from disruptive innovations.

Identifying disruptive innovation threats and developing counter-strategies are important initiatives for firms in the incumbent market. An example is given by Bromley (2001) of how digital photography sent Polaroid Corp. into bankruptcy and has forced Eastman Kodak to significantly alter its business design. The photography business is being transformed and market structure has changed drastically which therefore requires that companies put in place adequate mechanism to counter such threats when they happen.

2.4.2 Commoditization threats

Christensen and Raynor (2003) provide a compelling logic that when product architectures (designs) become modularized (comprised of standardized components) commoditization occurs, making it difficult to earn anything more than subsistence returns. They propose that the opportunity for profits will shift to another stage in the value chain. For example, the personal computer market has become commoditized and the opportunity for profits has shifted to microprocessors (Intel) and operating system (Microsoft) software.

The potential impact of commoditization in markets highlights the importance of developing a vision about the market and how it is likely to change in the future. In advance of commoditization, strategies need to be developed to counter the effects of profit shifts in the value chain. Initiatives to counter commoditization threats may involve

competing at a different stage in the value chain or moving into a different product category that offers attractive growth and profit opportunities. An example is given by Brown et al (2005) of how Dell, Inc. has utilized commoditization to a competitive advantage by focusing innovation initiatives on its powerful and efficient value chain business model to compete effectively in commoditized markets.

2.4.3 Value-driven segmentation

The importance of market segmentation is widely recognized by academics and executives. Segments exist when there are differences in responsiveness between segments to the organization's marketing efforts (product, distribution, price, and promotion). Response differences occur when customers' value (benefits-costs) requirements differ across segments.

Identifying buyers' value requirements and placing those with similar requirements into each segment is increasingly difficult to accomplish due to market complexity and turbulence. Too often strategists identify differences in buyers' characteristics (e.g. income, age, lifestyle, etc.), but do not relate this information to buyers' value requirements. The result is flawed segmentation logic. Improving value-driven segmentation is a major challenge in the increasingly diverse and complex market structures that exist today. Segmentation across cross-national boundaries compounds the decision-making challenges.

2.4.4 Organizational change

Shifts from hierarchical structures to flat, process-type designs have been predicted for over a decade by consultants, business writers, and academics. While structure and process changes have occurred, the rate of change has been slower than expected. However, there have been major changes in structures and relationships between organizations, including strategic alliances, value chain collaboration, outsourcing of business functions, and increased emphasis on collaborative relationships with customers (Webster et al., 2001).

An important organizational issue is whether marketing should expand the influence of functional groups outside of marketing in its activities to achieve improved performance in the market (Krohmer *et al.*, 2002). Structural and cultural changes in organizations impact cross-functional relationships and responsibilities for marketing executives and professionals. These changes may alter marketing's role in the organization and impact the nature and scope of marketing operations as well as the contribution of the marketing function to SBU performance.

2.4.5 Collaborative challenges

Strategic relationships between value chain members and/or competitors are important initiatives for achieving various objectives such as market entry, sales force coverage, and innovation. Importantly, these relationships are challenging to manage and sustain, particularly on a cross-national basis. For example, the success record for strategic

alliances has not been favorable, although companies continue to pursue these initiatives because of the advantages.

Companies in Europe are successfully pursuing various initiatives to create collaborative networks (Reinhardt, 2004). Overcoming collaborative challenges is a high-priority strategic marketing initiative. The hurdles include cultural differences, variations in priorities, complexity in coordinating and participating in relationship networks, and difficulties in measuring performance. Collaboration initiatives among competitors are particularly challenging.

2.5 The Strategic Marketing process

This research recognizes an urgent need to put in place a strategic marketing framework within which NGO's marketing and development can be coordinated, funded and driven. The role of the framework is to provide coherence and certainty for the NGO sector marketing initiatives. Unless these fundamentals are in place, it will be very difficult to achieve both the objectives of the sector and the set targets. The marketing campaigns and activities should be based upon regular analysis and interpretation of global and domestic trends. The framework must maintain a strategic fit between the organization distinctive competencies against the threat and opportunities from its changing environment (Majundar 1996).

One of the most important challenge facing NGO managers today is developing an effective competitive strategy (Kottler, 1991). This is so because these organizations are

operating in a rapidly changing environment which brings in a lot of uncertainty. All organizations must look ahead and develop longterm strategies to meet the changing conditions in their industries (Kottler 2001). For instance a change in political environment may render an NGO repugnant (Nzili, 2003). Hence for survival NGOs must have to continuously monitor and evaluate the environmental changes and adapt to these changes appropriately.

According to Kottler (2001), strategic planning involves defining the company's overall mission and objectives. Strategic marketing includes objective setting, market segmentation, product and brand positioning, and the implementation of marketing strategy in marketing-mix elements;-products and brands, pricing, distribution and logistics, promotions and communications. The strategic marketing plan process typically has three stages: - Segmenting the market with regard to geographic, demographic, psychographic and behavioral characteristics, then profiling the market segments in terms of revenue potential, market share potential, and profitability potential, and lastly developing a market segment marketing strategy in regards to market leader or product line extension, mass marketing or targeted marketing and direct or indirect sales. After analyzing market segments, customer interests, and the purchase process, it's time to create the strategic marketing plan.

