

**CRITICAL SUCCESS FACTORS FOR MINIBUS DEALERS IN
KENYA: A COMPARISON OF THE SELLER AND BUYER
PERCEPTIONS**

M y s i s r r Y o p i M r

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DEDICATION

**This piece of work is dedicated to my dear husband and daughter
Kimberley.**

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X

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ABSTRACT

What does it take to be successful in a business? The answer is Critical Success Factors. There are a number of environmental factors that have recently affected the automobiles industry. The global economy is experiencing a sharp downturn coupled with uncertainty about economic and political environments in the industry. The motor vehicle industry in Kenya is facing intense competition from imported second-hand vehicles, mainly from Japan and United Arab Emirates. These imports now account for about 70% of the market. The last decade witnessed a significant decline in the number of new vehicles sold in the country. Thus, the motor industry in Kenya needs to identify and analyze the limited number of areas in which high performance will ensure a successful competitive position.

There is anticipated growth in the minibus sector in Kenya due to reforms by the government that will change Public Service Vehicle (PSV) rules in the Central Business District (CBD) of Nairobi, Mombasa, Kisumu, Nakuru, Eldoret and Thika that will see the fourteen seater microbus phased out to only allow twenty five seater minibuses in the CBD. The growth in this sector could mean new entrants in the sector and intense rivalry to lock in customers. This study has identified CSFs for the minibus dealers' which should be used by executives in this sector to develop strategies for survival. Factors which were found to be most important to buyers and which should be emphasized by the sellers include; after sales service, quality, product availability, good financial image of the company, quality customer care and competitive pricing in that order .

CHAPTER ONE: INTRODUCTION

1.1 Background

1.1.1 Critical Success Factors

Critical success factors (CSFs) are those product features that are particularly valued by a group of customers and, therefore, where the organization must excel to outperform competition (Johnson and Scholes 2002). The concept of Critical success factors was first introduced by Rockart (1979) as reported in Chen (1999) as a mechanism to identify the information needs of chief executive officers. Rockart asked what it takes to be successful in a business and he concluded that the answer was critical success factors. He defined CSFs as the limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization. They are the few key areas where things must go right for the business to flourish. If results in these areas are not adequate, the organization's efforts for the period will be less than desired. He also concluded that CSFs are areas of activity that should receive constant and careful attention from management. Campbell, Stonehouse and Houston (2002) defined CSFs as those features owned by an organization that are the cause of its superior performance and management approach to CSFs is to lock them in as far as possible.

Critical Success Factors are strongly related to the mission and strategic goals of the business or project. Whereas the mission and goals focus on the aims and what is to be achieved. Critical Success Factors focus on the most important areas and get to the very heart of both what is to be achieved and how to achieve it. Once CSFs are identified, executives can use them to develop strategies. It involves the identification and analysis of a limited number of areas in which high performance will ensure a successful competitive position (Pearce and Robinson, 2002). The advantages of identifying CSFs are that they are simple to understand; they help focus attention on major concerns; they are easy to communicate to coworkers; they are easy to monitor; and they can be used in concert with strategic planning methodologies. Identifying CSFs is extremely important because it keeps people focused. Clarifying the priority order of CSFs, measuring results, and rewarding superior performance will improve the odds for long-term success as well.

Appropriately identifying minibus sellers' CSFs can provide for the sellers a means of assessing and building up their competitive advantage.

Kotler (2001) has indicated the necessity for organizations to develop competitive advantage to succeed. Poor firms ignore their competitors; average firms copy their competitors while winning firms lead their competitors. Achieving the CSFs in a competitive environment therefore by implication calls an entrepreneur to know the reasons for success and then address the key competencies and resources that places an organization on the competitive advantage. Addressing the resources and core competencies involves good personal relationship with buyers; fast turnround of urgent orders and accepting returned goods among others (Johnson and Scholes, 2002).

The Critical success factors draw their importance from the desire for business to flourish and create competitive advantage in the market place through superior strategic capacity. Strategic capability has been defined as that ability to perform at the level required for success. Organization resources and core competencies underpins its capacity. The core competencies provide the competitive advantage. Developing the core competencies dictates that CSFs are understood. To address the CSFs, the organizations must meet the core competencies that underpin the organizations ability to outperform competition (Johnson and Scholes, 2002). This places CSFs at the heart of strategy where strategy is seen from both the 'fit' and 'stretch' perspectives. Strategic fit is the matching of an organization or businesses resources and activities to the environment to which it operates. Identifying opportunities in the business environment and adopting business resources and competencies so as to take advantage of the same develops an organization strategic fit. Through strategic fit, the organization is positioned in the segments in which it competes best. Strategic 'stretch' is the leverage of the resources and competencies of an organization to both provide competitive advantage and or yield new opportunities.

1.1.2 The Minibus Sector in Kenya

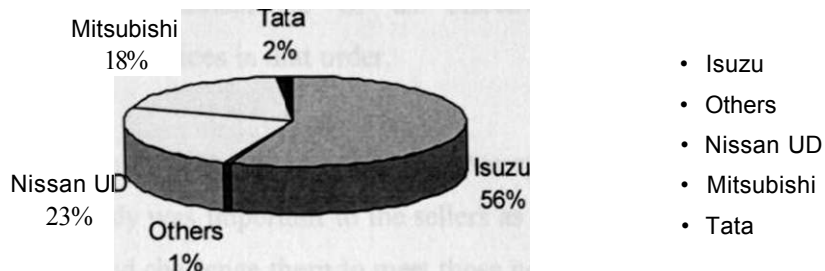
The Automotive industry in Kenya is primarily involved in the retail and distribution of motor vehicles. There are a number of motor vehicle dealers operating in the country, with the most established being Toyota (East Africa), Cooper Motor Corporation (CMC), General Motors East Africa (GMEA), Simba Colt, DT Dobie and Marshalls East Africa. Beginning January 2007, there is a new entrant in the industry Tata Africa. There are also two vehicle assembly plants in the country, which concentrate on the assembly of pick-ups and heavy commercial vehicles. The established dealers face intense competition from imported second-hand vehicles, mainly from Japan and United Arab Emirates. These imports now account for about 70% of the market. The last decade witnessed a significant decline in the number of new vehicles sold in the country. The motor vehicle industry deals in various categories of vehicles from passenger cars, pick ups, light trucks, micro buses, mini buses, large buses and heavy trucks. (KMI, Dec 2006).

The minibus also referred to as a medium bus has a carrying capacity of twenty one to Fifty one Passengers. The minibus sector has mainly four players; GM East Africa that enjoys 56% market share with the Isuzu brand, CMC Motors 23% with the Nissan UD, Simba Colt Motors 18% with the Mitsubishi brand, and Tata Africa 2% with the Tata brand and others 1% (KMI, Dec 2006). Another major player in this sector is the body builder that builds passenger bodies on these units that are sold cab and chassis only with no body. The body builders for minibuses include; Dodi Autotech, Labh Singh Harnam, Kenya Coach Industries, 2M Autotech and Banbros. This sector deals with new vehicles only and no significant figures have been reported on used imports. The buyers of the minibus vary from individuals who own less than five vehicles, fleet operators who own more than five vehicles, institutions both private and public such as schools, churches and corporations.

