

**AN EXPLORATORY STUDY ON THE RELATIONSHIP BETWEEN MARKETING
MIX DECISIONS AND THE SUCCESS OF MICRO AND SMALL ENTERPRISES: A
CASE STUDY OF WESTLANDS SHOPPING CENTRE, NAIROBI**

BY

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Submitted in partial fulfilment of the requirement for the Degree of Masters of Commerce at
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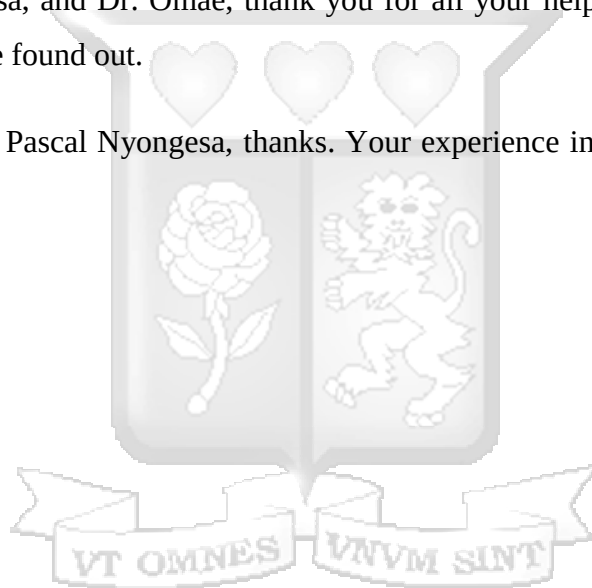
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ABSTRACT

This study set out to explore the relationship between marketing mix decisions and the success of micro and small enterprises. This main objective was broken down to 3 specific objectives: to understand the general characteristics and general marketing environment of Micro and Small Enterprises (MSEs) in Westlands; examine the significance of the correlation between marketing mix elements and success of micro and small enterprises; and observe and understand the combinations of the marketing mix elements relevant to success within specific industries in the MSE sector. The study was carried out in Westlands shopping centre that has a population of about 400 MSEs. The study was exploratory in nature and thirty one businesses were used for analysis. Purposive sampling was used to derive the final sample. Minitab and Microsoft Excel were used to arrange and analyse the data. Responding to research, this study categorised MSEs into four distinct categories. General characteristics such as, age, experience, motivation and challenges were comparable across groups. The study added to literature by establishing that there are indeed significant industry differences among MSEs and this does indeed affect their marketing activities. All categories except professionals relied on the consumer market. Variability across all categories in terms of the number of marketing activities employed was significantly different for all the marketing elements except distribution. Also, the versatility in marketing activities across groups was significant. Traders were the most versatile category followed by professionals, entertainment houses and artisans respectively. In terms of success, the only significant differentiator was in the self-claimed definition of success (objective versus subjective). Otherwise, across groups there was no real difference in the exhibition of the success variables given by the research. However, there were tendencies that could be further explored in later research. The relationship between the type of customer and the level of marketing done is an area that could be studied. Further, the tendencies of exhibiting certain variables in success by specific industries should be studied. A study on how business orientation affects the marketing activities done would also be a good area to study especially for successful MSEs.

CHAPTER ONE

INTRODUCTION

This chapter is organised in the following order: the background of the study, the statement of the problem, the objectives of the study, the significance of study, and finally the scope of the study.

1.1 Background of the Study

Entrepreneurship is an area that has received a good amount of attention in Kenya over the last decade, with players from both the private and public sectors pooling resources to develop the sector (Ronge 2002; Mitullah 2003). Marketing on the other hand has evolved from being seen as a functional department to being a strategic tool that is necessary for success in today's competitive market (Kerin and Peterson 2007). This study explored the relationship between marketing decisions of micro and small enterprises (MSEs) and how that correlates with the success of the same micro and small enterprises.

As in Liedholm (2001), Mitullah (2003) and Onsando (2008) this research adopted the Kenya 1999 National Micro and Small Enterprise Baseline Survey definition of a MSE as an enterprise that is either in the formal or informal sectors employing 1-50 workers.

Although success in MSEs is largely said to be and is measured subjectively (e.g. Bowen, Morara and Mureithi 2009), and difficult to arrive at because the objectives of the firm tend to vary greatly (McCartan-Quinn and Carson 2003; Reijonen, 2009), this research will define success using three measures. It will be defined as the growth of the firm either financially or in terms of employee numbers, or expansion of the business (increased floor space both in a similar or different location). This follows other research (e.g. Liedholm 2001; Ronge, 2002).

MSEs have been seen as the drivers of state economies world over. Micro and small businesses contribute a great deal to employment in both developed and developing countries. Their contribution to the macro economy cannot be ignored as they are major players in employment creation and innovation (Liedholm, 2001; Ronge, 2002, Mitullah, 2003; Morrison, Breen and Ali, 2003; Onsando, 2008; KIPPRA, 2009).

In Kenya, the Micro and Small Enterprises explain 87 % of all new jobs created. 77% of all employees in Kenya are also employed by Micro and Small enterprises (KIPPRA, 2009). The development of the MSE sector in Kenya started initially as a government initiative to promote economic growth. This it did with heavy reliance on the International Labour Organisation's (ILO) 1972 report on unemployment in Kenya which suggested development of the MSE sector as an alternative to employment and as a source of growth for the Kenyan economy (Ronge 2002; Mitullah 2003). With time, the government engaged in a series of activities, including policy restrictions on foreign investment (e.g. the Land Control Act, the Trade Licensing Act, and the Immigration Act being the major ones) to encourage local investment hence the growth of the MSE sector (Ronge 2002).

Despite the good policy framework, work on the ground was not taking off as it should have (Ronge 2002; Mitullah 2003). Policy implementation proved a challenge for the Kenyan government at the time. In the early 1990s, the government saw the future of economic growth laid in the development of the private sector and liberalized the Kenyan market (Ronge 2002). However, this only increased the riskiness of the sector as there was little government support. Consequently, the private sector withdrew their support as well (Mitullah 2003; World Bank 2003).

At the turn of the millennium, the Micro and Small enterprise industry began to receive a considerable amount of support both from private and public sources. This is because micro and small enterprise industry was proven to be the driver of state economies world over as they contribute a great deal to employment. Their contribution to the macro economy cannot be ignored as they are major players in employment creation and innovation (Liedholm, 2001; Morrison, Breen and Ali, 2003; Jeppesen 2005; Onsando, 2008; KIPPRA, 2009). Further, the theory of a dual-economy, encouraged from the 1970s through to the 1990s, where the government was encouraged to support the MSE sector as an intermediary sector until the government fully developed the macro economy was disputed (Ronge 2002; Mitullah 2003, World Bank 2003).

Because of these positive developments in the sector, perennial problems common among MSEs, such as financing and management, have been found to be quasi problems in the current state of

the industry. Bowen, Morara and Mureithi (2009) did an exploratory study into the success of MSEs in Nairobi. The research did not highlight financing as a major problem for MSEs. In fact, recent research from similar markets highlight competition and insecurity as the major problems affecting micro and small enterprises (Liedholm, 2001; Kassim and Hendricks, 2002; Mbah et al., 2007; Li, 2008). In Kenya, competition and insecurity top the list at 89.4% and 68.2% respectively (Bowen, Morara and Mureithi, 2009). Similar results were found in South Africa's Micro and Small Enterprises' sustainability with insecurity being a major factor (Kassim and Hendricks, 2002). Liedholm (2001) established that in the Dominican Republic, MSEs site low demand and personal reasons as the reasons for failure of businesses. The research did not highlight better marketing practices as a possible solution to the competition problem.

A theme that is evident across emerging and developing markets is the fact that there are high levels of competition (Liedholm, 2001; Kassim and Hendricks, 2002; Mbah et al., 2007; Li, 2008; Bowen, Morara and Mureithi 2009). Another important theme is that little marketing effort is employed by MSEs in Africa and similar markets (Liedholm, 2001; Kassim and Hendricks, 2002). Other scholars have highlighted the fact that MSEs do not deliberately engage in marketing and that such marketing efforts are ad hoc or intuitive efforts by the owner manager (Blankson and Ogenyi, 2002; Blankson and Cheng, 2006; Bowen, Morara and Mureithi, 2009). They therefore argue that it being an important factor is not ignored; it is just not put into practice as it should.

Despite it being argued that marketing theories were designed for large firms, recent research has shown a strong relationship between marketing and the success of MSEs (Pelham and Wilson, 1996; Mbah et al., 2007; Li, 2008; Baker and Sinkula, 2009). Li (2008) evidenced that correlation that marketing had with the success of MSEs is stronger than entrepreneurial innovation had with success

This study examined successful MSEs and gets a deeper understanding of the marketing decisions made by these MSEs. Bowen, Morara and Mureithi (2009) highlighted some factors responsible for success in the Kenyan market. Some of these factors were indeed marketing variables such as competitive pricing, good location, product variety, and availability of customers. Despite highlighting that there needs to be a combination of factors, marketing or

otherwise, for a Micro and Small enterprise to succeed, it did not specify this combination. Further, it did not specify which strategies are best suited for which industry. This is with the realization that there are major differences among industries in Kenya (Liedholm, 2001). This realization is shared by Reijonen (2009) who concluded that it is difficult to come up with one blanket marketing practice for Micro and Small Enterprises. Bowen, Morara and Mureithi (2009) also generalized to all aspects of business and did not concentrate on marketing.

This study therefore seeks to concentrate on the marketing mix decisions made by MSEs' owners/managers and how they have contributed to their success. Similarities across industries will be studied as well to get a better picture of what marketing activities are relevant across industries.

1.2 Statement of the Problem

Competition is one of the major causes in MSE failure in developing economies (Liedholm, 2001; Kassim and Hendricks, 2002; Mbah et al., 2007; Li, 2008). Literature also suggests that little marketing effort is employed by MSEs in Africa and similar markets (Liedholm, 2001; Kassim and Hendricks, 2002). This is the same case world over, in both developing and developed markets, as scholars have highlighted the fact that MSEs do not engage in planned marketing and that such marketing efforts are ad hoc or intuitive efforts by the owner manager (Blankson, 2002; Blankson, 2006; Bowen, Morara and Mureithi, 2009).

Marketing is relatively ignored with most research highlighting financing and mismanagement as the major problems for MSEs. Bowen, Morara and Mureithi (2009) shows that financing is not a major issue for MSEs in Kenya. The literature on the reaction to competition which is mostly embodied in marketing is scanty for the MSE sector in Sub-Saharan Africa. Recent research in both developing and developed economies has shown a strong relationship between marketing and the success of MSEs (Pelham and Wilson, 1996; Mbah et al., 2007; Li, 2008; Baker and Sinkula 2009).

Current studies give generic solutions across all industries despite the fact that industries have significant differences (Liedholm, 2001; Reijonen (2009). These differences across industries have not been studied in relation to their effect on marketing efforts especially for MSEs in Sub-Saharan Africa.

Building on Bowen, Morara and Mureithi (2009), certain critical factors were not taken into account. First, it did not define what success was. It is therefore difficult to establish what the paper meant by success. Secondly, the exact business categories/industries were mentioned but businesses were not categorised in the analysis of the findings. The study of business categories also responds to research areas called for by Reijonen (2009) to explore the industry differences within MSEs in terms of marketing. Third, the research was a generic to all business functions. This study concentrated on the marketing functions.

This study examined successful MSEs and explored the marketing decisions made by these MSEs and how these decisions have ultimately contributed to the success of these MSEs. It looked at the strength of the relationship between marketing variables and success variables. Bowen, Morara and Mureithi (2009) highlighted some factors responsible for success in the Kenyan market. Some of these factors were indeed marketing variables. However, it did not specify which strategies were suited for which industry. This is with the realization that there are major differences among industries in Kenya (Liedholm, 2001). The research (Bowen, Morara and Mureithi, 2009) was also generalized to all aspects of business and did not concentrate on marketing.