2.5.1 Marketing Intelligence

Establishing new ways of delivering benefits to customers (Hamel and Prahalad, 1996) is the key challenge facing senior management. Sophisticated marketing intelligence

systems can be devised to identify opportunities arising in evolving market segments and new partnership arrangements can be established to reduce the risk associated with geographical reach. However, marketing managers need to be aware of the risk associated with sensitive information falling into the hands of competitors while negotiating business deals (Nakra, 2003).

According to West (2001), the strategic profiling of competitors is considered a necessary task and the SWOT (strengths, weaknesses, opportunities and threats) method is a well established analytical device that is used to appraise an organization's current situation, and can be extended by linking the results of the analysis to scoring procedures and then placing the results in matrices to enhance the decision-making process. The SWOT method can be enhanced through the strategic marketing approach and aided by advanced computing technology. This has the added benefit of forcing senior managers to think in terms of how technology shapes the marketplace and also, how technology can be utilized to build trust through improved information sharing. However, as was noted by Fuld (1995), a group of experts meeting face-to-face or in conference call mode can still achieve much more than a computer-based system.

Benchmarking is in addition a useful technique that can be used to underpin competitor analysis (Hussey and Jenster, 1999); however, a number of problems can be identified with the benchmarking approach, one of which is the fact that as organisation lists restructure systems and processes to match those of the market leader, managers based in the market leader are themselves implementing policies that result in a process of

transformation. As a result, the transformation process in the market leader witnesses a number of innovatory systems and processes being put in place that in turn result in a different type of strategy being implemented. This is achieved by senior managers utilizing various horizontal interest group networks to ensure that technology is transferred from one part of the organisation to another (Christiansen, 2000).

2.5.2 Scenario analysis and planning

According to Cobb (2003, p.85), artificial neural network techniques can be used by competitive intelligence officers "to predict, classify and cluster records". Scenario analysis and planning is used by competitive intelligence officers to develop possible future worlds, and future world typologies can reinforce the intelligence focus and ensure that marketing intelligence officers and competitive intelligence officers adopt a strategic intelligence approach. Marketing intelligence systems should have a practical orientation and be both adaptable and flexible.

Graetz (2002) has further observed that scenario planning enables staff to find unique solutions to complex, ongoing problems and if coupled with simulation exercises, which can be used to develop an individual's decision-making skills it can reinforce the organization's resilience value system by making key decision makers aware of the changes occurring in the environment and what the likely impact will be should a certain event/impact materialize. Scenario planning forces senior managers to put in place a strategic monitoring system that enables the organisation and its partners to formulate robust defensive strategies in times of uncertainty. In addition as was observed by

Ringland (2006), scenario planning also forces managers to develop specialist knowledge because it is about finding solutions to real problems and it is imperative to note that those involved in scenario analysis need to recognize that senior managers do not always accept what are termed "weak signals".

Strategic planning theory for business teaches that companies which expand face less risk if they focus on new businesses that take advantage of, or leverage off the existing core competencies of the company. Thus travel companies tend to expand into other travel-related businesses, while companies with strong marketing and distribution networks try to sell new product lines through those existing channels. NGOs should take a similar approach when making strategic decisions to expand into new core activities; for example not all NGOs have the core competencies to work in HIV/AIDS, and many NGOs working in HIV/AIDS rightly choose not to be active in all aspects of the AIDS problem (Xu, 1999).

According to Wright (2005), several strategies have been adopted by NGO's to boost their financial standing. He sites for example the Yayasan Kusuma Buana (YKB) of Indonesia which provides primary health care services in poor neighborhoods of Jakarta. It helps subsidize these services by operating a for-profit clinic in middle-income district of the city. The Thailand Business Coalition on AIDS provides AIDS education and counseling services charging fees on a sliding scale based on their clients' ability to pay. These NGO's have moved a step further to conduct core activities for paying clients. Other organizations from Nyumba Ya Sanaa in Tanzania to Oxfam sell crafts and folk

arts through shops, catalogs and internet sales. Undugu society of Kenya trains youth in vocational training and sell the products made by the youth so that it remains sustainable. Many rural development NGOs benefit their beneficiaries and themselves by marketing agricultural products.

2.6 Challenges Facing NGOs

NGOs are faced with various challenges in the implementation of their programs which may be overcome by careful application of strategic planning and strategic marketing. Many NGOs have expressed difficulty in finding sufficient, appropriate and continuous funding for their work. They have limited resource mobilization skills and are often not looking for funds that are available locally, preferring to wait for international donors to approach them. There is a high dependency of donors and a tendency to shift interventions to match donor priorities. There is a lack of financial, project and organizational sustainability. Poor Governance has been recognized within the sector as a whole, within the NGO Council and within individual NGOs. Many NGOs indicates that it is difficult to achieve good governance with founders who wished to own their NGOs for their own purposes. Good governance is fundamental to NGO accountability and transparency.