There is anticipated growth in this sector beginning 2007 due to reforms by the government that will change Public Service Vehicle (PSV) rules in the Central Business District (CBD) of Nairobi, Mombasa, Kisumu, Nakuru , Eldoret and Thika that will see

the fourteen seater microbus phased out to only allow twenty five seater minibuses in the CBD. It is important to identify CSFs for these players as this will give a guide to the sellers on the few things that must be right for survival in this sector. The customer will be more satisfied once his needs are met since the seller will be giving a better package. The buyer perception on what is important to him in choosing a minibus to buy will help the seller prioritize the factors such that the needs of the customer are met adequately and both parties will be happy in this business.

Figure: Distribution of the sellers/brands in the minibus sector



Source; KMI, Dec 2006

1.2 Statement of the Research Problem

The necessity and motivation in examining the CSFs in the minibus sector is that there are a number of environmental factors that have recently affected the automobiles industry. The global economy is experiencing a sharp downturn coupled with uncertainty about economic and political environments in the industry. Some minibus sellers are doing very well while others are not. The researcher is therefore prompted to think that there are some underlying critical success factors that drive some sellers to success. There was need to do a comparative study on what the sellers consider as CSFs and what the buyers perceive as important so that the CSFs are reconciled to ensure that all

stakeholders are happy in this industry. A comparative study gave an insight on what the buyer thinks is important to him as the seller could be emphasizing on factors not important to buyers.

The area of critical success factors seems not to have attracted the attention of researchers and so far only one study (Mbugua 2005) has looked at CSFs. Mbugua (2005) studied the CSFs in the petroleum products retailing in Nairobi. The objective of this study was identify the CSFs in the petroleum products retailing in Nairobi and to identify factors that limit petroleum product dealers' ability to implement the CSFs. Mbugua (2005) recommends managers to pay attention to eight main CSFs namely; the location, use of effective financial controls, assessments of periodical returns, competitive product pricing and monitoring, effective and efficient customer service, consistent product quality offering, maintenance of an effective credit management policy and diversification of services in that order.

The current study tries to compare the perceptions of the buyers and sellers. A comparative study was important to the sellers as gave them the opportunity to see what buyers expect and challenge them to meet those needs. These are the issues that raise the following research questions: What do sellers of minibus vehicles perceive as CSFs in the marketing of these vehicles? What factors do buyers of minibus vehicles perceive important in the choice of minibus? Are the factors that sellers consider critical for success in selling minibuses important to buyers?

1.3 Research Objectives

The objectives for this study were:

- (i) To establish what the sellers of minibus vehicles perceive as the Critical Success Factors in the marketing of these vehicles.
- (ii) To establish what factors the buyers of minibus vehicles perceive as important in the choice of minibus to buy.
- (iii) To determine what the sellers of minibus perceive as Critical Success Factors are also important to buyers in the choice of minibus to buy.

1.4 Importance of the Study

The results of the study are to act as a reference for drawing strategies for survival in the minibus sector. The study clarifies managerial focus by highlighting things that must go well to ensure business success. Executives will then only focus on these "few and "must go right" issues for the business to flourish. The study may also assist in minimizing risk among minibus sellers by employing the basic necessities and thus reduce business failure. The study was important for new entrants in the minibus sector as pointed out the areas of competence to focus on for success. It may also suggest areas of future research by academicians.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction to the Concept of Critical Success Factors

Success factors as a guiding business concept were first introduced by D. Ronald Daniel in a 1961 Harvard Business Review (HBR) article 1. The purpose of the article was to highlight the types of information needed to support top management activities. He said that an organization's information system should be selective and center on providing detail around three to six 'success factors' that help the organization achieve success. Daniel cited three examples in his article of companies using information systems that generated masses of information but none of the information was particularly useful in supporting key management activities. Daniel (1961) success factor concept was overlooked until 1979 when John F. Rockart, reintroduced and further defined "the success factor concept" in another Harvard Business Review article 2. Rockart focused on outlining a method to provide information to the top management levels of an organization based on identifying Critical Success Factors (CSFs). Rockart defined CSFs as the limited number of areas in which satisfactory results will ensure successful competitive performance for the individual, department or organization. CSFs are the few key areas where "things must go right" for the business to flourish and for manager's goals to be attained.

Boynton and Zmud (1984) also defined CSFs as the "few things that must go well to ensure success for a manager or an organization". They recognized the CSF approach as an appropriate planning instrument. Leidecker and Bruno (1984) identified the few critical success factors, often as few as six in a successful firm, while Guimaraes (1984) attempted to rank CSFs based on their relative importance. As reported in Chen (1999), Martin (1990) pointed out that CSFs combined with computers could effectively translate business strategy planning. Crag and Grant (1993) highlighted the contexts of competitive resources and illustrated the relationship between competitive resources and critical success factors. Kay et al. (1995) identified several CSFs applicable to insurance agency sales in high performance and low performance groups. With regard to the

banking industry, Johnson and Johnson (1985) proposed that the width and depth of the product and service line, low operating costs, and a good bank reputation can be considered as the three critical success factors in a competitive market in the banking industry. Canals (1993) recognized that the concepts of value chain and bank configuration could be employed to develop a bank's competitive advantage. Critical success factors analysis is a powerful and deservedly a popular technique in information systems (IS/IT) strategy planning and business planning (Ward and Griffiths, 1996)

2.2 Assessment of Critical Success Factors by the Firm

Leidecker and Bruno (1984) proposed several techniques for identifying the critical success factors. These included environment scanning, industry structure analysis, industrial expert's opinions, competitors' analysis, best practice analysis, assessment of the company's internal feeling or judgment, and gathered data of profit impact of market strategy (PIMS). Environmental Scanning is the scanning of the business environment for both technological and market developments and spotting the opportunities for gaining advantage and the potential threats to current business. (Johnson and Scholes, 1999). Managers need to avoid major one-off exercises looking at their environment and likely features. There should be constant but thin attention to the future. Ward and Griffiths (1996) emphasizes that Strategies can not be developed in isolation and that there must be regard to the environment in which they operate.

Organizations will attempt to develop strategies that are best suited for their strengths and weaknesses in the environment. Mintzberg (1987) suggests that the environment is so uncertain that it may be impossible to plan on a long term and thus strategies may need to be crafted, built up through learning and gradual experiment. Environmental scanning is a technique used to identify the economical, political, technological and social forces (PEST analysis) that surround an organization and influence its performance. Companies often link environmental scanning technique to the threats and opportunities evaluation. Porter (1980) developed a framework for analyzing the nature and extent of competition within an industry. He argued that there are five forces which determine the nature of competition within an industry: the threat of new entrants to the industry, threat of substitute products, the power of buyers, the power of suppliers and rivalry among

businesses in the industry. Evaluating each component and the interrelationships between them leads to gathering considerable data that assist in identifying the critical factors for success.