1.3 Objectives of the Study

The broad objective of the study is to explore the relationship between marketing mix decisions and the success of micro and small enterprises.

1.3.1 Specific Objectives

The specific objectives of the study were:

1. To understand the general characteristics of and general marketing environment of MSEs in Westlands.
2. To examine the significance of the correlation between marketing mix elements and success of micro and small enterprises.
3. To observe and understand the combinations of the marketing mix elements relevant to success within specific industries in the MSE sector

1.4 Significance of the Study

In Kenya, the Micro and Small enterprises explain 87 % of all new jobs created. 77% of all employees in Kenya are also employed by Micro and Small enterprises (KIPPRA 2009). A majority of 85% of all employees in the manufacturing sector are employed by the Micro and Small Enterprises. It is also important to note that this sector contributes to 18% of total GDP in the country (Chu, 2007; KIPPRA, 2009). A sad fact is as of 2009, mortality rates in the sector stood at 50% (KIPPRA 2009). Being a sector of strategic importance to the Kenyan economy, the success of this sector is of national importance.

This research is most beneficial to incubation centres, lenders, and micro-finance institutions as they will have information on how to better grow the business of their customers depending on the industry. This is because they will be able to give better advice to their customers to better market their business. Academia will also benefit with added knowledge

1.5 Scope

This study looked at MSEs in the Westlands Shopping centre in Nairobi. A feasibility study on Westlands Shopping Centre revealed that it is a cosmopolitan business centre with a wide variety of industries. This is crucial as relevant industry comparisons needed to be made as suggested by Reijonen (2009) and evidenced by (Liedholm, 2001)

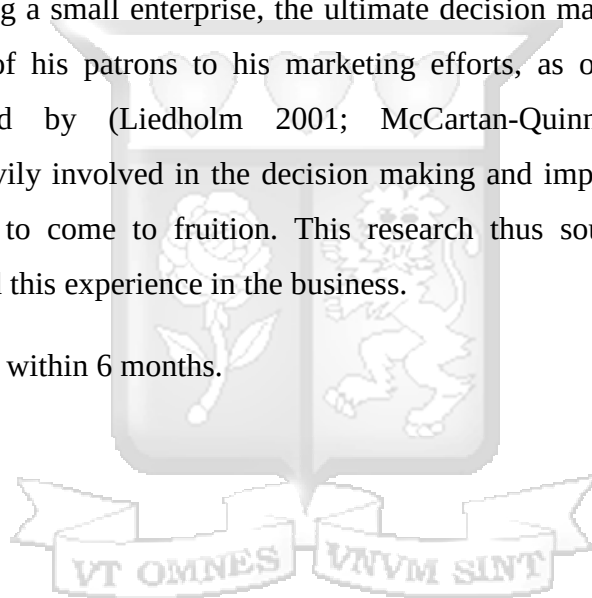
Other research has either been general to all MSEs in all areas in Nairobi (Ronge 2002; Mitullah 2003; Onsando 2008; Bowen, Morara and Mureithi 2009) or specific to other regions other than Westlands (Republic of Kenya, 2007).

Looking at the major business centres in Nairobi, none has the unique set of characteristics that Westlands possesses. Other centres tend to be industry clusters (Sonobe, Akoten and Otsuka 2009). Major centres (apart from the Central Business District) such as Gikomba, Shauri Moyo, Kenyatta Market, Kariobangi South, Uhuru and Ngara are clusters of a dominant industry such as metal work or garments. Further, they have to deal with systemic issues such as insecurity (Boewn 2009) poor sanitation, poor or no buildings, and poor road networks among others (Ronge 2002; Macaria 2007). These issues are not real problems to MSEs in Westlands as it is fairly secure and has relatively good infrastructure and has a good road network. Besides that, all the other centres are located in middle to low end residential areas. Westlands is surrounded by

relatively well-off neighbourhoods. The assumption is that such neighbourhoods respond better to marketing efforts than others and have more disposable income than other areas. Further, as it was found by Sonobe, Akoten and Otsuka (2009) MSEs in middle and low income areas move to formalised areas such as Westlands and the Industrial area

The information sought dates back to January 2006. The target population comprised of owner-managers or managers with decision making power within the micro and small businesses and who have been working actively in the business for at least the last four years. Four years is a time frame good enough for the business to have experienced the benefits of different facets of marketing and behaviour change of clients observed to know which practices best suit the business. Generally, being a small enterprise, the ultimate decision maker has implemented and observed the reactions of his patrons to his marketing efforts, as observed by Sonobe et.al (2009). As highlighted by (Liedholm 2001; McCartan-Quinn and Carson, 2003), owner/managers are heavily involved in the decision making and implementation of strategies, some which take years to come to fruition. This research thus sought opinion from those individuals who have had this experience in the business.

The study was conducted within 6 months.



CHAPTER TWO

LITERATURE REVIEW

This section will review literature on marketing and success with regard to micro and small enterprises. Literature on its relevance for micro and small enterprises will be reviewed. This section will also study the developments in the micro and small enterprise sector in Kenya.

The section is organised under the following major areas: Micro and Small Enterprises, Marketing Decisions, and finally Success Factors.

2.1 Micro and Small Enterprises

This section on MSEs will be studied in three subsections in the following order: defining parameters of Micro and Small enterprises, the role of MSEs in economies world over, and the Kenyan MSE story

2.1.1 Defining Parameters of Micro and Small Enterprises

As McCartan-Quinn and Carson (2003) pointed out, it is difficult to come up with a worldwide consensus of the definition of what a micro and small enterprise should be. Several authors use different bases to define micro small enterprises. Ronge (2002) highlighted three major parameters used to define micro and small enterprises: number of employees, the degree of legal formality, and in terms of capital. However, within these same parameters differences occur depending on the market being surveyed. For example, Ronge (2002), McCartan-Quinn and Carson (2003), OECD (2007), and Reijonen (2009) all used number of employees as their base of definition. Reijonen (2009) was based in Finland and used 250 and below employees. McCartan-Quinn and Carson (2003) based in the UK defined them as enterprises with less than 100 employees. Ronge (2002) on the other hand being a Kenyan research used firms which employed less than 50 employees. OECD (2007) being a research based in Mexico, had a similar definition with a small enterprise being one with less than 50 employees. As is evident, larger and more developed economies tend to have MSEs with a larger number of employees than in developing economies

As in Liedholm (2001), Ronge (2002) McCartan-Quinn and Carson (2003), OECD (2007), Onsando (2008), and Reijonen (2009), this research will adopt the number of employees as a basis for defining the MSE. Research in Sub-Saharan Africa and Latin America (e.g. Liedholm, 2001 and OECD, 2007) and especially Kenya seem to adopt the definition used by the Kenya 1999 National Micro and Small Enterprise Baseline Survey definition of a MSE as an enterprise that is either in the formal or informal sectors employing 1-50 workers (e.g. Ronge 2002; Mitullah 2003, Onsando 2008). The same definition is also used by the Government of Kenya for its annual economic reports (e.g. KIPPRA 2009). This research therefore used the Kenya 1999 National Micro and Small Enterprise Baseline Survey definition.

A business in the formal sector is a dully registered business which is recognised by the Nairobi City Council. It therefore goes without saying that informal businesses are all those businesses that are not registered with the Nairobi City Council. As in Bowen, Morara and Mureithi (2009) hawkers were not studied in this research as: it is difficult to ascertain the time when the business was stated, most do not operate within a particular location, and it is also difficult to know how many they are and as such proportionate numbers cannot be arrived at. Further, they operate in a cyclical business and are sometimes out of businesses for long periods of time for varied reasons

2.1.2 The Role of MSEs in Economies World Over

Micro And Small Enterprises (MSEs) have been seen as the drivers of state economies world over. Micro and small businesses contribute a great deal to employment in both developed and developing countries. Their contribution to the macro economy cannot be ignored as they are major players in employment creation and innovation (Liedholm, 2001; Ronge, 2002, Mitullah, 2003; Morrison, Breen and Ali, 2003; Onsando, 2008; KIPPRA, 2009). In Finland for example, 99.8% of all firms fall in the small and medium sized enterprises category with it employing over 60% of the labour force (Reijonen 2009). In Kenya, the Micro and Small Enterprises explain 87 % of all new jobs created. 77% of all employees in Kenya are also employed by Micro and Small enterprises (KIPPRA, 2009). Similar sentiments are shared in the UK with the Micro and small enterprise sector being a major contributor to the economy (McCartan-Quinn and Carson 2003). In Mexico for instance, the sector generates 52% of the GDP of the country and 72% employment (OECD, 2007)

The importance of Micro and Small Enterprises to the economy has been appreciated by governments who have pooled resources to help develop the sector. The Mexican government for example has worked on reducing barriers to entrepreneurship since the turn of the millennium (OECD, 2007). The Kenyan government has had similar policies by reducing the licensing requirements of start ups. The Indian government for example, has reserved certain items to be manufactured only by the Micro and Small Enterprises, 114 as of 2007, and has compulsorily required banks to extend credit to the sector (KIPPRA, 2009). The Kenyan government established the Department of Micro and Small Enterprise Development under the Ministry of Labour and Human Resource Development, to cater for this sector. The department has the mandate of providing a suitable policy environment for the growth of MSEs. Further, it is mandated to formulate strategies and co-ordinate programmes for the development of the MSE sector

2.1.3 The Kenyan MSE Story

In 1967, the Kenyan government had taken steps to encourage the growth of small scale industries through the setting up of Kenya Industrial Estates (KIE) under the Industrial and Commercial Development Corporation (ICDC) umbrella (Macaria 2007). KIE had the mandate to encourage small scale manufacturing businesses thrive by giving all round support i.e. not just financial, but also business development services which include managerial training, marketing assistance and best practice in manufacturing training (Mitullah 2003; Macaria 2007). Further, the government engaged in a series of activities, including policy restrictions on foreign investment (e.g. the Land Control Act, the Trade Licensing Act, and the Immigration Act) which encouraged local investment hence the growth of the MSE sector (Ronge 2002, Mitullah 2003).

In the early 1990s, the Kenyan market was liberalised (Ronge 2002). This brought with it mixed reactions. It allowed for new technology and products in the country, which is a great opportunity for traders, but it also brought with it increased competition from multi-national companies. This liberalisation, coupled with corruption in the country at the time, resulted in many micro and small enterprises opening and closing within short periods of time (Ronge 2002, Mitullah 2003). Little government support was offered during the 1990s. Further, policy implementation was a problem for the government at the time (Ronge 2002). Private support was

minimal with major financiers refusing to support small businesses due to the risks involved. The consequence of this minimal support saw the sharp decline in the sector. Efforts to ensure business survival were almost purely subsistence. At the time, those who engaged in micro and small business did so to reduce the risks involved in relying on employment income as the sole source (Ronge 2002)

In the new millennium, the MSE sector got great support from key players in the society including the government, non- governmental organisations, financial institutions and even educational institutions. The government set up bodies to ensure the growth of micro and small enterprises (Department of Micro and Small Enterprise Development under the ministry of Labour and Human Resource Development, to cater for this sector). Partnerships were and still are being sought from the European Union to set up programmes to support the sector. An example is the Assistance to Micro and Small Enterprises Programme (AMSEP) set up as an initiative by the ministry of trade funded by the European Union (ROK, 2007). Support from the private sector including efforts by non- governmental organisations, financial institutions and even educational institutions giving short courses on micro credit/finance, business education, and seminars for either networking or imparting knowledge have mushroomed all over the country to answer calls from this sector. A main concern for the Kenyan government is to create an environment conducive for MSEs in Kenya to operate in order to ensure success. The government has already slashed off half the needed licenses to register and open a business (KIPPRRA, 2009).