Many NGOs lack strategic plans that would enable them to have ownership over their mission, values and activities. This leaves them vulnerable to the whims of donors and makes it difficult to measure their impact over time. Poor networking has been a major cause of duplication of efforts, conflicting strategies at community level, a lack of

learning from experience and an inability of NGOs to address local structural causes of poverty, deprivation and under-development. Many NGOs, large and small, intervene at community level without any community mapping and implement projects without due regard to ongoing community initiatives. NGO politics has led to one fighting another, one with resources but no community presence, another with community presence but no resources.

NGOs also recognize that there is very poor communication within the sector. The majority of NGOs have little or no access to reliable email and internet connections; they receive almost no literature on development issues and are generally out of touch with issues of global, regional and national importance. There lack of understanding of the difference between the Board and Council is just one example of the knowledge gaps that exist. NGOs recognize that many of them have limited technical and organizational capacity. Few NGOs are able or willing to pay for such capacity building. Weak capacity exists in fundraising, governance, technical areas of development, and leadership and management. The speed of technology changes is also a challenge particularly in areas of IT capacity.

There is considerable concern among local NGOs that the giants, mainly INGOs, occupy so much space that it is very difficult to find room for them. INGOs are also perceived to be driven by short-term project approaches that are not locally sustainable. They pay high salaries and attract local NGO personnel. They are also responsible for creating the high cost image that undermines the credibility of the sector. It is difficult and inappropriate

for local NGOs to compete with the international and national giants. Many external organizations are not working with local CSOs, they simply provide unfair competition and hold back the development of our sector and cost effective development interventions.

2.7 Strategic Marketing Practices

There has been debates over the years concerning whether strategic marketing concepts can legitimately be applied to the management of NGOs. Kottler(1991), argues that marketing has the capacity to grow beyond its role as a narrow business activity and can take on a broader societal meaning. Marketing in this sense is seen as sensitive serving and satisfying human need. This draws attention to what good marketing practices can achieve in NGOs. It removes emphasise of profit in marketing to meeting a particular need in the society. McCarthy(1993) argues that marketing concepts are as important for non profit as they are to business firms. There are a wide range of strategic marketing practices that NGOs can implement. Such strategies include the identification of customers who are most interested in supporting their mission (market segmentation), ensuring an image is built that is attractive to those people (product positioning), the development of communication messages most attractive to these people (advertising) and communicating with them through channels these people regularly use (place). Consequently, marketing strategies and market orientation can significantly increase the effectiveness of non-profit organizations in achieving their mission.

Although many NGOs may view marketing as a business activity, Kotler and Levy (1969) believe that marketing plays a very important role in the lives of non-profit organizations. They argued that all organizations undertake marketing whether they know it or not, therefore they must possess a satisfactory understanding of it. Furthermore, the NGOs sector has characteristics of marketplace problems where funding decline, costs soar and competition is fierce. Due to these indicators, marketing has a great deal to offer the NGOs sector in order to "survive, grow, and strengthen their contributions. Additionally, NGOs face competition for donors and funding requirements, resources they get to implement their programs, how they implement these programs and the results will determine the NGO's long term success.

Marketing concepts are important to any organisations as they are all striving to achieve some common objectives which can be achieved with available resources. Adopting marketing concepts helps bring this kind of focus (MacCarthy, 1993). NGOs must develop a comprehensive and practical process of solving marketing problems as well as develop awareness and understanding of marketing tools and techniques that can be used to make effective decision. Kottler (1991) indicates that the ultimate objective of all marketing strategies is to influence audience or customers behaviour. NGOs target of influence may range from donors, clients, government, legislators and relevant stakeholders.

In strategic marketing, NGOs must analyse their positions in the market place, position themselves strategically to receive donors recognitions and interest and develop specific programs that supply needed satisfaction to each donor group and clients (Nzili, 2003). For NGOs to succeed its important they devise strategies that will help achieve their objectives and their strategic direction, vision and mission .Strategic marketing is an important tool that will help them achieve their overall goals while maintaining a strategic fit with their resources and the environment (Kottler 2001).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the proposed research design that was used and includes the research design, the target population, sampling design, data collection instruments and the techniques for data analysis.

3.2 Research design

The research design for the study was a survey. This is because the study was concerned about a univariate questions in which the researcher asked questions about the size, form distribution and existence to which strategic marketing practices are applied by NGO's in Nairobi. The survey research design is deemed appropriate in this study because of the more than one NGO currently operating in Nairobi and thus the design enabled the researcher to draw conclusions about the relationship existing in the population and also characterize their phenomena. This method also facilitated the drawing of inferences and help in maintaining the continuity of the research process.

3.3 Target Population

The population of the study consisted of NGOs that are based in Nairobi. According to Kenyan NGO Council website (www.ngocouncilkenya.org, access date 25/7/2011), there are 1425 NGOs in Nairobi working in various sectors.