Five forces analysis is a means of identifying the forces which affect the level of competition in an industry and which might thus help managers to identify the bases of competitive strategy (Porter, 1980). The technique is used only industry wide, which makes its application for individual firms inappropriate. This approach was proposed by (Porter 1980) when he developed the Porter five forces competition model. This model helped in analyzing the intensity of competition and business attractiveness at the wider industry level. A competitors' analysis can also be done that concentrates analysis on competition. By determining the relative 'power' of each of these forces, an organization can identify how to position itself to take advantage of opportunities and overcome threats (Campbell, Stonehouse and Houston, 2004).

Industrial Expert's Opinions depends on people who have an excellent working knowledge of the industry/business. This technique depends more on subjective opinions. However, the intuitive feel of an industry insider often is an excellent source of CSFs and, coupled with more objective techniques, provides the analyst with rich data. Best Practice Analysis is very useful in industries dominated by one or a few firms, such as Dell, in the computer industry. The logic behind this technique understands what the firm does successfully in determining the CSFs. But this technique of narrow focus analysis might limit inputs of more CSFs. Internal Assessment is the first stage of strategic analysis that involves an examination of an organization's internal environment. This takes the form of a thorough analysis of the internal processes and structures of a business in much the same way as a doctor would carry out a thorough medical examination on a patient (Campbell, Stonehouse and Houston, 2004).

The purpose of an internal analysis is to establish what the organization is good at (its strengths) and what it is not good at (its weaknesses). This technique identifies the CSFs for a particular firm. The focus here is to explore what the company does well and not so well. The technique again narrows the focus of analysis and cannot provide more CSFs. The organization's strategic capability is looked at in light of the business environment since resources and core competences underpin the organization's strategic capability. Intuition and insight of individuals who are familiar with the firm leads to identification of important short run CSFs that may be unclear in more formal reviews, but it depends on subjective opinions. Profit Impact of Market Strategy (PIMS) identifies the key determinants of profitability that provide inputs for CSFs analysis. The advantage of this technique is the empirical basis of the project results.

2.3 Critical Success Factors and Value Chain Analysis

Michael Porter (1985) developed the value chain approach that is used to describe how the activities of an organisation are linked to the maintenance of a competitive position within the market. All organisations consist of activities that link together to develop the value of the business, and together these activities form the organization's value chain. Such activities may include purchasing activities, manufacturing the products, distribution and marketing of the company's products and services (Lynch, 2003). The value chain framework has been used as a powerful analysis tool for the strategic planning of an organisation for nearly two decades. The aim of the value chain framework is to maximise value creation while minimizing costs (www.wikipedia.org).

Competitive advantage of an organisation lies in its ability to perform crucial activities along the value chain better than its competitors. In order to conduct the value chain analysis, the company is split into primary and support activities. Primary activities are those that are related with production namely inbound logistics, operations, service, marketing and sales, while support activities are those that provide the background necessary for the effectiveness and efficiency of the firm, such as human resource management, infrastructure, technology development and procurement. The analysis entails a thorough examination of how each part might contribute towards added value in

the company and how this may differ from the competition. It is important for analysts to remember to use the value chain as a simple checklist to analyze each activity in the business with some depth (Pearson, 1999). A differentiation advantage may be achieved either by changing individual value chain activities to increase uniqueness in the final product or service of the company, or by reconfiguring the company's value chain.

A company may benefit from cost advantages if it either reduces the cost of individual activities in the value chain or the value chain is essentially reconfigured, through structural changes in the activities. Porter (1985) identified ten cost drivers related to value chain activities namely; economies of scale, learning, capacity utilization, linkages among activities, interrelationships among business units, degree of vertical integration, timing of market entry, firm's policy of cost or differentiation, geographical location and institutional factors. The nature of value chain activities differs greatly in accordance with the types of companies and industries. What key process in the value chain must a top competitor in an industry excel at to be successful? The value chain approach will give a guide on the various sources of critical success factors available to the firm.

2.4 Sources of Critical Success Factors

Customers in any market segment will have threshold requirements on all features of the product or service. Depending on the industry, customers may be interested in any of the following; price, quality, delivery time, after sales service, financial image, technological innovation, uniqueness of product and research and development. Firms can exploit the various factors to achieve these requirements that are critical for survival in business. The value chain approach is a good approach in identifying the sources of critical success factors. The proposition is that those parts of the value chain that are perceived by organizational members to be of critical significance should be the areas in which effort ought to be concentrated so that success is achieved (Lynch, 2003).

2.4.1 Inbound Logistics

Inbound logistics are the activities concerned with receiving, storing and distributing the inputs for the product or service. They include material handling, stock control and transport (Johnson and Scholes, 1999). The profitability of a firm depends to a large extent on how effectively it manages the activities in the value chain, such that the price that the customer is willing to pay for the company's products and services exceeds the relative costs of the value chain activities. Thus a company should optimally manage the inbound logistics so as to reduce costs which can be passed on to the customer in form of lower prices. The firm can achieve a low cost strategy by analyzing the inbound logistics. Strategies that can be used to achieve low costs are outsourcing and just in time supplier relationships. Quinn et al. (1999) suggests that such are the changes in service technologies that they now "provide sufficient scale economies, flexibility, efficiency and specializations potentials that outside vendors can supply many important corporate functions at greatly enhanced value and lower cost. Thus many of those functions should be outsourced."

2.4.2 Operations

Operations transform the various inputs into the final product or service and it includes machining, packaging, assembly, testing et cetra. A critical success factor that can be exploited in operations is quality of product or service. According to Adcock, Halborg and Ross (2001), quality has more to do with the expectation of customers than with the features a supplier may define important. Garvin (1987) proposes that a useful approach to the issue of quality is to consider eight dimensions of quality namely; performance, features, conformance, serviceability, reliability, durability, aesthetics and perceived quality. Berry et al. (1991) studied quality from the service perspective and concluded that there are five key determinants of quality; reliability, responsiveness, assurance, empathy and tangibility. Quality and satisfaction depend on the total product offering. This will assure repeat purchases as high product excellence makes the product unique and likeable. Firms can achieve this by ensuring quality is embedded in its production processes and quality management systems can be put in place to ensure that quality is not compromised. The firms should strive to achieve defect free manufacturing processes. Total quality management (TQM) approach ensures that everyone in the

organization is concerned about quality, throughout all the firm's activities to better serve customer needs. Advocates of TQM believe that it is important to satisfy 'internal customers' as it is to satisfy final consumers. TQM is the application of quality principles to all endeavors of an organization (Stanton et al. 1994).

2.4.3 Outbound Logistics

This includes collection, storage and distribution of the product to customers. For tangible products, this would be warehousing, material handling and transport and in case of a service it may be arrangements for bringing customers to the service (Johnson and Scholes, 1999). Critical success factors that can be exploited in outbound logistics include delivery time and place. Firms should strive to ensure their products or services are available to consumers at the right place and at the right time. Firms should strive to achieve market access and presence. Place is concerned with all the decisions involved in getting the 'right' product to the target market's place. A product is not much good to a consumer if it is not available when and where it is wanted (McCarthy and Perreault, 1993). Place decisions have long run effects and they are harder to change than product, price and promotion decisions thus should be taken carefully.