Unlike the early and mid 1990s where MSEs were started as a means of survival, recent research shows that micro and small enterprises are often started as a way to gain independence, and to pursue a dream. Survival was a minor factor for beginning a business (Bowen, Morara and Mureithi, 2009). Most are started with optimism and an ambition to succeed. Chu (2007) found that entrepreneurs in Kenya and Ghana have income generation and self employment as the major motivating factors to starting a business. Chu (2007) also found that Kenyans are more motivated by independence and self satisfaction. Despite rather insubstantial reasons (such as self satisfaction, to avoid idleness) rather than concrete reasons (such as market opportunity) to start a business, most MSEs are fairly sustainable (Baker and Sinkula, 2009).

Despite most MSEs having a good start and with such major contributions, the sector is still plagued with hardships. Micro and Small enterprises usually close as soon as they start up. In developing countries for example, over 50% of MSEs close within the first three years of operation (Liedholm, 2001; KIPPRA, 2009). The peak closure year is the second year in Kenya and Zimbabwe (Liedholm, 2001). Past research has concentrated the effects on boosted microfinance to this sector and how the availability of finance has led to improvements in this segment. This is because the major factor that is assumed to affect this segment is the lack of finance. However, the sector has undergone major reforms; at least that is the case in Kenya.

Financing has been quoted to be the major downfall of MSEs in literature (Onsando 2008). However, Bowen, Morara and Mureithi (2009) did an exploratory study into the success of MSEs in Nairobi. The research did not highlight financing as a major problem for MSEs. This confirms reality as of late, several programmes have been launched to help MSE financing. Financial institutions have over the last 10 years launched programmes to encourage entrepreneurship and business growth. Banks have developed accounts and loan payment schemes specifically designed for entrepreneurs and start up businesses. Examples of such schemes include: Barclays Bank of Kenya Flexi Lease has asset financing that is responsive to a business' cash flows; Equity bank's business account does not have most of the charges associated with a business account and is open to any business. Standard Chartered on the other hand has the Eneza Biashara account that allows businesses to have unsecured loans ranging from Ksh. 3 million to Ksh. 35 million. These are exclusive of the products offered by Micro Finance Institutions. Other forums like the Barclays Business Club, The government Youth Enterprise Development Fund, and the Women Enterprise Development Fund are sources of business networks and financing. The Kenyan government is taking steps to create a favourable environment (Chu, 2007; KIPPRA, 2009)

One of the major causes in MSE failure in developing economies is competition (Liedholm, 2001; Kassim and Hendricks, 2002; Mbah et al., 2007; Li, 2008; Kimani, 2010). Literature also suggests that little marketing effort is employed by MSEs in Africa and similar markets (Liedholm, 2001; Kassim and Hendricks, 2002). This is the same case world over, in both developing and developed markets, as scholars have highlighted the fact that MSEs do not engage in marketing and that such marketing efforts are ad hoc or intuitive efforts by the owner

manager (Blankson and Ongenyi, 2002; Blankson, Motwani and Levenburg, 2006; Bowen, Morara and Mureithi, 2009). Marketing is the one business function that theory suggests is the weapon to be used when faced with competition. Marketing is a way you better communicate the product to strategically place one's business better than competition (Kerin and Peterson, 2007; Kotler, 2008). Kimani (2010) found that MSEs to some extent apply strategic marketing tactics but fall short due to inherent systemic issues such as lack of funds, lack of technical skills, lack of market information and poor bargaining power

Marketing is relatively ignored with most research highlighting financing and mismanagement as the major problems for MSEs (e.g. Onsando, 2008). In fact, Bowen, Morara and Mureithi (2009) shows that financing is not a real issue for MSEs in Kenya. The literature on the reaction to competition which is mostly embodied in marketing is scanty for the MSE sector in Sub-Saharan Africa. Recent research in both developing and developed economies has shown a strong relationship between marketing and the success of MSEs (e.g. Pelham and Wilson, 1996; Mbah et al., 2007; Li, 2008; Baker and Sinkula 2009). Li (2008) showed that firms in China had a better chance of succeeding by having better marketing strategies than their competitors. Being innovative had positive effects but being able to deliver and communicate the products better than competition had a greater positive effect.

Current studies give generic solutions across all industries despite the fact that industries have significant differences (Liedholm, 2001; Reijonen, 2009). These differences across industries have not been studied in relation to their effect on marketing efforts especially for MSEs in Sub Saharan Africa. Reijonen (2009) proposed a study in industry differences as an area for further research.

Building on Bowen, Morara and Mureithi (2009), certain critical factors were not taken into account. First, it did not define what success was. It is therefore difficult to establish what the paper meant by success. Secondly, the exact business categories/industries were mentioned but businesses were not categorised in the analysis of the findings. The study of business categories also responds to research areas called for by Reijonen (2009) to explore the industrial differences within MSEs in terms of marketing. Third, the research was a generic to all business functions. This study concentrated on the marketing functions.

Bowen, Morara and Mureithi (2009) highlighted some factors responsible for success in the Kenyan market. Some of these factors were indeed marketing variables. However, it did not specify which strategies were suited for which industry. This is with the realization that there are major differences among industries in Kenya (Liedholm, 2001). The research (Bowen, Morara and Mureithi, 2009) was also generalized to all aspects of business and did not concentrate on marketing.

2.2 Marketing Decisions

“Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.” (American Marketing Association)

Marketing as a field has grown from being considered a small function, often confused with sales, in the organisation to a strategic tool for many organisations world over. No longer is it just a means to get awareness about products but now includes a myriad of activities that strategically place the business at a better position than competitors (Kerin and Peterson 2007).

Theory suggests that marketing has an important role in the success of any kind of business (Kotler, 2008). Whether done intuitively or deliberately, marketing is a function that cannot be ignored. Empirically, marketing has been proven to be vital to the survival of businesses. Baker and Sinkula (2009) argued that good marketing is far more important than entrepreneurship innovation in the success of Micro and Small Enterprises (MSEs). It found that marketing had a stronger positive and more direct relationship with profitability than entrepreneurial innovation.

Marketing decisions are all those managerial activities done deliberately to better bring the product to the consumer. These decisions are of a wide array and may include decisions made on the marketing mix elements, research, and target marketing, just but to mention a few. For this research, the decisions were limited to look at the relevant marketing mix decisions made by Micro and Small businesses (Kotler, 2008).

This section has the following sub headings: the general marketing environment for MSEs, marketing mix decisions in MSEs and influencing factors: business orientation and the type of clientele.

2.2.1 The General Marketing Environment for MSEs

Marketing as an activity in business has been evidenced in literature to be a challenge to MSEs either because they do not know how to do it, they do not think they need it, or they feel that they cannot market (e.g. McCartan-Quinn and Carson 2003). It has been characterised as ad hoc and unplanned (Blankson and Ogenyi, 2002; Blankson, Motwani and Levenburg, 2006). However, Kuratko and Hodgetts (2007 p. 293) advice that for start ups, the marketing done is entrepreneurial marketing which is informal, flexible and focused on a niche with help from friends, all of which are characteristics of ad hoc marketing as put in literature. Kuratko and Hodgetts (2007) argue that such marketing efforts are a stage to stronger marketing tactics as the business grows. As noted by Blankson and Ogenyi (2002, cited in Stokes and Blackburn 1999), small business owners feel that marketing is for larger firms. Arguably this is true, if structured plans are indeed termed as marketing, for most micro and small enterprises, as successful marketing is multi-faceted; something that micro and small enterprises find difficult to co-ordinate (Reijonen, 2009).

McCartan-Quinn and Carson (2003) highlighted some key characteristics that affect marketing in Micro and Small Enterprises. First, they operate within niche markets generally geographical. This limits their customer base and marketing activity to a geographical location. Kimani (2010) found that MSEs generally engage in geographic specific marketing activities such as in store displays, posters and fliers, door to door deliveries and brochures within the stores.

Secondly, they have very limited resources that require them to be efficient. However, efficiency is impossible when they lack information as pointed out by Ronge (2002). MSEs in Kenya were not aware of their competition; neither were they aware of their strategies and thus could only react when it was a bit too late. Bowen, Morara and Mureithi (2009) supported this view by showing that the major problem for MSEs in Nairobi was competition, and the strategies employed were majorly reactive strategies rather than proactive ones.

Third, they generally do not engage in innovative or marketing activities. This is generally true; however, O'Dwyer, Gilmore and Carson (2005) showed that this is highly circumstantial. MSEs tend to be proactive or reactive to the competitive environment depending on the industry, the economy and the impact the MSE in question has in the industry. Highly competitive industries

require the business to adjust accordingly. Conversely, economic circumstances will dictate whether marketing is done or not; bad economic times mean that less marketing will be done as resources are constrained.

Fourth, the marketing activities done by the MSE are highly dependent on the owner/manager's skills in terms of marketing. Even if they have the knowledge, most owner managers feel that marketing is out of their reach. This view is supported by Reijonen (2009).

Fifth, they have inherent flexibility to adjust the production and pricing but do not do so as they do not have market power and knowledge. This view is supported by Ronge et al (2002) and Blankson and Ogenyi (2002 cited in Harris 1998)

Despite all these challenges, some marketing effort is usually employed by MSEs as they have a better chance of survival in the market if they are innovative in terms of product innovation (Li, 2008). Recent research in both developing and developed economies has shown a strong relationship between marketing and the success of MSEs (Pelham and Wilson, 1996; Mbah et al., 2007; Li, 2008; Baker and Sinkula 2009).

The decision to market is usually driven by several factors both internal and external to the owner/manager and firm. Reijonen (2009) found that the smaller the firm in terms of employee numbers and resource base, the less likely the firm is to market. Similar findings were found by Blankson (2006). Perry (2001) found that firms with fewer employees did less planning and that marketing plans were rarely developed as formal written documents. The argument was that few people were affected by the decisions and formalising these decisions was an unnecessary activity; the result being that they were seen as being ad hoc. Contrarily, a firm may be small but does a considerable amount of marketing due to the owner/manager's experience as was found by McCartan-Quinn and Carson (2003). Comparably, Reijonen, (2009) found that the owner/manager had great influence on what kind of marketing is done. Interestingly, the type of customer served had an impact on the level of marketing a small enterprise would engage in. Reijonen, (2009) found that MSEs that served business markets were more pro-active in their marketing practices when compared to those in the consumer market. This may be explained by the fact that business markets tend to be more demanding in marketing requirements as decision making is more of a process rather than a one-man decisions. Sonobe (2009) found similar

results with the metal work cluster in Kariobangi with those supplying to merchandisers and other distributors were more likely to market. From another angle that can be contrasted to both Reijonen, (2009) and Sonobe (2009), Liedholm (2001) found that MSEs in Africa and Latin America that served business markets were likely to put in more effort to grow than those that served consumer markets possibly because of the formality involved.

Other factors that drive MSEs to market are competition (Kuada and Buatsi, 2005; Sonobe 2009), and awareness for an innovation (O'Dwyer, Gilmore and Carson et al. 2009; Sonobe 2009). In fact, competition is a major factor that drives MSEs to market their products. As Bowen, Morara and Mureithi (2009) found, most changes on the elements of the marketing mix were done due to competition. Reijonen (2009) found that small incremental changes were made with increasing competition.

Kuratko and Hodgetts (2007) suggest that the effective marketing for small firms is influenced by three elements: the business orientation, segmentation and consumer behaviour. This research limited influencing factors to the type of clientele to serve. Consumer behaviour and business orientation were not studied as their study will demand more time as both the business enterprise and the consumers have to be studied. Environmental variances will have to be studied as well.