3.4 Sampling Design

The researcher used stratified sampling because of ease of classifying the population in six different strata as provided in the target population. The sample comprised of 10% from each strata of the target population. According to Kotter (2002) a sample of 10% of the total population is considered representative and thus in each strata identified, the researcher obtained the list of the population strata and then take a sample in which every 10th event was picked for the research. Thus a systematic sampling was used in every stratum. Considering the time and budget constraints, this sampling strategy is considered an appropriate.

Table 3.1: Sample size

Category	Population Frequency	Sample Ratio	Sample
Health	365	10%	37
Education	165	10%	17
Sanitation and Food	314	10%	31
Gender /Inequality	207	10%	21
HIV/AIDS Support	285	10%	29
Human Rights	89	10%	9
Total	**1425**		**144**

Source: Author, 2011

3.5 Data Collection

The study used primary data; these were collected through self-administered questionnaires. A structured questionnaire was adopted to collect data on respondent's

perception on the strategic marketing practices applied by NGO's in Nairobi and consisted of structured questionnaire with both open ended and closed ended questions designed to elicit specific responses for qualitative and quantitative analysis respectively. Only one questionnaire was administered to the relevant managers in the selected organizations.

3.6 Data Analysis and Presentation

The data was analyzed by the use of descriptive statistics to summarize and relate variables which will be attained from the administered questionnaires. The data was classified, tabulated and summarized using descriptive measures, percentages and frequency distribution tables while tables and graphs was used for presentation of findings. The data was cleaned to eliminate discrepancies and thereafter, classified on the basis of similarity and then tabulated. This method of analysis is most desirable as it enabled the researcher to have an insight of the extent to which strategic marketing practices are applied by NGO's in Nairobi. In accomplishing all analysis details with efficiency and effectiveness, the researcher utilized the Statistical Package for Social Sciences (SPSS) software.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

The research objective was to establish the extent to which strategic marketing practices are applied by Non Governmental organizations in Nairobi, Kenya. This chapter presents the analysis and findings with regard to the objective and discussion of the same. The findings are presented in percentages and frequency distributions, mean and standard deviations. A total of 144 questionnaires were issued out. The completed questionnaires were edited for completeness and consistency. Of the 144 questionnaires issued out, only 98 were returned. This represented a response rate of 68%.

4.2 Respondents' and Organizational Profile

The respondents and NGO's information considered in this study included the respondents' gender, length of continuous service with the organization, duration of NGO existence, number of employees working currently in the organization, ownership classification of the NGO and area of focus.

4.2.1 Respondents gender

The findings relate to the question posed to the respondents to indicate their gender.

The results indicates that 53.8% of the respondents were male while 46.2% were female. The respondents were the managers and therefore it can be concluded that there are more male managers in the NGO's.

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4.2.2 Length of continuous service with the organization

The respondents were to indicate the duration of time in which they have worked in the organization.

Table 4.1: Length of continous service with the organization

Years	Frequency	Percent	Cumulative Percent
Less than 2	5	5.1	5.1
2-5	31	32.1	37.2
6-10	46	47.4	84.6
Over 10	16	15.4	100.0
Total	98	100.0	

Source: Author (2011)

The results in table 4.1 indicates that 47.4% of the respondents have worked in their respective organization for 6 to 10 years, 32.1% indicated that they have worked for 2 to 5 years, 15.4% said they have worked for over 10 years while 5.1% indicated that they have worked for less than 2 years. The duration worked by the respondents differed although majority of them have worked for more than six years thus they understand the organization adequately.

4.2.3 Duration of organization existence

The respondents were to indicate the duration in which there organization has been in existence.

Table 4.2: Duration of organization existence

	Frequency	Percent	Cumulative Percent
Under 5	5	5.1	5.1
6-10	18	17.9	23.1
11-15	16	16.7	39.7
16-20	21	21.8	61.5
Over 20	38	38.5	100.0
Total	98	100.0	

Source: Author (2011)

The findings on the duration of existence of the NGOs was that, 38.5% indicated that the organization has been in existence for over 20 years, 21.8% said their organization has been in existence for between 16 and 20 years, 17.9% of the respondents said the organization in which they work for has existed for 6 to 10 years, 16.7% indicated that the organization was between 11 and 15 years old while 5.1% of the respondents said their organization was less than 5 years. The results indicate that the duration of organization existence varied although majority of them were over six years thus they understand the importance of strategic marketing.

4.2.4 Number of employees working in the organization

The respondents were to indicate the number of employees who currently work in their organization.

Table 4.3: Number of employees working in the organization

Years	Frequency	Percent	Cumulative Percent
Less than 20	15	15.4	15.4
21-30	8	9.0	24.4
31-40	10	10.3	34.6
Over 40	65	65.4	100.0
Total	98	100.0	

Source: Author (2011)

The results above indicates that 65.4% of the respondents said their organization has over 40 employees, 15.4% indicated that they have less than 20 employees while 10.3% said they have between 31 and 40 employees and 9% said they have between 21 and 30 employees. The results indicate that that the NGOs had more than 40 employees.