2.4.4 Marketing and Sales

This is the means whereby customers or users are made aware of the product or service and are able to purchase it. This would include sales administration, advertising and selling (Johnson and Scholes, 1999). Critical success factors in selling and marketing include sales promotion and pricing. Promotion is communicating information between seller and potential buyer or others in the channel to influence attitudes and behavior. Firms can choose from several promotion methods to create and arouse interests in their product offering. The firm should constantly inform, persuade and remind the customers on the products available. Informing is educating and customers want to buy known brands (McCarthy and Perreault, 1993). Firms should competitively price their products and services so that consumers can be able to purchase the same. Firms should use the strategic window of opportunity to utilize price, in carefully analyzed situations, to build competitive advantage while enhancing customer satisfaction and the firm's profit position. The seller must understand value from the buyer's point of view and use that

information in determining price. In the face of competitive realities, the old dependence on cost-driven pricing strategies and techniques must give way to profitable customer-driven pricing procedures (Shapiro and Jackson, 1978). Pricing objectives should flow from and fit in with company level and marketing objectives. The pricing objectives can be classified into three: profit oriented objectives, sales oriented objectives or status quo pricing objectives. (McCarthy and Perreault, 1993).

2.4.5 Service

According to Johnson and Scholes (1999) service includes all those activities which enhance or maintain the value of a product or service such as installation, repair, training and spares. The quality of the after-sales experience is a key factor in customer loyalty and it means that firms should maintain the quality and integrity of their products even after making the sale. When properly handled, after sales service can serve as the foundation for sales growth, while its absence can result in sales failure. Organizations can use after sale service as a major success factor in the business to assure customers the support given even after buying the product. Business survival in some industries dictates that firms have reputable financial image for customers to be confident with the products or services. For example firms in the insurance and banking industry must portray a good financial image to attract customers. Good financial image can be indicated by positive cash flow, revenue growth and profit margins. Thus firms in such industries must strive to always have a positive financial image. Financial image can also be indicated by the number of years in the business and the experience of the firm.

2.4.6 Human Resources Management

Lynch (2003) sees this as a particularly important area which transcends all primary activities. It is concerned with those activities involved in recruiting, managing, training, developing and rewarding people within the organization. This in turn determines whether an organization is rigid or innovative. Firms can use the intellectual capital to survive in business by optimally utilizing what they know is profitable. Firms can invest in employee attraction and retention as this is the basis for innovation and enhancement. Placing the right people on the right jobs is important and instilling the spirit of customer focus can ensure survival in the industry. The culture of the learning organization should

be promoted to open up minds for new ideas and the growth of the knowledge base. Human resource audit helps to establish which, if any employees or groups of employees are critical to strategic success. These are the people that the organization's success may have been built upon in the past and it is likely that the existing structures are centered on them (Campbell et al.2004). In some organizations, critical success human resources may be found on the board of directors, giving strategic direction to the company as a whole. In others, they might be found in research, developing the new products upon which the future success will be built.

2.4.7 Technological Development

Underlying any economic environment is the technological base; the technical skills and equipment that affect the way an economy's resources are converted to output. Firms should continuously improve their products by looking at what is new that will increase business with existing customers and attract new ones. Firms should be alert since technology is changing fast. Most industries today can not ignore the technological environment because it is so dynamic. Firms can use technological enhancement to stay ahead of its competitors by encouraging research and development on its products. The rapid pace of technological change opens up new opportunities, but it also poses challenges for marketers.

2.4.8 Firm Infrastructure and Procurement

The systems of planning, finance, quality control and information management are crucially important to an organization's performance in its primary activities. Infrastructure also consists of the structures and routines of the organization which sustain its culture. Infrastructure determines the level of rigidity and innovation in the organization (Johnson and Scholes, 1999). This includes planning and control systems, such as finance, accounting, and corporate strategy etc. (Lynch, 2003). Procurement refers to the processes for acquiring the various resource inputs to the primary activities. Sutherland and Canwell (2004) define procurement in the value chain as obtaining for inbound logistics and operations.

2.5 Perception

McCarthy and Perreault (1993) define perception as how people gather and interpret information from the world around. According to Jones and George (2003), Perception is seen as the process through which people select, organize and interpret what they see, hear, touch, smell or taste to give meaning and order to the world around them. It is not always possible to readily determine in advance how people or nations will react to a particular event or incident. Often ones reaction to an event will be strongly influenced by both ones perception and ones expectations for the occurrence (Kenyon, 1993). Perception is interdependent on how the message is communicated. According to Kibera and Waruingi (1988), perception of an object or event is the result of the interaction of two types of factors; stimulus factors which are characteristic of the physical object such as size, color, weight or shape and individual factors that are characteristic of the individual.

According to Sekaran (2003) the failure of many new technologies, well meant policies, strategic plans and marketing or production practices is often due to misunderstanding and misperception of the cherished goals and motives of top administrators rather than any inherent fault in mechanism. Mwaura (2002) defines perception as the process by which we attribute meaning to the incoming stimuli received through our five senses. Perception is affected by the individuals' characteristics, past experience, motivation and expectations. Marketers are interested in perception because it involves what customers believe. To provide satisfaction effectively in the market place, marketers must understand how all their marketing activities are perceived because perception greatly influences buyer behavior. Consumers perceive the same situation differently.

Kibera and Waruingi (1988) concluded that Consumer perception is subjective, selective, time related and summative. It is difficult to conceive how consumers could ever make their minds to buy if it were not for the fact that perception is summative. Studies on perception can be explored by using survey research methods involving research instruments such as questionnaires. The surveys are based on a simple principle i.e. if we wish to know what people think about certain things, we must ask them. All things in the

universe are understood as received through the various filters of human understanding and thus are perceptions of reality. What we commonly refer to as reality is, in fact, merely an agreed upon perception and perception need not be reality.

According to Arnold and Feldman (1986) there are three sets of factors that influence our perceptions: characteristics of the object/entity, characteristics of the person and characteristics of the situation. Naturally we would hope that the primary determinants of a person's perception of an entity would be actual characteristics of the entity itself. Stereotyping is a common form of perceptual distortion arising because of similarity of an object to other objects and it occurs when a person decides that (usually unconsciously) that all objects of a certain type share certain characteristics. For example a person may develop a stereotype that "All ford cars are bad". A variety of personal characteristics influence our perception for example our attitudes, emotional state, experience and needs have a powerful influence upon what we pay attention to , what we remember and how we interpret the information. Various situational factors also influence the nature and accuracy of a person's perceptions. Information is distorted or ignored when a person is under a high level of stress. Timing also influences perception as a person may be accustomed to receiving certain kinds of information at certain times or under certain circumstances.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study was a survey because there was need to collect data from a large number of respondents since the researcher wanted to get a comprehensive understanding of what was being perceived as critical success factors in the minibus sector. The study was also descriptive in nature because it tried to describe and get details about what sellers perceive to be CSFs in the sector and whether these are important to the buyers.