2.2.2 Marketing Mix Decisions in MSEs

MSEs are confronted with a smaller set of marketing mix decisions because of their inherent limitations. Their ability to employ certain aspects of the marketing mix is limited majorly on resources and the experience of the owner/manager (McCartan-Quinn and Carson 2003; Reijonen 2009). The smaller mix can also be attributed to the fact that owner managers have a narrow definition of marketing which is often interpreted as sales Reijonen (2009 cited in Stokes 2000 b). Even so, the smaller mix of decisions varies greatly with the environment and industry. Current studies give generic marketing solutions across all industries despite the fact that industries have significant differences (Liedholm, 2001; Reijonen 2009).

Blankson and Cheng (2005) observed certain marketing practices that covered the basic marketing principles. These practices included pricing, promotional activities, product quality and customer service. From literature, customer service practices seem to be product augmentation practices through the basic elements of marketing as they include better packaging,

faster delivery, and courtesy during service, and as such, customer service was studied under product attributes as product augmentation for the purposes of this research. This is following theory that classifies such attributes under product augmentation as presented by Kotler (2008).

Kuratko and Hodgetts (2007 p. 301) contend that even after market research, MSEs do not know how best to price their products. MSEs are often price takers, depending on market intelligence, when setting the price of items (McCartan-Quinn and Carson 2003). Kimani (2010) had similar findings on MSEs picked from Kawangware and Meru who considered competitor prices and the level of demand in setting prices. However, the major determinant was cost of acquiring the product. Reijonen (2009) found that MSEs were less likely to change pricing and communication of their offerings in Finland. Kimani et al (2010) found contrary result for Kenyan MSEs who changed prices depending on the time of day, product quality, length the stock had stayed in the store and clearances, the type of customer-credit worthy, regular and those who bought in bulk received discounts while those who seemed less to bargain or seemed to have a bigger wallet were charged higher than the rest.

Product decisions are more easily done to keep up with competition. Small incremental changes are made rather than radical product changes, partly due to the risks involved if failure occurs, and partly due to the resources needed to do radical product changes (Reijonen, 2009). Sonobe et al. (2009) found similar findings in Kenya as entrepreneurs of MSEs initially increased product quality incrementally before seeking new markets. Seemingly, MSE owner/managers tend to augment the product before altering the original product to fight competition or to succeed. The major avenue for augmenting the product is through customer service. Kimani (2010) found similar findings however, these changes were not often with most MSEs not changing product attributes.

Promotion is what most MSEs consider to be marketing. MSEs are relatively aware of promotion practices available to them but generally do not engage in promotion. This is because promotion efforts are often expensive and are used for a limited amount of time (Blankson and Ogenyi, 2002; Blankson et al, 2006). This is contrary to Reijonen, (2009) which found that promotion activities were given more emphasis than place, product, and pricing decisions. Kimani et al (2010) found that promotion was majorly done through in store displays. They also depended heavily on good public relations and the use of brochures and fliers. This seems to support

Blanskon et al (2006) which found that promotion relied on building good customer relationships that would in turn attract more customers. The main aim for promotion was to make a sale (Reijonen, 2009).

Distribution decisions are generally affected by the environment the entrepreneur is operating in. They are rare decisions for MSE owners to make and are only done when pushed by competition or the need for growth. For example, the main motivating factor for MSEs in Kariobangi to seek new distribution channels is competition (Sonobe et al., 2009). Distribution decisions were critical majorly when competition or expansion pressures kicked in. Another factor that Sonobe et al. (2009) found was that after a certain level of quality, MSEs were more likely to move to more formalised areas to match image and to convince customers of the quality. It would be interesting to find out what the case is for MSEs in Westlands as the area is already a formal shopping centre with good infrastructure. The area is also generally considered a well off area as it is surrounded by well off suburbs

2.3 Success Factors

Success is the ability to achieve set objectives for any task. For firms, success can be categorised as growth in sales, expansion of business to new areas, product innovation, increasing customer numbers, and so on depending on the set objectives (McCartan-Quinn and Carson, 2003). For this research, success was defined using three measures. It was defined as the growth of the firm either financially or in terms of employee numbers, or expansion of the business (increased floor space).

There is no clear list that defines what the causes of failure of small businesses are (Lussier 1996). Lussier (1996) studied 15 variables that could lead to possible failure of small businesses in America. From the 15 variables, there are divergent views from various authors on the real cause of business failure. Some authors argue that lack of financing as the main cause of business failure. Others however argue that poor management and lack of business knowledge are the main causes. In Kenya, competition and insecurity top the list at 89.4% and 68.2% respectively (Bowen, Morara and Mureithi, 2009). Similar results were found in South Africa's MSEs sustainability with insecurity being a major factor (Kassim and Hendricks, 2002). Liedholm (2001) established that in the Dominican Republic MSEs site low demand and personal reasons as the reasons for failure of businesses.

The success of a business is really affected by a myriad of activities and all contribute to success. The industry in which a business operates in, affects the success of MSEs (Liedholm, 2001; Chu et al 2007). Research has found that in the Kenyan market, success rates of MSEs vary significantly by sector/industry. Retail trading was found to be most volatile and success was unlikely with such businesses being 30% more likely to fail within the year of operation when compared to other industries such as real estate, and wood work. Some industries have a more stable rate than others hence the difference. The management skills and the education level of the manager mattered (e.g. McCartan-Quinn and Carson, 2003; O'Dwyer, Gilmore and Carson, 2005; Reijonen, 2009). In their review, Chu et al (2007) showed that several factors were considered necessary for success and they included, work experience, managerial training, external environmental conditions, government support, number of employees in the business and access to capital.

However, when looking at marketing, McCartan-Quinn and Carson, (2003, cited in Smith 1990) argues that the success of business firms is dependent on the presence of a product and market for them which should be backed up by effective marketing. Pelham and Wilson (1996) found that firms that employed marketing practices that followed the marketing orientation were more profitable. Li et al (2008) found that small firms placing themselves strategically in the market using marketing to gain competitive advantage were more successful than innovative firms. This is because innovation was quickly replicated by competition and therefore competitive advantage was lost quickly. To quote Baker and Sinkula (2009):

“Higher profit margins are the result of greater synergies between target market selection, product development, pricing strategy, distribution, and promotion, which enables the delivery of products, and services that are customized to meet the needs of specific target markets. This direct effect of market orientation reflects more than a competency to innovate products and services. It reflects a broader competency to add value by targeting complete marketing mixes (product, price, distribution, promotion) to specific customer niches.”

Chu et al (2007 cited in Huck and McEwen, 1991) said that among the most important competency areas was marketing/ selling besides management, planning and budgeting.

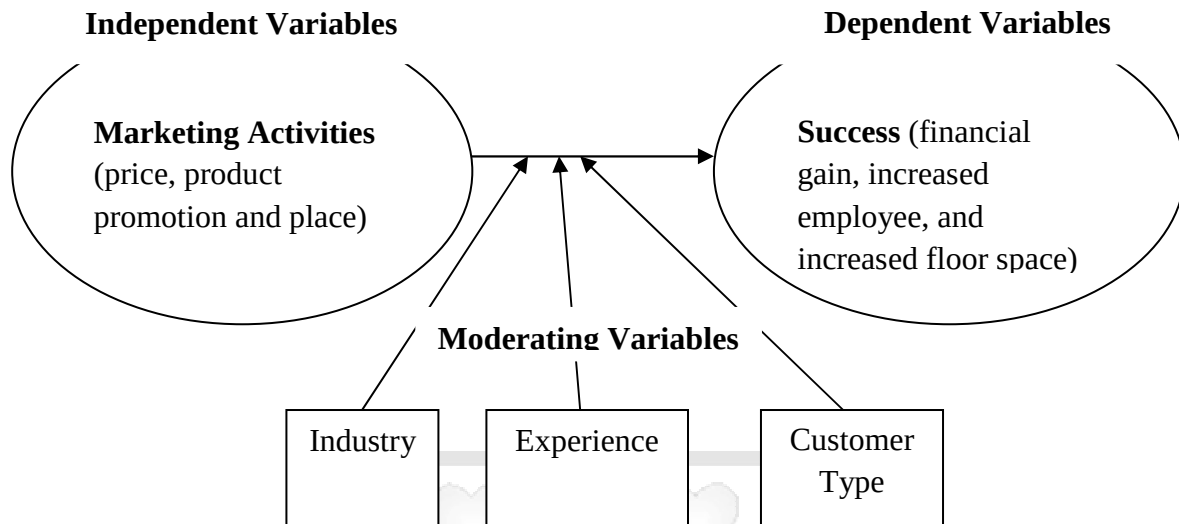
Of those businesses that do succeed and continue to grow, little is known of the ‘marketing formula’ employed for the success. If none is universally applicable for failure, then it is difficult to establish one for success. However, industry similarities are expected as each has some level of critical success factors to be successful in employing marketing. This study seeks to explore such similarities. This is informed by empirical findings by (Reijonen, 2009) who concluded that there is no universal formula to market across industries in MSEs

2.4 Conceptual Framework

From reviewed literature, MSEs are confronted with a smaller set of marketing mix decisions because of their inherent limitations (McCartan-Quinn and Carson 2003; Reijonen 2009). Blankson and Cheng (2005) observed that marketing practices of MSEs covered the basic marketing principles. These practices included pricing, promotional activities, product quality and customer service. The decisions made around marketing and the subsequent practices were influenced heavily by the industry (Liedholm, 2001; O’Dwyer, Gilmore and Carson 2005; Reijonen, 2009), experience (e.g. Blankson and Ogenyi, 2002; McCartan-Quinn and Carson 2003 Blankson, Motwani and Levenburg, 2006) and the type of customer (Liedholm, 2001).

This research therefore studied the relationship between marketing activities (quantified by pricing, product, promotion, and place activities) and success (as measured by financial gain, increased employees and increased floor space) as moderated by the industry (separated into four: professionals, traders, artisans, and entertainment houses), experience (quantified by years of operation, level of education, specific education in marketing and number of employees), and customer type (either serving the business market or consumer market).

Figure 1: The Relationship between Marketing Activities, Success and Influencing Factors



Developed from reviewed literature

2.5 Chapter Summary and Gaps

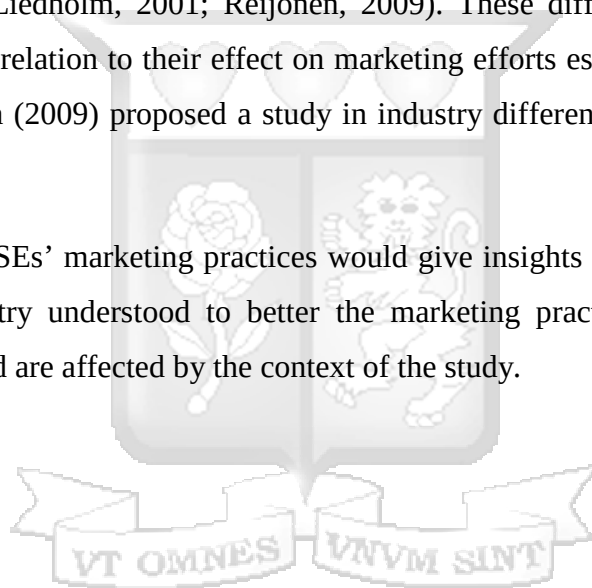
MSEs in Kenya have indeed come a long way and have gone through many cycles. One of the major causes in MSE failure in developing economies is competition (Liedholm, 2001; Kassim and Hendricks, 2002; Mbah et al., 2007; Li, 2008; Kimani, 2010). Literature also suggests that little marketing effort is employed by MSEs in Africa and similar markets (Liedholm, 2001; Kassim and Hendricks, 2002). This is the same case world over, in both developing and developed markets, as scholars have highlighted the fact that MSEs do not engage in marketing and that such marketing efforts are ad hoc or intuitive efforts by the owner manager (Blankson and Ongenyi, 2002; Blankson, Motwani and Levenburg, 2006; Bowen, Morara and Mureithi, 2009). Marketing is the one business function that theory suggests is the weapon to be used when faced with competition. Marketing is a way you better communicate the product to strategically place one's business better than competition (Kerin and Peterson, 2007; Kotler, 2008). Kimani (2010) found that MSEs to some extent apply strategic marketing tactics but fall short due to inherent systemic issues such as lack of funds, lack of technical skills, lack of market information and poor bargaining power

Marketing is relatively ignored with most research highlighting financing and mismanagement as the major problems for MSEs (e.g. Onsando, 2008). In fact, Bowen, Morara and Mureithi (2009)

shows that financing is not a real issue for MSEs in Kenya. The literature on the reaction to competition which is mostly embodied in marketing is scanty for the MSE sector in Sub-Saharan Africa. Recent research in both developing and developed economies has shown a strong relationship between marketing and the success of MSEs (e.g. Pelham and Wilson, 1996; Mbah et al., 2007; Li, 2008; Baker and Sinkula 2009). Li (2008) showed that firms in China had a better chance of succeeding by having better marketing strategies than their competitors. Being innovative had positive effects but being able to deliver and communicate the products better than competition had a greater positive effect.