4.2.5 NGO ownership

The respondents were to indicate the ownership of the NGOs.

Table 4.4: NGO ownership

	Frequency	Percent	Cumulative Percent
International NGO	45	57.7	57.7
Local NGO	27	34.6	92.3
Foreign owned	6	7.7	100.0
Total	78	100.0	

Source: Author (2011)

Regarding the ownership of the NGO, 57.7% of the respondents said the NGOs in which they work for are international, 34.6% said theirs was local while 7.7% said the NGOs are foreign owned. The findings indicates that the ownership of the NGOs operating in

the country differed and therefore each would like to take into consideration fundamental changes in the environment thus making firms proactive rather than reactive. The NGOs deals with different sectors ranging from health, housing, education, sanitation and food, gender inequality, HIV/AIDS support and adult care/human rights.

4.3 Strategic marketing

Strategic marketing is strategically concerned with the direction and scope of the long-term activities performed by the organization to obtain a competitive advantage. The organization applies its resources within a changing environment to satisfy customer needs while meeting stakeholder expectations.

4.3.1 Appreciation of strategic marketing concept

The respondents were to indicate their appreciation of strategic marketing concept.

The results indicates that majority of the respondents (88.5%) indicated that they appreciate strategic marketing concept while 11.5% said they do not appreciate the concept. The concept is generally known to assist the managemment of the firms to plan for long term and that could be attributed to the appreciation of the concept by the respondents.

4.3.2 Existence of strategic marketing plan

The respondents were to indicate the existence of strategic marketing plans in the organizations.

The results shows that 61.5% of the respondents indicated that they do not have a strategic marketing plan while 38.5% said they do have strategic marketing plan. The non existence of strategic marketing plan by the organizations was in tanden with the organizations not having marketing departments and these does not allow the organization to be strategically responsive of its external environment.

4.3.3 Importance of strategic marketing

The respondents were to indicate the importance of strategic marketing to their organization.

Table 4.5: Importance of strategic marketing

	Frequency	Percent	Cumulative Percent
Not important	6	7.7	7.7
Less important	30	38.5	46.2
Important	30	38.5	84.6
Very important	12	15.4	100.0
Total	78	100.0	82.1

Source: Author (2011)

The results in table 4.5 indicates that 38.5% of the respondents said that strategic marketing was important their organization, another 38.5% indicated that it was less important while 15.4% indicated that it was very important and the remaining 7.7% said it was not important. The results show that the level of importance being attached to strategic marketing differs with the organizations and therefore those which have embraced the concept attaches more importance to it.

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4.3.4 Strategic marketing practices

The respondents were to indicate the strategic marketing practices that can be applied in organizations in the course of operations. The range was 'Not at all (1)' to 'Very great extent' (5). The scores of not at all/less extent have been taken to present a variable which had mean score of 0 to 2.4 on the continuous Likert scale; (0≤ S.E <2.4). The scores of 'moderate extent' have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: 2.5≤M.E. <3.4) and the score of large extent/very great extent have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; 3.5≤ L.E. <5.0). A standard deviation of >0.8 implies a significant difference on the impact of the variable among respondents.

Table 4.6: Strategic marketing practices

	Mean	Std. Deviation
The organization carries out competitor analysis to understand its competitor's offerings	2.2051	1.2099
The organization analyses its strengths and weakness, opportunity and threats regularly (SWOT analysis)	1.8615	.8928
The organization carries out donors analysis and market segmentation	1.6462	1.9460
The organisation carries out own or commissioned market research	3.6538	1.0910
Provide subsidies in some of the services instead of free services	2.9513	1.24731
The organizations carries out promotion and advertisement of its products and services	2.1282	1.1991
The organization has a well integrated marketing and branding activities such as Media, public relations, logos, and websites	3.0641	.9979

Source: Author (2011)

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Source: Author (2011)

The results in table 4.6 indicate that only one factor had a mean ranking of above 3.4 (moderate extent). This factor describe instance where the extent of agreement was high and their high ratings (mean 3.6538 for the organisation carrying out its own or commissioned market research) indicate that the NGOs market research. On the other hand, the respondents did not agree that the NGOs carry out donor analysis and market segmentation (mean 1.6462), do not analyze their strengths and weakness, opportunity and threats regularly (mean 1.8615), that the organizations carries out promotion and advertisement of its products and services (mean 2.1282) and that the organization carries out competitor analysis to understand its competitor's offerings (mean 2.2051).

The respondents were moderate that their organization provides subsidies in some of the services instead of free services (mean 2.9513) and that the organization has a well integrated marketing and branding activities such as Media, public relations, logos, and websites (mean 3.0641). The results indicate that the NGOs apply some of the strategic marketing practices in their course of operation.