3.2 Population of the Study

The study comprised two categories of population of interest that is; buyers and sellers of new minibuses in Kenya. According to KMI (Dec 2006), 934 new minibuses were sold in the year 2006 and the study targeted 40 of these buyers. The sellers of new minibuses in Kenya are mainly four companies namely General Motors EA, CMC Motors, Simba Colt and Tata Africa all based in Nairobi (KMI , Dec 2006) . In this study, the people who make key decisions in these companies were targeted for data collection. Data was therefore collected from the managers in the sales and marketing departments. The buyers and sellers of used minibuses in Kenya were not considered in the study because the industry is predominantly a new vehicle market.

3.3 Sampling Design

The disproportionate stratified sampling method was used to get the buyer sample of 40 whereby the buyer populations were divided into customer groups that were individuals that own less than 5 minibuses, fleet operators that own more than 5 minibuses, institutional and corporate customers according to the General Motors classification. The disproportionate stratified sampling method was most appropriate because if the proportionate method was used some categories which were too small could not have been represented in the study. Fifteen individual buyers, 10 institutional buyers, 10 corporate buyers and 5 fleet operators were selected randomly from each of the four categories to get the sample size of 40 buyers. The sellers unlike the buyers were not sampled since the seller population was small given that there were only four main dealers in the minibus industry in Kenya and all are based in Nairobi, thus the sellers

were studied as a census. Four key decision makers were selected from these companies mainly from the key department of sales and marketing.

3.4 Data Collection Method

The research used primary sources of data since its' objective was to get the perception of both sellers and buyers in the minibus sector on the CSFs. The primary data was collected by drop and pick later method using semi structured questionnaires. The questionnaires (see appendices **IA** and **IB**) were divided into two sections with the first section seeking background information of the respondents and the second section capturing issues pertaining to the area of study. In cases where clarification was needed, telephone calls seeking appointments for personal interviews were used to provide the opportunity for probing and clarification of issues to the respondents.

3.5 Data Analysis

The sample data was screened for errors and omissions and telephone recalls were used to ensure completeness and consistency. The data was tested for normality and outliers. Descriptive statistics was used such as percentages to transform obtained data from buyers and sellers into standard form for relative comparison. Mean scores were calculated to determine how critical a factor is and to rank the factors. Factor analysis was used as a data reduction technique to extract a few underlying factors from the large initial set of factors to determine the 'few' critical success factors.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter sets out to present in summary and statistically analyze the primary data that was gathered from the study. The objectives for this study was to establish what the sellers of minibus vehicles perceive as the critical success factors in the marketing of these vehicles, establish what factors the buyers of minibus vehicles perceive as important in the choice of minibus to buy and to determine what the sellers of minibus perceive as critical success factors are also important to buyers in the choice of minibus to buy. A total of 33 questionnaires from the initial 40 questionnaires were completed from the buyers and 3 questionnaires from the sellers (75% response rate). Summaries of the collected data in each aspect are presented in percentages and means scores (as set out in chapter three). Later data reduction using factor analysis was applied to the data to combine related factors into fewer factors. This enabled the researcher to identify the most important factors.

4.2 General Information - Sellers

4.2.1 Respondents' profile

The results in Table 4.2.1 indicate that 33% of the respondents interviewed were male while 67% were females. Regarding age, the respondents were equally distributed (33%) across the age groups 28-37 years, 38-45 years and 46-55 years.

Table 4.2.1 Seller Profile by gender and age

Gender	Frequency	Percent
Male	1	33%
Female	2	67%
Total	3	100
Age group	Frequency	Percent
28 - 37 years	1	33%
38 -45 years	1	33%
46-55 years	1	33%
Total	3	100

Source; Survey data (2007)

4.2.2 Models sold

As shown in Table 4.2.2., models which are sold frequently than any others include Isuzu, Mitsubishi and Tata (33% respectively).

Table 4.2.2 Model sold

Model Sold	Frequency	Percent
Isuzu	1	33%
Mitsubishi	1	33%
Tata	1	33%
Total	3	100

Source; Survey data (2007)

4.2.3 Duration of selling

The results in Table 4.2.3 indicate that 67% of the sellers had been in business for above 16 years while 33% had been selling minibuses in the last 11-15 years. In the last one year 33% of the sellers had sold 417 units of minibus and 170 units sold by a further 33%.

Table 4.2.3 Duration of selling

Years of selling the minibus	Frequency	Percent
11-15 years	1	33%
16 years and above	2	67%
Total	3	100

Source; Survey data (2007)

4.2.4 Monthly sales turn over

The results in Table 4.2.4 indicate that 67% of the business which deals with minibuses had a sales turnover of more than 200 million shilling per month while 33% had less than 50 million.

Table 4.2.4 Monthly sales turnover

Monthly Sales Turnover (shillings)	Frequency	Percent
Less than 50 million	1	33%
More than 200 million	2	67%
Total	3	100

Source; Survey data (2007)

4.2.5 Size of the firm

From the results in Table 4.2.5, 67% of the business had more than 305 employees. 33% were not sure of the number of employees employed in the firm. Regarding the branch network 67% had more than 2 branches while 33% were not sure.

Table 4.2.5 No of employees

No of employees	Frequency	Percent
307	1	33%
450	1	33%
Don't know	1	33%
Total	3	100

Source; Survey data (2007)

4.3 General Information - Buyers

4.3.1 Respondents¹ profile

The results in Table 4.3.1 indicate that 91% of the respondents interviewed were male while 9% were females. Most of them (58%) were in the age group of between 28-37 years while 33% were between 38-45 years. Only 9% were between 46-55 years.

Table 4.3.1 Buyer Profile by gender and age

Gender	Frequency	Percent
Male	30	91%
Female	3	9%
Total	33	100
Age group	Frequency	Percent
28 - 37 years	19	58%
38 -45 years	11	33%
46 - 55 years	3	9%
Total	33	100

Source; Survey data (2007)

4.3.2 Profile by Category

The results in Table 4.3.2 indicate 60% of the respondents fell under the Institution and Individual business person's categories. Corporate customers represented 27% and only 12% were in the fleet owner category.

Table 4.3.2 Profile by category

Buyer Category	Frequency	Percent
Institution (schools, hospitals, church)	10	30%
Individual business person (i.e. own less than 5 minibuses)	10	30%
Corporate customer (private /public)	9	27%
Fleet owner (i.e. own more than 5 minibuses)	4	12%
Total	33	100

Source; Survey data (2007)

4.3.3 Model ever bought

Results in Table 4.3.3 indicate that 94 % (ninety four percent) of those interviewed have bought an Isuzu vehicle. This shows that Isuzu was the most popular model among the respondents. Buyers who mentioned to have bought a Nissan UD were 24% while 12% said they had a Mitsubishi and Tata respectively. Only 3% own a Leyland.