Current studies give generic solutions across all industries despite the fact that industries have significant differences (Liedholm, 2001; Reijonen, 2009). These differences across industries have not been studied in relation to their effect on marketing efforts especially for MSEs in Sub Saharan Africa. Reijonen (2009) proposed a study in industry differences as an area for further research.

A study of successful MSEs' marketing practices would give insights that could be applied and the differences in industry understood to better the marketing practices of MSEs since the practices are different and are affected by the context of the study.



CHAPTER THREE

METHODOLOGY

This section describes the methodology used during the research. It is organized in the following sub topics: research design, target population, sampling technique and research method, data collection tools and the analysis tools

3.1 Research Design

The study used a mixed model approach applying both quantitative and qualitative approaches. As in Harris and Piercy (1999) and Blankson and Cheng (2006) this study employed an exploratory design. The aim was to understand current marketing practices done by businesses in Westlands and how significant that is to their success. This design was chosen since little is known of the marketing practices currently being employed by MSEs in this region and especially industry variances. This design is also appropriate because the depth of knowledge sought requires exploration. Further, the significance of the themes across categories was important for this study, hence the use of statistical tools in the analysis of data. The location chosen had around 400 MSEs (see **Appendix 1**). This location is the busiest and has a significantly higher concentration of MSEs than other areas in Westlands.

3.2 Target Population

The sampling units were businesses that have been in operation for the last 7 years in Westlands. Drawing from literature (e.g. Liedholm 2001), MSEs in Kenya have their peak closure between the second and third years of operation. Past the 5 year mark, small businesses are considered to have a greater chance of survival and are more likely to grow.

The sample elements were owner/managers who have been active in the business for at least 4 years. Information dating the same period was sought. Since the research heavily relied on recall and opinion, responses from active owner/managers who have decision making power and have implemented these decisions was used. As highlighted by (Liedholm 2001; McCartan-Quinn and Carson, 2003; Sonobe et.al 2009), owner/managers are heavily involved in the decision making and implementation of strategies, some which take years to come to fruition. This research thus sought opinion from those individuals who have had this experience in the business.

3.3 Sampling Technique and Research Method

The research used non-probability sampling, specifically purposive sampling, to select potential businesses. Purposive sampling was best suited for this case as it allowed for the researcher's experience (in this case, about Westlands) to be used in getting the target group of respondent (Churchill and Iacobucci, 2005; Trochim, 2006). This is necessary to eliminate the contact of businesses that are known to be less than 7 years old in Westlands. Further, the study required specific study of industries therefore judgment was used to determine this. Non-proportional quota sampling was further used to come up with the final sample of the businesses. Non-proportional quota sampling was desired as one of the major interests of the study was to get insights on the marketing activities across varied industries (Trochim, 2006). The proportions in these industries are not proportionate to each other as shown in Liedholm (2001), Bowen, Morara and Mureithi (2009) and Kimani (2010). As such proportional quota sampling will necessarily eliminate insight from certain industries. Further, being a qualitative study, the main focus was not on proportions but the insights developed from the information.

The major method used was in depth interviews and covert observation of various activities mentioned. It was proposed that 8 businesses in each category were to be interviewed giving a total of 32 businesses. The categories are: professional services (includes salons, dentists, clinics, accounting firms), trading (any business involved in merchandising i.e. buying and selling of products), artisans (businesses which personally make products including curio shops, furniture shops and fashion houses that make the clothes themselves) and entertainment houses (any bar and restaurant that is open at least 6 days a week for at least 18 hours). This definition of an entertainment house was drawn from the feasibility study conducted in the area prior to the full research. It is good to note that this definition was arrived at before the implementation of the Alcoholic Drinks Control Act 2010 that restricted the timings which alcoholic drinks may be served.

In total, 33 businesses were interviewed but only 31 were used for analysis. There were a total of 6 interviews used from category 1, that is, professional services; 9 interviews from category 2 that is, trading; 8 from category 3 that is, artisans; and 8 from category 4 that is, entertainment houses. 2 businesses were eliminated from analysis in category 1 as one of the businesses was found to have misrepresented the age of the businesses when verification was being done. The

other business was eliminated as when covert observation was being done, some of the activities it claimed to be doing were not observed. An extra interview was sought from category 2 as one of the businesses interviewed declined to give full demographic information during the interview nevertheless, all the other information was found to be true during validation

This categorization was arrived at after a pilot study of the area to look at the general business categories the MSEs fall under and looking at several different categorizations by different research. This is summarised in **table 1** below



Table 1: Categorizations according to literature

Research paper	Categorization
Liedholm (2001)	Had 2 broad categories, • Manufacturing • Commerce However, in highlighting industrial differences, retail trading, woodworking, real estate, wholesale traders, non-metallic metal enterprises, transport, and chemical industries were mentioned
Kimani (2010)	Had 12 categorizations • Clothing-new ready-made, • Clothing-tailored, • Clothing-second-hand, • Hair salon, • Barber shop, • Vegetables, • Food kiosks/ small hotels, • Hardware shops, • Chemists, • Carpentry, • Welding, • Garages, • Grocery shops.
Bowen, Morara and Mureithi (2009)	Relied on the 8 business categories as outlined by the city council as: • General Trade, Wholesale, Retail, Stores, Shops, Personal Services: • Hawkers. (Group was not sampled as numbers were difficult to verify) • Transport, Storage and Communications: • Agriculture, Forestry & Natural Resources Extraction: • Accommodation and Catering: • Professional & Technical Services: • Private Education, Health and Entertainment Services • Industrial Plants, Factories, Workshops, Contractors
Mikkelsen (1999)	Had 3 major categorizations • Textiles • Agricultural product and • Handicrafts

The trading and artisans groups were common in all the categorizations even though they were given different names. Professional services had been mentioned by literature but broken down into the several sectors. These sectors were amalgamated to one umbrella as they are all in the service industry. Entertainment houses were a categorization revealed after a pilot study on the

area. These were a very popular feature in Westlands shopping centre unlike other shopping centres which have proportionately less number of entertainment houses.

3.4 Data Collection Procedures and Tools

Initial contact of the businesses was done by visiting the premises to ask for permission to conduct the research. Once permission was granted, an appointment time and venue was set that was agreeable to both parties. The average time for an interview was 1 hour. A semi structured interview guide was used to ask questions (see **Appendix 2**).

This research used notes taken by the interviewer to collect the information during the interviews. The respondents were more receptive to note taking rather than tape recording and therefore tape recording was totally abandoned as a way of collecting information. As shown by literature (e.g. Perry, 2001), few MSEs keep records of activities done within the organization. This was found to be true as none of the businesses had ready financial information and those who had them were not willing to reveal them. Evidence of marketing activities such as evidence of new branch locations, fliers and posters of past marketing, partner companies, shop front advertising was observed and verified.

3.5 Analysis and Presentation

Information relating to firms in the same industry was clustered together. Data was then coded in form of themes for analysis. As Trochim (2006) the coded data was represented quantitatively and correlated to success factors. The correlation was done across themes to check the strength of the relationships. The correlation was done using the help of the software Minitab as provided by the University.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

This section describes the analysis done of the data collected from the MSEs, and findings analysed and correlated to literature findings.

The chapter is divided into 3 main sections in line with the objectives. Section 4.1 contains the analysis of objective 1 which presents the analysis of understanding the general characteristics and marketing environment of MSEs in Westlands. This section studies the demographics, the experience, type of customer they serve, their motivation to market and the challenges they face. Section 4.2 addresses objective 2 which examines the significance of the correlation between marketing mix elements and success of micro and small enterprises. Section 4.3 observes the combinations of the marketing mix elements relevant to success within specific industries in the MSE sector.

Note, all two sample t-tests used the Welch t-test which unlike the classical t-test, assumed unequal variances. The Welch t-test is insensitive to unequal variances across groups, which is a basic assumption in this study, that is, the samples in different categories are significantly different from each other.

4.1 Objective 1: Understanding the General Characteristics of and General Marketing Environment of MSEs in Westlands

4.1.1 General Characteristics

The approximate number of businesses in the selected geographic area was 400 businesses (**see Appendix 1** for map of area). 33 businesses were interviewed but only 31 were used for analysis. There were a total of 6 interviews used from category 1, that is, professional services; 9 interviews from category 2 that is, trading; 8 from category 3 that is, artisans; and 8 from category 4 that is, entertainment houses.

2 businesses were eliminated from analysis in the professionals category as one of the businesses was found to have misrepresented the age of the businesses when verification was being done. The other business was eliminated as when covert observation was being done, some of the activities it claimed to be doing were not observed. An extra interview was sought from traders

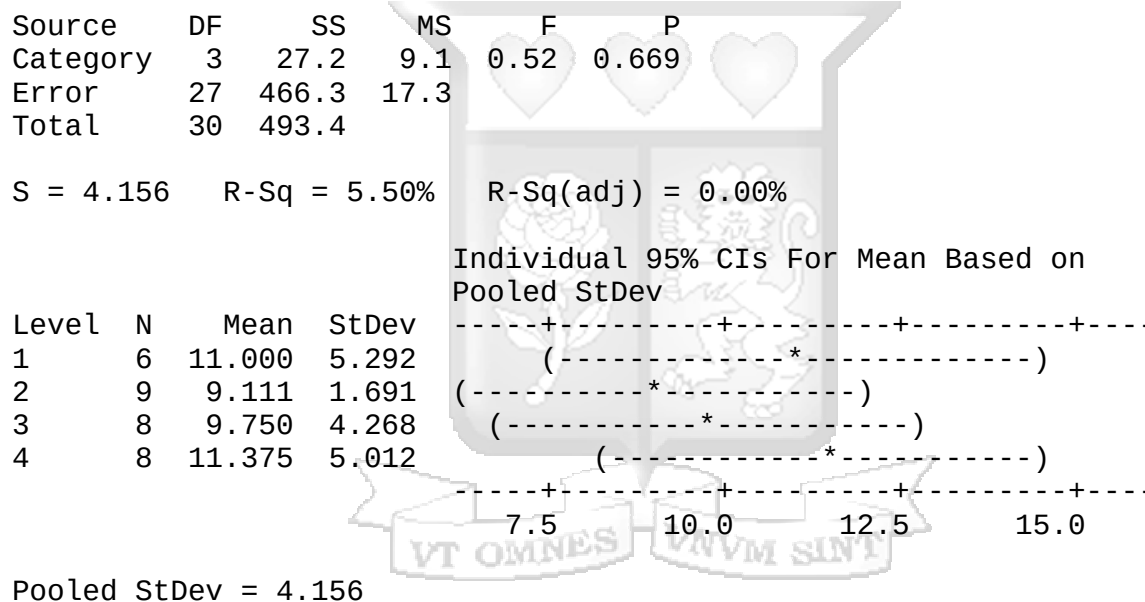
as one of the businesses interviewed declined to give full demographic information during the interview nevertheless, all the other information was found to be true during validation

4.1.2 Experience: Years, Education and Employees

4.1.2.1 Years

The average number of years of operation is 10.23 years with a range of 7 to 22 with a standard deviation of 4.056. The modal age of the businesses was 9 years. A one way ANOVA reveals that there isn't any real variability in the age of the sample chosen, therefore, all businesses should have faced more or less the same general environmental conditions.