4.3.5 Value of practicing strategic marketing in the organization

The respondents were to indicate the value of practicing strategic marketing in their organizations. The range was 'Strongly agree (1)' to 'strongly disagree' (5). The scores of strongly agree/agree have been taken to present a variable which had mean score of 0 to 2.4 on the continuous Likert scale; ($0 \leq$ S.E < 2.4). The scores of 'moderate extent' have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: $2.5 \leq$ M.E. < 3.4) and the score of disagree/strongly disagree at all have been

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taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; 3.5≤ L.E. <5.0). A standard deviation of >1.1 implies a significant difference on the impact of the variable among respondents.

Table 4.7: Value of practicing strategic marketing in the organization

	Mean	Std. Deviation
The organisation has integrated strategic marketing planning into the total corporate planning system.	3.3718	1.2179
Most of the employees in the organization are involved in development and reviewing of the organizations strategic marketing policy	3.5385	1.0530
The organizations has been able to be proactive in its decision making process	3.0641	1.0852
Sustainable competitive advantage and position has been achieved as a result of strategic marketing	3.2949	1.1061
The organization has been able to increase its customer satisfaction	2.9872	1.0381
The organization has been able to identify early environmental changes(political, economical, social, technological, ecological , legal) that could impact its operations	2.6667	.89249
Increased collaborative measures with its customers, organization and partners has resulted from adoption of strategic marketing	3.2564	1.0621
The organization has been able to target and segment its donors appropriately	2.8846	1.0928
The organization has become a household name in its area of specialization	2.5897	.9860

Source: Author (2011)

The results indicate that the respondents were in agreement to a moderate extent on majority of the statement regarding the value of practicing strategic marketing in the organization. They indicated that the organizations have become a household name in their areas of specialization (mean 2.5897), that the organization have been able to

identify early environmental changes (political, economical, social, technological, ecological and legal) that could impact their operations (mean 2.6667), the organizations have been able to target and segment their donors appropriately (2.8846), that the organizations have been able to increase their customer satisfaction (mean 2.9872), organizations have been able to be proactive in their decision making process (mean 3.0641), increased collaborative measures with their customers, organization and partners have resulted from adoption of strategic marketing (mean 3.2564) and resulted to achievement of sustainable competitive advantage (mean 3.2949).

The respondents further indicated that the organisations have integrated strategic marketing planning into the total corporate planning system (mean 3.3718) while they disagreed that most of the employees in the organization are involved in development and reviewing of the organizations strategic marketing policy (mean 3.5385). There was a high variation among the respondents on the value of practicing strategic marketing in the organization as indicated by the standard deviation.

4.3.6 Importance of marketing objectives to organization

The respondents were to indicate the importance of marketing objectives to organizations. The range was 'very important (1)' to unimportant (4). The scores of very important/important have been taken to present a variable which had mean score less than 2.5. The scores of indifferent/unimportant have been taken to represent a variable with a mean score of 2.5 to 4.0. A standard deviation of >0.9 implies a significant difference on the impact of the variable among respondents.

Table 4.8: Importance of marketing objectives to organization

	Mean	Std. Deviation
Customer Satisfaction	2.0000	.8827
Product/ Service quality	2.0897	.8403
Survival	2.3974	.8729
Target return on investment	3.1923	1.0451

Source: Author (2011)

From the findings, the marketing practices being practiced by the organization was important as it increases customer satisfaction (mean 2.0000), product/ service quality (mean 2.0897) and survival (mean 2.3974). They however, disagreed that marketing objective was aimed at target return on investment (mean 3.1923). There was a slight variation among the respondents on the importance of marketing objectives.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

From the study, the respondents had worked in their respective organization for over two years with some even having worked for over ten years and thus they have the requisite knowledge as to the extent to which their organizations have applied strategic marketing practices in their areas of operation. The duration in which the NGOs have been in operation depends with the period in which they were registered, however majority of the NGOs have been in operation for over six years and thus they have known how the environment in which they operate in was competitive and therefore necessitates the application of marketing practices. The number of employees working in the NGOs depends on several factors like the duration in which the organization has been in existence and the area covered by the NGOs, however the results were that the organizations employs more than forty employees implying that the focus area was wide. The NGOs operating in the country varied with some being international, local and foreign owned whose area of focus covers health, housing/education, sanitation and food, gender inequality, HIV/AIDS support and adult care/human rights.

The respondents indicated that they appreciate strategic marketing as it is crucial to an organization because it takes into consideration fundamental changes in the environment thus making firms proactive rather than reactive. Though the respondents indicated that strategic marketing was important, the NGOs do not have strategic marketing plans which acts as a long term plan on how the organization plans to market itself and

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establish a competitive advantage and these was also indicated by most of the NGOs not having marketing departments which essentially markets what the firm does to the general public and to its donors.

The strategic marketing practices which were applied by the NGOs included own or commissioned market research, provision of subsidies in some of the services instead of free services and having well integrated marketing and branding activities such as media, public relations, logos, and websites. The NGOs indicated using the media, websites, public relations and logos to lobby for support from donors and other stakeholders. The organizations do not use some practices like carrying out donor analysis and market segmentation, they mainly do not analyzes their strengths and weakness, opportunity and threats regularly, and they don't carry out promotion and advertisement of their products and services as they consider themselves Nonprofit organizations which also may explain why they carry out minimal competitor analysis to understand its competitor's offerings . Most NGOs don't consider themselves competing with and consider competition to be only for the donor's fund, thus then they should be putting environmental analysis in the front line to have a clear understanding of what the donors want in order for them to be able to position themselves effectively to receive the findings.