Table 4.3.3 Model ever bought

Model ever bought	Frequency	Percent
Isuzu	31	94%
Nissan UD	8	24%
Mitsubishi	4	12%
Tata	4	12%
Nissan Civilian	2	6%
Volvo	2	6%
Leyland	1	3%

Source; Survey data (2007)

4.3.4 Units of minibus bought in the last 2 years

According to results in Table 4.3.4, most of the buyers interviewed (42%) indicated that they had bought between 1-2 minibuses in the last two years. Those who had bought between 3-4 minibuses were 33% while 12% had bought between 5-6 and more than 7 minibuses respectively.

Table 4.3.4 Units of minibus bought

Units of minibus bought	Frequency	Percent
Between 1-2 minibus	14	42%
Between 3-4 minibus	11	33%
Between 5-6 minibus	4	12%
more than 7 minibus	4	12%
Total	33	100

Source; Survey data (2007)

4.4 Perceived important factors by the Sellers

The first objective for this study was to establish what the sellers of minibus vehicles perceive as the critical success factors in the marketing of these vehicles. A list of the CSFs was presented to the respondents (sellers) for evaluation on the importance of each factor on a 5 point Likert type scale ranging from 1 (not important at all) to 5 (extremely important). Mean scores were calculated to determine how critical a factor is and to rank the factors. The higher the mean score achieved the more critical the factor. From Table 4.4.1, Quality, Financial image of the company, Company reputation, Experience, location and product promotion are the most important factors considered by the sellers. Product availability, customer care and price were also mentioned among others. Findings from the sellers of the minibuses interviewed indicate that they were all in agreement concerning the above success factors.

Table 4.4.1 Factors perceived important by sellers in marketing the minibus

Factor	Mean	Std. Deviation
Quality (performance, safety, durability, reliability)	5.00	0.00
Financial Image of company	5.00	0.00
Company reputation	5.00	0.00
Experience-no of years the selling company has been in operation	5.00	0.00
Location (ease of access, security)	5.00	0.00
Product Promotion (product awareness)	5.00	0.00
Product Availability (delivery lead time)	4.67	0.58
Customer Care (customer handling, follow ups, updates)	4.67	0.58
Price	4.67	0.58
Product Innovation (product improvement. Technological advancements)	4.67	0.58
Financing options (credit facilities)	4.67	0.58
After sales service (warranty, spare parts, vehicle service, training)	4.33	0.58

Source; Survey data (2007)

4.5 Perceived important factors by the buyers

The second objective for this study was to establish what factors the buyers of minibus vehicles perceive as important in the choice of minibus to buy. A list of the CSFs was presented to the respondents (buyers) for evaluation on the importance of each factor on a 5 point Likert type scale ranging from 1 (not important at all) to 5 (extremely important). Mean scores were calculated to determine how important a factor is and to rank the factors. The higher the mean score achieved the more important the factor. From the results in Table 4.5.1, after sales service (4.73) and quality (4.70) are the most important factors considered by the buyers. They also considered Product availability (4.42) and financial image of the company (4.36). However, financial options (3.33) and product promotion (3.55) were not considered to be very important.

Table 4.5.1 Factors perceived important in choosing a minibus to buy

Factor	Mean	Std. Deviation
After sales service (warranty, spare parts, vehicle service, training)	4.73	0.626
Quality (performance, safety, durability, reliability)	4.70	0.467
Product Availability (delivery lead time)	4.42	0.614
1 Financial Image of company	4.36	0.859
Customer Care (customer handling, follow ups, updates)	4.27	0.626
Price	4.21	0.781
Product Innovation (product improvement. Technological advancements)	4.09	0.678
Company reputation	4.00	0.968
Experience-no of years the selling company has been in operation	3.73	1.153
Location (ease of access, security)	3.64	0.859
Product Promotion (product awareness)	3.55	1.252
Financing options (credit facilities)	3.33	1.514

Source; Survey data (2007)

4.6 Comparison of factors as perceived by both sellers and buyers

The third objective for this study was to determine whether what the sellers of minibus perceive as Critical Success Factors are also important to buyers in the choice of minibus to buy. Mean scores of both sellers and buyers were compared and if similar mean scores were achieved by both then this meant that both sellers and buyers consider the factor important. The more similar the mean scores, the more similar the perceptions of both sellers and buyers. Differing mean scores implied divergence in opinion. From Table 4.6.1, quality in terms of performance, safety, durability and reliability had a mean score of 5 by the sellers and 4.7 by the buyers. Product promotion (product awareness) had a seller mean of 5 and 3.55 by buyers.

Table 4.6.1 Factors as perceived by both sellers and buyers of the minibus.

Factor	Seller Mean	Buyer Mean
Quality (performance, safety, durability, reliability)	5.00	4.70
Financial Image of company	5.00	4.36
Company reputation	5.00	4.00
Experience-no of years the selling company has been in operation	5.00	3.73
Location (ease of access, security)	5.00	3.64
Product Promotion (product awareness)	5.00	3.55
Product Availability (delivery lead time)	4.67	4.42
Customer Care (customer handling, follow ups, updates)	4.67	4.27
Price	4.67	4.21
Product Innovation (product improvement. Technological advancements)	4.67	4.09
Financing options (credit facilities)	4.67	3.33
After sales service (warranty, spare parts, vehicle service, training)	4.33	4.73

Source; Survey data (2007)

Factor analysis was performed on the data collected. The aim was to identify and name the underlying dimensions that account for the professed responses without losing any detail. The communality of a variable is the variance it shares in common with the other variables. If the communality of a variable is too low, we might feel it doesn't contribute enough to warrant inclusion in the factor analysis. In Table 4.7.1 we see that each of the variables is significantly contributing in explaining part of the total variance. As shown below V9 (Financing options (credit facilities)) is very important challenge as it is contributing 85%. It's followed by VI1 (Financial Image of company) which is contributing 84%. Others are V8 (Product Promotion) contributing to 81% respectively with V2 (Quality) followed by V6 (Location) and V7 (Product Innovation) contributing to 80% in the factor analysis.

The Eigen value or latent root is simply the extracted variance of the variable; we note that the values of the sum of squares (Eigen values) fall off from the first factor. This is because in factor analysis the maximum amount of variance is extracted by each factor in

turn starting with the first factor. For example, factor 1, accounts for 42% of the total variance, factor 2 accounts for 16% while factor 3 accounts for 11% of the total variance.