One-way ANOVA: Yrs versus Category



Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

Table 2 summarises the average ages and standard deviation of the years of operation of the businesses per category.

Table 2: Summary of the years of operation across categories

Item	General	Professionals	Traders	Artisans	Entertainment Houses
Number	31	6	9	8	8
Average Years of Operation	10.2	11	9.11	9.75	11.375
Standard Deviation	4.056	5.29	1.691	4.27	5.01
Range Years of Operation	7 to 22	7 to 20	7 to 12	7 to 20	8 to 22

4.1.2.2 Education

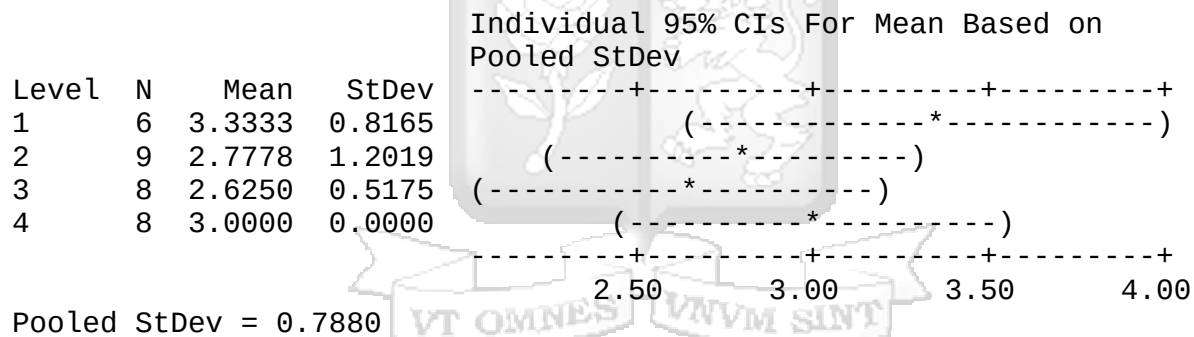
A majority of 66.7% claimed to have college/technical school education which did not qualify as a degree. Those who had a university degree and a secondary school certificate tied at 16.7% each. A majority of 58.06% claimed to have undergone some basic training in marketing outside their normal professional training to boost understanding in the field.

A one-way ANOVA studying the variability in education among the different categories at 95% confidence level shows that this variability is not significant as there is a lot of overlap among categories.

One-way ANOVA: Education (a) versus Category

Source	DF	SS	MS	F	P
Category	3	1.946	0.649	1.04	0.389
Error	27	16.764	0.621		
Total	30	18.710			

S = 0.7880 R-Sq = 10.40% R-Sq(adj) = 0.44%



Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

Despite no significant variability, professionals recorded higher levels of education. It recorded a higher average compared to the rest of the groups. The lowest educated were artisans. {The codes were 1 for primary; 2 for secondary; 3 for college and 4 for university therefore the lower the average the lower the education level}

For the professional category, being an industry where specialisation is required, it was expected that majority of the owners/managers possessed technical skills. This expectation was held true as a majority of 50% claimed to have university education that led to the attainment of a degree while 33% had college/technical school education which did not qualify as a degree. Combined,

a majority of 83% had attained education with college and above which is similar to the general industry average of 83.34%. 16.7% had a secondary school certificate. A majority of 66.67% claimed to have undergone some basic training in marketing. This was either through their normal professional training or training received after their professional studies to boost understanding in the field. This was higher than the industry average of 58.06%. Those who had not received specialised education in marketing, who were 33.33% of this category, were conducting businesses that they were specialised in. For instance, one manager had a university degree in customs law and was operating a logistics company involved in importation and exportation on behalf of companies.

For traders, 55.56% claimed to have technical training, 22.22% claimed to have university education, 11.11% had only attained secondary certificate as the highest level of qualification. 11.11% refused to comment on the level of education. 55.56% claimed to have received further education in business management and/or marketing. This group of people had attained technical training or had university education. None of the 44.44% who did not go for further training in business management or marketing had any training in a business related course. Of these, 50% were in a business related to college level training, 25% had secondary level training and 25% refused to comment.

For Artisans, it was expected that the levels of education would generally be low. This is because there are only a handful of institutions giving artistic education and even fewer offers it as a recognised degree. Surprisingly, 62.5% of the respondents had College/Technical school education while 37.5% had secondary school education. All those who had college/technical school training were businesses that were relatively bigger in terms of floor space. 37.5% had not received any form of training in business management or marketing. The majority of 62.5% claimed to have received some form of business training either from MSE forums, or through previous course studied (most featured response) or SACCOs that they are members in.

All Entertainment House owner/managers in the sample had middle level college education i.e. tertiary education that is not at degree level. 87.5% have related education in the hospitality industry and 62.5% have had further training marketing and/or business management.

A summary of the education levels is shown in **table 3**

Table 3: Summary on education levels across categories

Item	General	Professionals	Traders	Artisans	Entertainment Houses
Number	31	6	9	8	8
University	16.67%	50%	22.22%	0.00%	0.00%
College/Technical School	66.67%	33.33%	55.56%	62.50%	100%
Secondary	16.67%	16.67%	11.11%	37.50%	0.00%
Primary	0.00%	0.00%	0.00%	0.00%	0.00%
No Comment	0.00%	0.00%	11.11%	0.00%	0.00%
Business Education/Marketing	58.06%	66.67%	55.56%	62.50%	62.50%
No Business Education/Marketing	41.94%	33.33%	44.44%	37.50%	37.50%

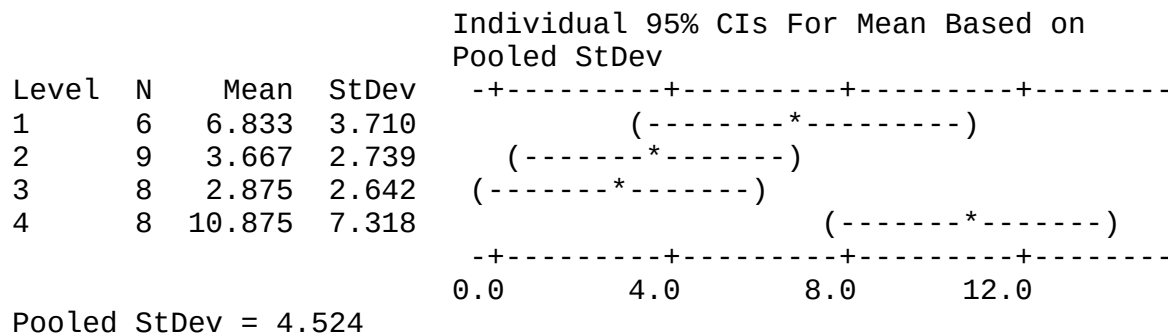
4.1.2.3 Employees

The average number of employees is 5.94 employees ranging between 1 and 25 and a standard deviation of 5.4. The variability in employee numbers across categories was significant with entertainment houses having the highest average and the largest variability. The variability between traders and artisans is small while that of professionals lies between traders/artisans and entertainment houses. This variability is significant since the F-statistic is fairly large at 5.23 with a p-value of 0.006 which is lower than the 0.05 alpha level as seen below.

One-way ANOVA: Employees versus Category

Source	DF	SS	MS	F	P
Category	3	321.3	107.1	5.23	0.006
Error	27	552.6	20.5		
Total	30	873.9			

S = 4.524 R-Sq = 36.77% R-Sq(adj) = 29.74%



Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

A group comparison as seen in **table 4** shows that professionals and entertainment houses have average number of employees higher than the industry average while traders and artisans have below average number of employees. The results for professionals and entertainment houses can be explained by the fact that they are labour intensive hence the higher averages.

Table 4: Summary on employee information across categories

Item	General	Professionals	Traders	Artisans	Entertainment Houses
Number	31	6	9	8	8
Average Number of Employees	5.90	6.833	3.667	2.875	10.875
Standard Deviation	5.4	3.710	2.739	2.642	7.318
Range Number of Employees	1 to 25	2 to 12	1 to 10	1 to 8	5 to 25

Two sample t-tests (**table 5**) showing the significance of variability if these averages among each other show that when each category is isolated and compared to the rest of the businesses only professionals had no significant difference from the rest. However, the average of the industry is greatly influenced by the high average of entertainment houses and the low averages of traders and artisans.

Traders had a negative t-value showing the average is lower than the industry mean. This could be explained by the fact that trader firms are merchandising firms which could increase their level of production without increasing the number of employees. The negative direction of the t-value in artisans is surprising since artisan shops are generally labour intensive since all the items are made from scratch, generally by the shop owners themselves. Very few items are brought then re-sold. To increase production they have to increase employees. This is especially true for fashion houses. Curio shops on the other hand change products every other day and hence have a lower level of production and once a batch of product is finished, they can quickly change to something else.

Table 5: Summary of two sample t-tests comparing differences in employee numbers

Item	Professionals	Traders	Artisans	Entertainment Houses
Category average (Mu ₁)	6.833 (n= 6)	3.67 (n= 9)	2.88 (n= 8)	10.88 (n= 8)
Other categories average (Mu ₂)	5.72 (n=25)	6.86 (n= 22)	7.00 (n= 23)	4.22 (n= 23)
Estimate for difference	1.11	- 3.19	- 4.13	6.66
95% confidence interval for difference	-3.08, 5.30	- 6.40, 0.02	-7.25, -1.00	0.33, 12.99
T Value	0.58	- 2.04	- 2.72	2.49
P Value	0.572	0.051	0.012	0.042
Degrees of freedom	11	28	26	7
Comments	The average number of employees hired by professionals is comparable to the industry average since the test found no significant difference in the two means. It's good to note that this may be affected by the low averages of traders and artisans	The average number of employees was significantly higher than the rest of the MSEs put together. The t-value of 2.04 was higher than the critical value of 1.071.	The average was significantly lower with a t-value of -2.72 than the general MSE average of 7 employees.	Proving the ANOVA the average is significantly different from the rest of the MSEs.

*Critical values derived from T Distribution table (see **appendix 3**)

Overall, experience as explained by years of operation, education and employees was not significant in the success of MSEs in Westlands. The r squared adjusted was 0.0% and all the variables were statistically insignificant for the general industry, professionals and entertainment houses. For traders, the r-squared adjusted was 48.9% with employees being the most statistically significant since it had a p- value of 0.076. Artisans were the only category where experience was statistically significant with an r-squared adjusted of 91.8% and a p-value 0.016.