The study established that most for the NGOs that applied some strategic marketing practices they accrued great value of practicing strategic marketing practices .The NGOs were able to be recognized effectively some of them become a household name in their

areas of specialization the NGOs have been able to identify early environmental changes (political, economical, social, technological, ecological and legal) that could impact their operations, the organizations has been able to identify ,target and segment their donors appropriately and secured funding , that the organization have been able to increase their customers satisfaction, organizations has been able to be proactive in their decision making process, increased collaborative measures with their customers, organization and partners have resulted to adoption of strategic marketing and that they have resulted to integrated strategic marketing planning into the total corporate planning system. They however disagreed that most of the employees in the organization are involved in development and reviewing of the organizations strategic marketing plans.

The importance of strategic marketing to an organization depends with the degree to which an organization uses the strategies to market themselves and the returns which they get. Although, the NGOs had indicated that they do not have a marketing department and marketing plan, the importance which comes with the strategies was acknowledged even though the strategies were not in place. Most NGOs appreciated strategic marketing resulted to increased customer satisfaction, product/service quality and for increased survival and sustainability of the organizations. Target return on investment was not of importance to the organizations.

5.2 Conclusion

Strategic marketing in an organization is very essential as it guides the organization direction and scope of the long-term activities to be performed in order to obtain a competitive advantage. The organization applies its resources within a changing environment to satisfy customer needs while meeting stakeholder expectations. Implied in this view of strategic marketing is the requirement to develop a strategy to cope with competitors, identify market opportunities, develop and commercialize new products and services, allocate resources among marketing activities and design an appropriate organizational structure to ensure the performance desired is achieved. As a consequence, top management view strategy formulation from the stance of reducing the organization's vulnerability. This has the advantage of forcing marketing managers to think in terms of what constitutes resilience.

The NGOs do not have strategic marketing plan nor the marketing department and these indicates that they do not mostly market themselves effectively. This explains the moderate extent to which the strategic marketing practices are applied by NGOs. The NGOs applies various strategic marketing practices some implicitly and others explicitly since managing an organization involves anticipating and responding to changes that affect the market place so that decisions are made today that allow the business to be ready for tomorrow in such a way as avoid the threats and take advantage of the opportunities. Strategic marketing practices add value to the business operations of the firms which adopts them and therefore the NGOs should prioritize strategic marketing

planning and continue adopting the various strategic practices which they find appropriate in their operations.

Therefore strategic marketing practices are applied to a moderate extent by NGOs in Nairobi Kenya. However this is done in a disorganized, haphazard way as most of the NGOs indicated they don't have marketing departments and marketing plans. This is irrespective of the fact that most NGOs indicated that they appreciated the concept of strategic marketing and the value it would bring to their organization, efforts to make this great concept operational and effective in the organizations was seen to be lacking.

5.3 Recommendations

Strategic marketing entails analysis, formulation, and evaluation of strategies that would enable an organization to achieve its goals by developing and maintaining strategic fit between its distinctive competencies against the threats arising from its environment and in this case therefore, it is recommended that the NGOs should adopt marketing strategies which will ensure that they analyze the environment in which they operate in so that they achieve their intended objectives.

There is great need for NGO's to have marketing departments in their organizations which will be concerned with developing marketing strategies and plans and provide the organization with a formalized structure of implementing the marketing strategies. These marketing strategies should also be part of the overall corporate strategies.

There is a great deal of competitive advantage that can be harnessed from strategic marketing practices in an organization. Towards the achievement of this, an organization should implement appropriate process of identifying and harnessing the practices in the organization in order to face the challenges from the uncertain business environment. As part of the organization strategy, assessment of its core competencies should form an important exercise and the targets set should bear in mind the capacity of the organization to achieve the targets with the available structures. The NGOs need to develop sound strategies that help to fully understand the environment, understand their donors and beneficiaries ward off threats, and become more capable to meet changing conditions. This is because operational areas have become very dynamic and they are no longer generic and NGOs must continuously look for their distinctive competencies that keep them relevant and fundable in light of stiff competition for available resources. It can be said that Strategic marketing is formidable force that cannot just be ignored or haphazardly applied by the NGOs as its appreciated to improve the performance of these organizations.

5.4 Limitations

The study concentrated with NGOs in Nairobi due to limited resources. It would have been important to extend the scope of study to other NGOs in other whole country in Kenya so as to compare the findings. Another limitation was time taken to collect data; most of the managers in the NGOs were not available and therefore much time was spent to get them to fill the questionnaire. In spite of the limitations a lot of care was taken to reduce the human error to lowest level possible to make this study credible.