Table 4.6.2 Factor analysis of the critical success factors

	Factor	Communality	Factor	Initial Eigen value	Percent
VI	Price	0.72	1	41.67	41.67
V2	Quality (performance, safety, durability, reliability)	0.81	2	16.58	58.25
V3	After sales service (warranty, spare parts, vehicle service, training)	0.62		10.72	68.97
V4	Product Availability (delivery lead time)	0.72	4	8.73	77.70
V5	Customer Care (customer handling, follow ups, updates)	0.77		6.21	83.92
V6	Location (ease of access, security)	0.80	6	4.54	88.45
V7	Product Innovation (product improvement. Technological advancements)	0.80	7	3.55	92.00
V8	Product Promotion (product awareness)	0.81	8	2.50	94.50
V9	Financing options (credit facilities)	0.85	9	2.41	96.92
vio	Company reputation	0.79		1.89	98.81
VII	Financial Image of company	0.84		0.87	99.68
V12	Experience-no of years the selling company has been in operation	0.78		0.32	100.00

Source; Survey data (2007)

Table 4.6.3 Initial Factor Matrix for critical success factors

	Factor	Component			
		Factor 1	Factor 2	Factor 3	Factor 4
V1	Price	0.56	-0.48	-0.17	0.39
V2	Quality (performance, safety, durability, reliability)	0.51	0.04	0.60	0.43
V3	After sales service (warranty, spare parts, vehicle service, training)	0.65	0.01	0.44	0.01
V4	Product Availability (delivery lead time)	0.76	0.14	-0.28	0.24
V5	Customer Care (customer handling, follow ups, updates)	0.64	0.55	-0.21	0.11
V6	Location (ease of access, security)	0.62	0.38	-0.43	-0.29
V7	Product Innovation (product improvement. Technological advancements)	0.73	-0.51	0.09	-0.02
V8	Product Promotion (product awareness)	0.68	-0.44	0.01	-0.40
V9	Financing options (credit facilities)	0.67	-0.37	-0.50	0.11
V10	Company reputation	0.37	0.74	-0.01	0.32
V11	Financial Image of company	0.60	0.39	0.25	-0.51
V12	Experience-no of years the selling company has been in operation	0.82	-0.06	0.28	-0.14

Source; Survey data (2007)

Interpreting the Factor Loadings

Since the loading of a variable on a factor represents the correlation between the variable and the factor concerned, within any factor we are interested in those variables with high loadings.

Rotation of factors

The initial factor matrix is arrived as a result of applying a procedure to extract orthogonal challenges from the correlation matrix. But since direct methods do not provide the most illuminating picture concerning the interrelationships between the set of variables, it's advisable to re-arrange the challenges to reduce some of the ambiguities. This process is known as rotation. The method of rotation used which is common is the Varimax with Kaiser Normalization. The extraction method was by Principal component analysis. Out of the 33 factors, factor analysis re-arranged them and we obtained the following revised factors

Table 4.6.4 Rotation of Factors

	Factor	Component			
		Factor 1	Factor 2	Factor 3	Factor 4
V1	Price	0.806	0.033	-0.053	0.260
V2	Quality (performance, safety, durability, reliability)	0.132	0.151	0.078	0.875
V3	After sales service (warranty, spare parts, vehicle service, training)	0.187	0.161	0.455	0.594
V4	Product Availability (delivery lead time)	0.541	0.615	0.148	0.176
V5	Customer Care (customer handling, follow ups, updates)	0.149	0.830	0.198	0.128
V6	Location (ease of access, security)	0.235	0.686	0.460	-0.248
V7	Product Innovation (product improvement. Technological advancements)	0.711	-0.078	0.433	0.325
V8	Product Promotion (product awareness)	0.563	-0.099	0.695	0.061
V9	Financing options (credit facilities)	0.874	0.238	0.150	-0.097
V10	Company reputation	-0.159	0.825	-0.063	0.292
V11	Financial Image of company	-0.134	0.400	0.797	0.170
V12	Experience-no of years the selling company has been in operation	0.365	0.221	0.625	0.452

Source; Survey data (2007)

From Table 4.7.3, VI and V7 and V9 loaded heavily on factor 1 while V4, V5 and V6 and V10 loaded heavily on factor 2. Component V8 and V11 and V12 loaded heavily on factor 3 while V2 and V3 loaded heavily on factor 4. Consequently, the major factors isolated can be labeled as shown below:

Factor 1: Financial stability

1. Price
2. Product Innovation (product improvement. Technological advancements)
3. Financing options (credit facilities)

Factor 2: Efficiency

1. Product Availability (delivery lead time)
2. Customer Care (customer handling, follow ups, updates)
3. Location (ease of access, security)
4. Company reputation

Factor 3: Past History

1. Product Promotion (product awareness)
2. Financial Image of company
3. Experience-no of years the selling company has been in operation

Factor 4: Quality services

1. Quality (performance, safety, durability, reliability)
2. After sales service (warranty, spare parts, vehicle service, training)

Conclusion

By investigating what might account for the success factors in the minibus industry, which are critical for the consumer, factor analysis was performed. By this procedure modernization, efficiency, experience and quality services were isolated. Cross checking these factors against the attitudes reveals that quality service factors were held in high esteem while experience elicits a negative sentiment.

CHAPTER FIVE: CONCLUSIONS

5.1 Summary, Discussions and Conclusions

This chapter sets out to draw conclusions that will seek to address the research objectives as outlined in chapter one. The first objective sought to establish what the sellers of minibus vehicles perceive as the critical success factors (CSFs) in the marketing of these vehicles. Factors perceived important by the minibus sellers include quality, financial image of the company and location; others include product availability and customer care. However, financial options and Product promotion were not considered to be very important. Mbugua (2005) did a similar study whose objective was to identify CSFs in the petroleum product dealers' retailing in Nairobi. The findings of the study (Mbugua 2005) also identified location and consistent product quality offering as some of the key factors that must be right for the business to succeed.

The second objective sought to establish what factors the buyers of minibus vehicles perceive important in the choice of minibus to buy. Factors perceived most important by the buyers include after sales service, quality, Product availability and financial image of the company. They are perceived as critical dimensions among the buyers in making a choice on the minibus to buy. Lastly, the third objective sought to determine whether what the sellers of minibus perceive as critical success factors are also important to buyers in the choice of minibus to buy. Factors perceived to be important to both sellers and buyers of minibus were quality in terms of performance, safety, durability, reliability and financial image of the company.

The researcher extracted various components/factors and considered the constituent variable under each component. These were used to come up with simple marketing concepts that summarize the variables. These concepts were considered the important factors that enhance each aspect of concern. The analysis in chapter four about aspects considered in selection of success factors in the minibus industry extracted four components/factors namely financial stability, efficiency, past history and quality services from the entire initial variable considered. Out of the most factors extracted the

most important was efficiency. This factor alone explained 33% of the reason why a customer may select a certain company over the other. The important aspects of efficiency are product availability in terms of delivery and lead time, customer care, location and company reputation. It's important to note that customers seem to value customer care more than the company reputation.

Financial stability was also identified as an important factor influencing the success of the minibus industry. It was mainly related to price, product innovation in the sense of product improvement, and technological advancements. Financial options specifically availability of credit facilities was also considered important. Past history of the company was also important in the success factor criteria. Buyers look for a company that markets its products and promotes awareness. Financial image of a company was also a consideration. The history of the company also relates to experience which is the number of years the selling company had been in operation. Quality services associations were also identified as factors influencing the success of a minibus industry. This is mainly related to quality in terms of performance, safety, durability and reliability. This quality service association can closely be related with after sales service in terms of warranty, spare parts, vehicle service and training.