The regression equation is:

$$\text{Total gain} = \text{Constant} + \text{Yrs} + \text{Education (a)} + \text{Education (b)} + \text{Employees}$$

The coefficients for the general and specific categories are summarised in **table 6**

Table 6: Regression Analysis -Total gain versus Yrs, Education (a), Education (b) and Employees

Item	Constant	Years	Education (a) [General]	Education (b) [further marketing]	Employees	F Statistic	P Value	R Squared Adjusted
General Total Gain =	0.002	0.02232	0.1989	0.359	0.03344	0.9	0.481	0.00%
Professional Total Gain =	1.796	-0.095	-0.337	0.191	0.3054	0.56	0.749	0.00%
Traders Total Gain =	-1.597	0.1043	0.3132	0.2371	0.2396	2.91	0.163	48.90%
Artisans Total Gain =	-6.379	0.19226	0.9004	1.8781	0.23766	20.5	0.016	91.80%
E. Houses Total Gain =	2.641	-0.1168	0.00	-0.1664	0.03835	0.78	0.562	0.00%

4.1.3 Consumer Served

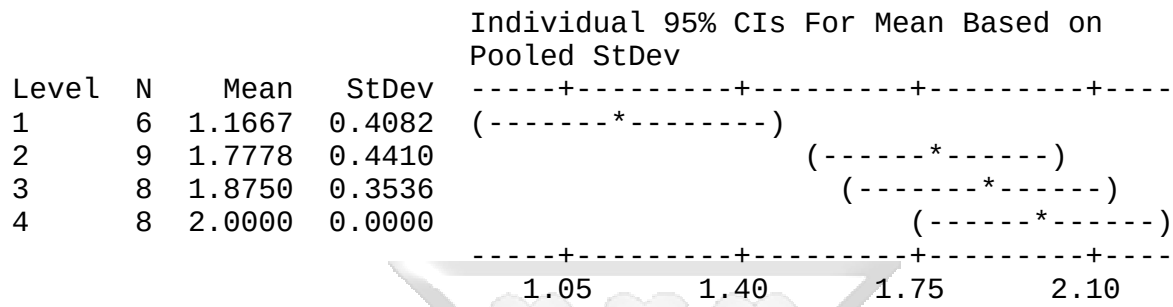
A majority of 74.2% rely on the consumer market as the purchase occasions were higher than those of the business market. For all these businesses, the main revenue stream was the consumer market.

As for the minority group of 25.8% whose major volumes of purchase were from the business market, 50% reported that they mainly rely on the business market for revenue while the other 50% claimed that revenue streams from both markets were significant to the business and thus cannot be ignored. This minority was from professionals as clearly seen from the ANOVA below. Most MSEs in the professional category, on average, served the business market. The rest tended to serve the consumer market with entertainment houses wholly relying on the consumer market. The significance of this is seen in the analysis of variance below. The F-Statistic stood at 7.37 while the p value was 0.001 at a confidence level of 95%. (The business market was given a code of 1 while the consumer market a code of 2)

One-way ANOVA: Volume of Customer Purchase versus Category

Source	DF	SS	MS	F	P
Category	3	2.672	0.891	7.37	0.001
Error	27	3.264	0.121		
Total	30	5.935			

S = 0.3477 R-Sq = 45.01% R-Sq(adj) = 38.90%



Pooled StDev = 0.3477

Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

As seen in **table 7** revenue streams for all categories except for professionals are largely dependent on the consumer market.

Table 7: Type of customer in terms of volume of purchase and revenue streams

Item	General	Professionals	Traders	Artisans	Entertainment Houses
Number	31	6	9	8	8
Volume of Purchases					
Consumer	74.20%	16.67%	77.78%	87.50%	100%
Business	25.80%	83.33%	22.22%	12.50%	0%
Revenue Streams					
Consumer	74.20%	16.67%	77.78%	87.50%	100%
Business	12.90%	33.33%	11.11%	12.50%	0%
Both	12.90%	50%	11.11%	0.00%	0%

4.1.4 Motivation to Market

Being a multiple answer question, businesses were encouraged to generate a list of reasons why they market. The biggest motivation to market was to increase sales of the business at 45.16%. This was closely followed by competition at 38.71%.

The assessment of this motivation reveals that 67.74% believed the marketing effort was just successful. The general feeling was that it was a worthwhile investment but not exceptionally successful. 22.58% reported that the effort was very successful. They claimed that the marketing efforts employed helped them get on the next stage of business and emerged more confident. 3.23% said that the effort was unsuccessful while 6.45% refused to comment on the success of the effort.

For professionals, the biggest motivator for this was to increase sales as mentioned by 83.33% of the businesses. Other factors that were mentioned were competition, the type of clientele and strategic partnerships which were all in fact mentioned by one business which made up 16.67% of the businesses. All businesses mentioned that the marketing effort was just successful and had expected more from the marketing effort.

For traders, to increase sales and to fight off competition were the major reasons why businesses in this group market. These responses were featured by 33.33% of the businesses each. This was followed by experience gained by the owner/manager and announcing a new location 22.22%. Increased awareness and formation of strategic partnerships motivated 11.11% of all businesses to market. For this group, customers and a new innovation were not highlighted.

For artisans, unlike the professionals where the main motivation to market was to increase sales, the artist category's major motivation to market is to fight off competition as was mentioned by 62.5% of the businesses. Strategic partnerships, to increase awareness and increase sales were mentioned by 12.5% of the businesses. 50% claimed that the efforts they had put were very successful, 25% were just successful, 12.5% were not successful and 12.5% refused to comment on the success of the effort.

For entertainment houses, like the professionals, the main motivation to market was to increase sales. 62.5% of all businesses reported this to be the main motivation to market. This was followed by competition which was cited by 37.5% of all the businesses. Other reasons that were cited were experience and the marketing of a new location. 87.5% cited that the marketing effort employed was just successful the other 12.5% said that the effort was very successful in achieving the objectives set.

4.1.5 Challenges to Marketing

This section was studied category wise and the results are presented in order of category numbers

4.1.5.1 Challenges to Marketing: Professionals

16.67% of the respondents said it is hard to market a brand especially one that has a bad reputation. This particular business was a franchise of a company that recently had bad publicity and therefore suffered as the mother company. Since it was tied to a contract, it had to stick to the franchise and business has been hard.

16.67% claimed that pricing was a challenge since quantifying a service was hard especially when it differed from job to job. Services had the uniqueness of offering creativity which customers and the business found hard to justify.

33.33% claimed that marketing expenses were too high for the business. Besides financial costs, it was time consuming since marketing required personal effort which often goes to waste with blind promises from customers

33.33% claimed that building customer confidence was the hardest challenge in marketing. Being an industry that serves highly demanding consumers, qualifications are key and being young in business worked to the disadvantage of the business. Some needed to see years of experience before a contract is awarded. If years of experience are absent, then proof of competency was needed. However, since they had to hold to customer confidentiality it was difficult to reveal the projects they had engaged in and the process they had used.

4.1.5.2 Challenges to Marketing: Traders

11.11% said that the biggest challenge in marketing was the harassment from the local authorities. 11.11% said that communicating the location was a challenge since it was hidden. 11.11% said that delivering on product quality every time was a challenge as it was expensive. 22.22% said that the cost of advertising was a deterrent factor as heavy cash flows were needed. 22.22% said that the competitors engaged in price wars as a reactive measure which was detrimental to the business. 22.22% said that consumers were a challenge to convince, since they

were unresponsive. Further, it was difficult to follow up on contacted customers due to the costs involved.

4.1.5.3 Challenges to Marketing: Artisans

The challenges that this category put forth are difficult to place. There was no single majority problem. A problem mentioned by 25% of the respondents was price setting. However, the basis of price setting was also different. While 50% mentioned that the price setting problem was due to the problem of knowing how competition set prices, the other 50% said that their consumers made it difficult to market. They claimed that their customers wanted cheap products but they had to also consider the design and the costs of the product

12.5% claimed that creating products to fit customers was difficult. Translating the display products to customer sizes was hard. 12.5% claimed that describing the location was hard since they were all clustered in one area and the business was hidden. 12.5% claimed that it attracted “the wrong” customers when it used mass media. The shop got shop lifters who caused huge losses for the business. Another 12.5% said that the locals made it difficult to operate as they do not appreciate art whilst they were the majority walk-by clients. 12.5% mentioned competition. 12.5% refused to comment

4.1.5.4 Challenges to Marketing: Entertainment Houses

The biggest challenge to market is the cost of marketing as claimed by 50% of the respondents. As articulated by one business, “advertising approaches had to be different for different target markets thus to use many different modes of advertising resulted in a lot of expenses”

25% of the respondents said that the results from marketing activities took long to recognise and was therefore very demoralising to market. This length in time also made it very difficult to measure the results of the marketing activities engaged in.

37.5% claimed that the biggest challenge was that competition was too stiff since there were many restaurants opening each day and customers had too wide a choice.

12.5% claimed that their market was too narrow making it harder to market since majority of the audience was African whilst it was a Chinese restaurant.

12.5% claimed that local authorities and security personnel at buildings made it difficult to reach potential clients since they demanded a permit from the local council or the management of the building both of whom were difficult to reach.

4.2 Objective 2: The Significance of the Relationship between Marketing Mix Elements and Success

4.2.1 Success

This research gave 3 parameters to success: financial gain, increase in number of employees and increasing floor space of the business.

Given a choice, a slight majority of 54.84% describe success subjectively. This slight majority alludes to what literature suggests that success is generally subjective among micro and small businesses. The almost half minority of 45.16% confirms the research by Chu et al (2007) which suggested that Kenyan entrepreneurs are generally driven by financial gain in business. Despite having four options, all the 31 businesses either chose financial gain or gave a subjective response other than the ones stated in the interview guide

In as much as there was some degree of overlap, it is interesting to see that traders and entertainment houses generally tended to use financial gain as a definer of success. (The code for financial gain was 1 while that of subjective measures was 4. Since a lower number was chosen for financial gain, the closer the average to 1, the more objective the measures of success were mentioned in the categories.) Professionals and artisans were more subjective in their definition of success. The p-value of 0.094 found by an ANOVA was higher than the 0.05 alpha level but lower than 0.1

One-way ANOVA: Success Definition versus Category

Source	DF	SS	MS	F	P
Category	3	14.35	4.78	2.36	0.094
Error	27	54.75	2.03		
Total	30	69.10			

S = 1.424 R-Sq = 20.76% R-Sq(adj) = 11.96%

Individual 95% CIs For Mean Based on Pooled

Level	N	Mean	StDev	
1	6	3.000	1.549	(-----*-----)
2	9	2.000	1.500	(-----*-----)
3	8	3.625	1.061	(-----*-----)
4	8	2.125	1.553	(-----*-----)

1.0 2.0 3.0 4.0

Pooled StDev = 1.424

Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

Table 8: Indicators of success

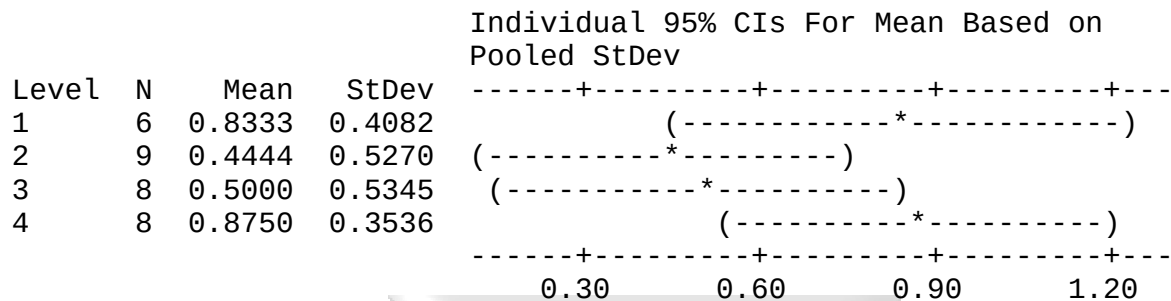
Item	General	Professionals	Traders	Artisans	Entertainment Houses
Number	31	6	9	8	8
Personal View Of Success					
Subjective	54.84%	66.67%	33.33%	87.50%	37.50%
Financial	45.16%	33.33%	66.67%	12.50%	62.50%
Thesis Measure Of Success					
Increased Finances	61.29%	66.67%	77.78%	62.50%	37.50%
Increased Employees	64.51%	83.33%	44.44%	37.50%	87.50%
Increased Floor Space	25.80%	50%	22.22%	12.50%	75%
Average First Time To Change					
Average	2.065	2.83	0.938	1.188	4 or 2.43
Standard Deviation	3.062	3.66	0.547	1.067	4.57 or 1.13

Among all businesses, the most significant indicator of success was increased employee numbers with 64.51% of all businesses reported to having increased their employee numbers as seen in **table 8** above. Artisans reported the lowest tendency to increase employees while entertainment houses had the highest. This can actually be explained by the fact that professionals and entertainment houses are more labour intensive than traders and artisans.