5.5 Recommendations for further research

The study confined itself to the Non Governmental Organizations operating in Nairobi, Kenya. This research therefore should be replicated in other NGO's operating in other parts of the country to establish whether there is consistency on the extent to which strategic marketing is applied.

Further, the researcher recommends that further research should be done on the factors that influence strategic marketing practices in the NGO Sector so as to explain why there is a moderate extent of practising strategic marketing strategies in the NGOs.

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APPENDIX 1: LETTER OF INTRODUCTION

University of Nairobi, School of Business

Department of Management, Science

P.O. Box 30197

NAIROBI.

Dear Respondents,

RE: SEARCH FOR RESEARCH DATA

I am a post graduate student at the University of Nairobi pursing a course in Masters of Business Administration (MBA), specializing in strategic management. In partial fulfillment of the course requirement, I am conducting a survey to determine the extent to which strategic marketing practices are applied by NGO's in Nairobi, Kenya

For the purpose of completing my research, I wish to collect data through the attached questionnaire. I shall be grateful if you kindly allow me to interview you.

The information provided is purely for my research project and will be treated with strict confidentiality. A copy of the final research report will be availed to you upon request.

Thank you for your co-operation.

Waweru Alice Nyaguthii

MBA student

APPENDIX II: QUESTIONNAIRE

Please give answers in the spaces provided and tick (√) in the box that matches your response to the questions where applicable.

PART A: DEMOGRAPHIC AND RESPONDENTS PROFILE

1) Name of NGO: ……………………………………………………..

2) What is your designation at the organization……………………..

3) Gender: male ( )   Female (/)

4) Length of continuous service with the organization?

   a) Less than two years   ( )

   b) 2-5 years   ( )

   c) 6-10 years   ( )

   d) Over 10 years   ( )

5) For how long has your organization been in existence?

   a) Under 5 years   ( )

   b) 6 – 10 years   ( )

   c) 11 – 15 years   ( )

   d) 16 – 20 years   ( )

   e) Over 20 years   ( )

6) How many employees do you currently have?

   a) Less than 20   ( )

   b) 21 – 30   ( )

   c) 31 – 40   ( )

   d) Over 40   ( )

7) How would you classify your NGO in respect to ownership(tick appropriately)

    a) International NGO   ( )

    b) Local NGO   ( )

    c) Foreign Owned   ( )

8) What is your organisation area of focus(tick appropriately)

    a) Health   ( )
    b) Education   ( )
    c) Sanitation and food   ( )
    d) Gender/ inequality   ( )
    e) HIV/AIDS support   ( )
    f) Human Rights   ( )
    g) Others (specify)……………………………..( )

PART B: STRATEGIC MARKETING

1) At a personal level, do you appreciate the concept of strategic marketing?

    Yes ( )   No ( )

2) Does your organization have a marketing department

    Yes ( )   No ( )

3) Does your organization has a strategic marketing plan

    Yes ( )   No ( )

4) How important is strategic marketing in your organization.

    Not important   ( )

    Less important   ( )

    Important   ( )

    Very important   ( )

    Extremely important   ( )

5) Below are some of Strategic Marketing practices that can be applied in your organization in the course of operations. Please indicate the extent to which your organization has adopted them;

1- Not at all, 2.-Less extent, 3- Moderate extent, 4-Large extent, 5-Very great extent

	Practices /Strategies	1	2	3	4	5
1	The organization carries out competitor analysis to understand its competitor's offerings.					
2	The organization analyses its strengths and weakness, opportunity and threats regularly. (SWOT analysis)					
3	The organization carries out donors analysis and market segmentation					
4	The organisation carries out own or commissioned market research					
5	Provide subsidies in some of the services instead of free services					
6	The organizations carries out promotion and advertisement of its products and services					
7	The organization has a well integrated marketing and branding activities such as Media, public relations, logos, and websites.					

6) Please circle the number that best explains the   value   of practicing strategic marketing in your organization   (Use the scale below to tick the most appropriate response)

1) Strongly Agree

2) Agree

3) Moderate extent

4) Disagree

5) Strongly Disagree

		1	2	3	4	5
1	The organisation has integrated Strategic marketing planning into the total corporate planning system.					
2	Most of the employees in the organization are involved in development and reviewing of the organizations strategic marketing policy					
3	The organizations has been able to be proactive in its decision making process					
4	Sustainable competitive advantage and position has been achieved as a result of strategic marketing					
5	The organization has been able to increase its customer satisfaction					
6	The organization has been able to identify early environmental changes(political, economical, social, technological, ecological , legal) that could impact its operations					
7	Increased collaborative measures with its customers, organization and partners has resulted from adoption of strategic marketing					
8	The organization has been able to target and segment its donors appropriately					
9	The organization has become a household name in its area of specialization					

7) Indicate by ticking appropriately, the importance of the following marketing objectives to your organization

(Use the scale below to tick the most appropriate response)

1) Very Important

2) Important

3) Indifferent

4) Unimportant

		1	2	3
1	Customer Satisfaction			
2	Product/ Service quality			
3	Survival			
4	Target return on investment			
5	Others (Specify)			

Thank you