5.2 Limitations of the study

While conducting the above study, the researcher came across various limitations. Some of the respondents targeted for the study did not give their responses even after several follow ups. Unwillingness to supply information denied this research the richness it could have otherwise achieved. Some organizations were very sensitive about the information they gave and thus did not give out some of the information they considered confidential such as turnover.

5.3 Suggestions for further research

In concluding this study, it is recommended that future researchers gear their efforts to areas such as Critical success factors for dealers in other segments of the motor industry in Kenya like the small cars and trucks segment. This is because each segment of the motor industry has unique characteristics that could mean totally different underlying success factors for survival in the segment. The factors for success in the minibus industry may not be applicable in the other segments. Identifying the factors that limit the vehicle dealers' ability to implement the critical success factors can also be an interesting study given that even after identifying the critical success factors, still not all vehicle dealers succeed.

5.4 Recommendations for Policy and Practice

The findings of this study indicate that the most important factor for buyers in choosing a minibus is after sales service. There is need for sellers to maintain the quality and integrity of their products even after making the sale. After sales service in the minibus sector includes training on the products, spare parts availability, repairs and maintenance. Sellers should invest in well trained after sales service advisors to achieve results. Efficiency was termed as an important factor for the success of the minibus industry. Therefore there is need for the products to be available on time and customer care to be strengthened. Consumers go for a company that is stable; this includes the pricing, and availability of credit facilities.

Findings of this study indicate that buyers do not consider credit facilities an important aspect when choosing a minibus to buy, thus the sellers should market its services through workshops, seminars and train the public about credit facilities. Although consumers look for past history of the company in terms of financial image and experience, there is need for more information to be availed about the vehicles. This includes past performance information that is in terms of fuel consumption (km/s). Consumers would also appreciate vehicle history indicating parts that should be kept in stock and other relevant information that one may have on different models. Quality services in terms of performance, safety and durability should be enhanced.

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APPENDICES

Appendix IA: Questionnaire

This questionnaire has been designed to collect information from the buyers of the minibus (**carrying capacity 21-51 passengers**) and is meant for academic purposes only. The questionnaire is divided into two sections. Section I seeks to capture the profile of respondents while section II will capture issues pertaining to the area of study. Please complete each section as instructed. Do not write your name or any other form of identification on the questionnaire. All the information in this questionnaire will be treated in confidence.

Section 1: Background information

1. Which model of minibus vehicle have you bought? (Please tick all that apply)

- (a) Isuzu •
- (b) Nissan UD •
- (c) Mitsubishi •
- (d) Tata •
- (e) Other (specify) •

2. In which of the following categories do you fall? (Please tick as appropriate)

- a) individual business person (i.e. own less than 5 minibuses) •
- b) institution (schools, hospitals, church) •
- c) Corporate customer (private/public) •
- d) Fleet owner (i.e. own more than 5 minibuses) •

3. How many units of the minibus have you bought in the last 2 years?
minibuses

4. Indicate your gender (Please tick as appropriate)

Male • Female •

5. Indicate your age group (Please tick as appropriate)

- (a) 18 - 27 years •
- (b) 28 - 37 years •
- (c) 38 - 45 years •
- (d.) 46-55 years •
- (e). 55 years and above •

SECTION II: SUCCESS FACTORS IN THE MINIBUS INDUSTRY

6. Please indicate the extent to which the following factors are important to you in choosing a minibus to buy.

Factor	Rating				
	Not Important at all 1	A little Important 2	Moderately Important 3	Very Important 4	Extremely Important 5
Price					
Quality (performance, safety, durability, reliability)					
After sales service (warranty, spare parts, vehicic service, training)					
Product Availability (deliverv lead time)					
Customer Care (customer handling, follow ups, updates)					
Location (ease of access, security)					
Product Innovation (product improvement. Technological advancements)					
Product Promotion (product awareness)					
Financing options (credit facilities)					
Company reputation					
Financial Image of company					
Kxperience-no of years the selling company has been in operation					

7. List and rate according to importance any other factors you feel are critical and may have been omitted in the list above.

FACTOR	Rating				
	Not Important at all 1	A little Important 2	Moderately Important 3	Very Important 4	Extremely Important 5
1					

8. Any other comment that you think has not been addressed in the questionnaire

THANK YOU!

Appendix IB: Questionnaire

This questionnaire has been designed to collect information from the sellers of the minibus (**carrying capacity 21-51 passengers**) and is meant for academic purposes only. The questionnaire is divided into two sections. Section I seeks to capture the profile of respondents while section II will capture issues pertaining to the area of study. Please complete each section as instructed. Do not write your name or any other form of identification on the questionnaire. All the information in this questionnaire will be treated in confidence.

Section 1: Background information

1. Which model of minibus vehicle do you sell? (Please tick as appropriate)

- (a) Isuzu •
- (b) Nissan UD •
- (c) Mitsubishi •
- (d) Tata •
- (e) Other (specify) •

2. How long have you been selling minibuses (Please tick as appropriate)?

- (a) 1 to 5 years •
- (b) 6 to 10 years •
- (c) 11 to 15 years •
- (d.) 16 years and above •

3. How many units of minibuses (21-51 seaters) have you sold in the last 1 year?
minibuses

4. What is the size of your firm in terms of?

- a) No of employees
- b) No of branches / dealers

5. What is your monthly sales turnover in millions?

- (a) Less than 50M •
- (b) 50-100 M •
- (c) 100-200M •
- (d.) More than 200M •

6. Indicate your gender? (Please tick as appropriate)

- (a) Male •
- (b) Female •

7. Indicate your age group (Please tick as appropriate)

- (a) 18-27 years •
- (b) 28 - 37 years •
- (c) 38 - 45 years •
- (d.) 46 - 55 years •
- (e). 55 years and above •

8. How would you describe your success for the period covering the last one year in the minibus business?

- (a) Poor
- (b) Average
- (c) Above Average
- (d) VetyGood

SECTION II: SUCCESS FACTORS IN THE MINIBUS INDUSTRY

9. Please indicate the extent to which the following factors are important to you in influencing buyers to purchase your minibuses.

Factor	Rating				
	Not Important at all 1	A little Important 2	Moderately Important 3	Very Important 4	Extremely Important 5
Price					
Quality (performance, safety, durability, reliability)					
After sales service (warranty, spare parts, vehicle service, training)					
Product Availability (delivery lead time)					
Customer Care (customer handling, follow ups, updates)					
Location (ease of access, security)					
Product Innovation (product improvement. Technological advancements)					
Product Promotion (product awareness^					
Financing options (credit facilities)					
Compny reputation					
Financial Image of company					
Expreience-no of years the selling j^mpany has been in operation					

10. List and rate according to importance any other factors you feel are critical and have been omitted in the list above.

FACTOR	Rating				
	Not Important at all 1	A little Important 2	Moderately Important 3	Very Important 4	Extremely Important 5

\\ Any other comment that you think has not been addressed in the questionnaire

THANK YOU!