One-way ANOVA: Increased Employees versus Category

Source	DF	SS	MS	F	P
Category	3	1.166	0.389	1.77	0.177
Error	27	5.931	0.220		
Total	30	7.097			

S = 0.4687 R-Sq = 16.43% R-Sq(adj) = 7.15%



Pooled StDev = 0.4687

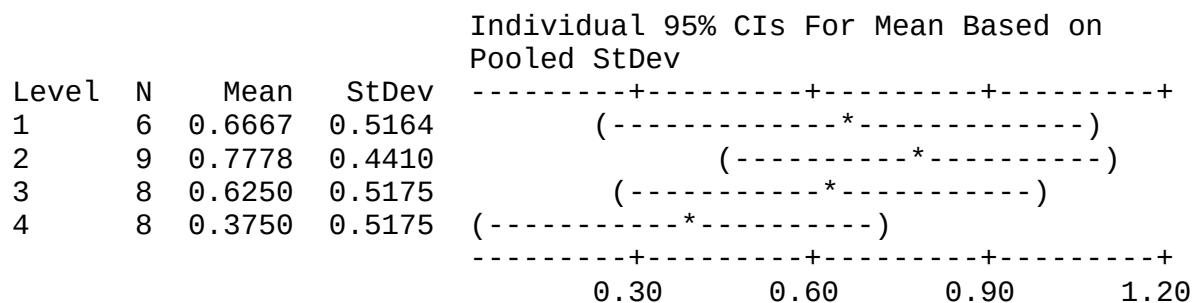
Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

The increase in employees was closely followed by increased finances at 61.29%. Again, the variability in groups was not significant and in fact, fared worse than increased employees with an R-Squared adjusted of 0.00% compared to an r-squared adjusted of 7.15% for increased employees. However, it is good to note that traders had the largest tendency to exhibit this factor while entertainment houses were the lowest.

One-way ANOVA: Increased Finance versus Category

Source	DF	SS	MS	F	P
Category	3	0.716	0.239	0.97	0.421
Error	27	6.639	0.246		
Total	30	7.355			

S = 0.4959 R-Sq = 9.73% R-Sq(adj) = 0.00%



Pooled StDev = 0.4959

Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

Only 25.8% reported to have increased floor space with 87.5% reporting that the premises at Westlands was either the 2nd or 3rd location of the business.

Again, like the previous two, this variable was not significant but professionals were different from the rest of the categories, reporting the highest tendency to exhibit increased floor space. For this category, all who reported increased floor space said that Westlands was a second location and most did it to build credibility and get higher value clientele.

One-way ANOVA: Increased Floor Space versus Category

Source	DF	SS	MS	F	P
Category	3	0.505	0.168	0.84	0.486
Error	27	5.431	0.201		
Total	30	5.935			

S = 0.4485 R-Sq = 8.51% R-Sq(adj) = 0.00%

Individual 95% CIs For Mean Based on Pooled StDev

Level	N	Mean	StDev	
1	6	0.5000	0.5477	(-----*-----)
2	9	0.2222	0.4410	(-----*-----)
3	8	0.1250	0.3536	(-----*-----)
4	8	0.2500	0.4629	(-----*-----)

0.00 0.30 0.60 0.90

Pooled StDev = 0.4485

Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

Whereas there are businesses that have not shown any significant change since inception there are those that have made more than a 300% increase from inception. For businesses in Westlands, the average time that a business takes to show any significant increase in any success variable is 2.065 years, with a standard deviation of 3.062 years. The range is a minimum of 0 years (that is, within the first year) and a maximum of 15 years. The data also shows that the 1st quartile is at 0.75 years and the 3rd quartile at 3 with an inter-quartile range of 2.25.

Across industries, two-sample t-tests were done to compare whether there was a significant difference in the time categories showed any sign of success. The error rate in all cases was 5%. Only traders showed significant variability. The results are summarised in **table 9**

Table 9: Summary of two sample t-tests comparing differences in time to show significant increase or decrease in any of the success variables given by the research

Item	Professionals		Traders	Artisans	Entertainment Houses	
	Total Observations	After Removing Unusual Observations	No unusual observations	No unusual observations	Total Observations	After Removing Unusual Observations
Category average (Mu ₁)	2.83 (n= 6)	1.40 (n= 5)	0.833 (n=9)	1.19 (n= 8)	4.00 (n= 8)	2.43 (n= 7)
Other categories average (Mu ₂)	1.92 (n=25)	1.92 (n=25)	2.61 (n= 22))	2.46 (n= 23)	1.39 (n= 23)	1.39 (n= 23)
Estimate for difference	0.91	-0.52	-1.781	-1.269	2.61	1.040
95% confidence interval for difference	-3.02, 4.84	-2.174, 1.134	-3.378, -0.184	-2.926, 0.388	-1.25, 6.47	-0.234, 2.314
T Value	0.57	-0.67	-2.31	-1.57	1.56	1.71
P Value	0.592	0.515	0.030	0.128	0.157	0.104
Degrees of freedom	6	16	23	28	8	19
Comments	In both cases, the t-value was lower than the critical value at 95% confidence interval. Hence not significant		In this category, the t-value was significantly higher than the critical value. It is the only category where the time to experience any success variable set by the research is significantly different.	This observation was not significantly different from the rest of the MSEs as the t-value was lower than the critical value of 1.701.	The two 2 sample t-tests show that with or without the extraneous value of 15 years, the t-value was still lower than the critical value. However, the degree of the difference was significantly reduced and the p-value lowered from 0.157 to 0.104	

*Critical values derived from T Distribution table (see **appendix 3**)

The aggregate total gain, that is, the tendency to exhibit more than 1 success variable at the same time was mostly exhibited by professionals followed by entertainment houses, then traders and lastly artisans. Again, this was not significant but it is worth noting.

One-way ANOVA: Total Gain versus Category

Source	DF	SS	MS	F	P
Category	3	2.020	0.673	0.84	0.486
Error	27	21.722	0.805		
Total	30	23.742			

S = 0.8970 R-Sq = 8.51% R-Sq(adj) = 0.00%

Individual 95% CIs For Mean Based on Pooled

Level	N	Mean	StDev	
1	6	2.0000	1.0954	(-----*-----)
2	9	1.4444	0.8819	(-----*-----)
3	8	1.2500	1.0351	(-----*-----)
4	8	1.5000	0.5345	(-----*-----)
				+-----+-----+-----+-----
				0.60 1.20 1.80 2.40

Pooled StDev = 0.8970

Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

4.2.2 Success versus Marketing Mix Decisions

The variable chosen to represent success was total gain. Total gain was arrived at by adding all the observed success variables. The value of total gain can therefore have a value of 0 (in cases where there were no changes in the success variables), 1, 2, or 3 (in cases where all 3 success variables were observed)

4.2.2.1 Decision 1: Type of customers served

As seen earlier, a majority of 74.2% rely on the consumer market as the purchase occasions were higher than those of the business market. This is except for professionals who tended to serve the business market. However, the regression analyses done showed that the type of customer did not adversely affect the success shown by the MSEs. No categories showed that the type of customer had a statistically significant correlation with success. A summary is done in **table 10**.

This therefore shows that MSEs that operate in areas with no institutional barriers have a high possibility of success regardless of the customer they serve. This shows that both the business market and the consumer market are favourable for MSEs to operate in

Table 10: Regression Analysis -Total gain versus type of customer

Item	Constant	Type of Customer	F Statistic	P Value	R Squared Adjusted
General Total Gain =	2.36	- 0.484	1.80	0.19	2.6%
Professional Total Gain =	0.60	1.20	1	0.374	0.0%
Traders Total Gain =	1.83	-0.167	0.14	0.712	0.0%
Artisans Total Gain =	0.86	0.14	0.02	0.905	0.0%
E. Houses Total Gain =	Regression not possible since the type of customer was the same				

On the other hand, the type of customer served cumulatively had a significant effect on the number of marketing activities engaged in as seen in the regression analyses presented in **table 11**. When studied all together- the p value was 0.012. However, across groups, the values were not significant hence inconclusive.

Table 11: Regression Analysis -Total Marketing Activities versus type of customer

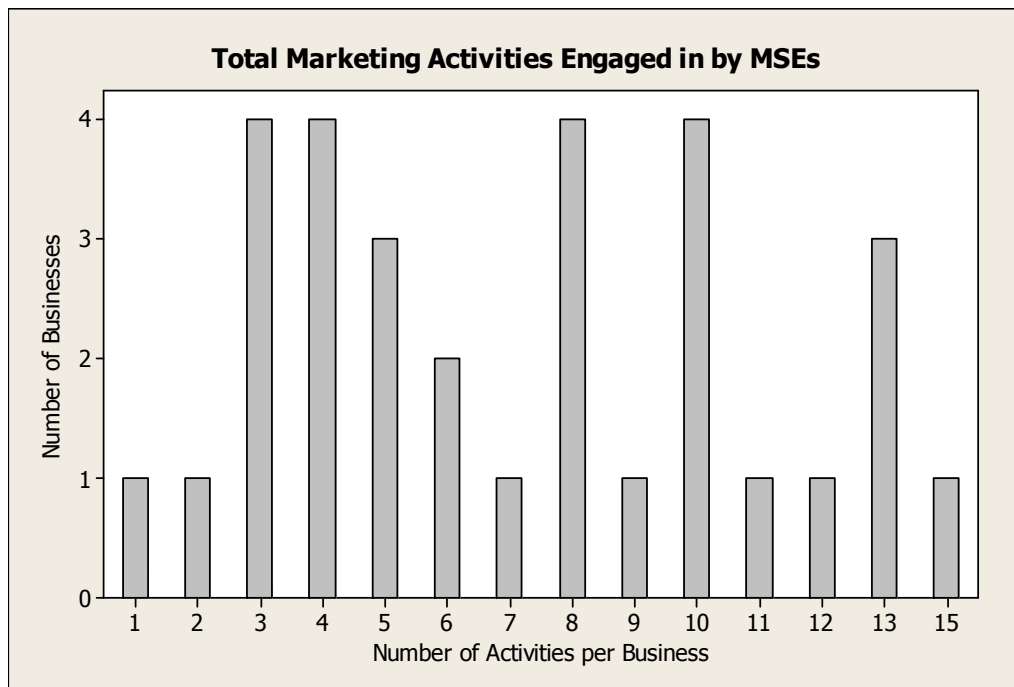
Item	Constant	Type of Customer	F Statistic	P Value	R Squared Adjusted
General Total Marketing Activities =	13.8	-3.78	7.12	0.012	16.9%
Professionals Total Marketing Activities =	13.6	-2.80	0.58	0.488	0.0%
Traders Total Marketing Activities =	15.9	-4.36	2.00	0.200	11.1%
Artisans Total Marketing Activities =	2.57	0.43	0.06	0.813	0.0%
E. Houses Total Marketing Activities =	Regression not possible since the type of customer was the same				

*The negative value on the coefficient arose since the business customers were given a value of 1 while the retail clients were given a value of 2

4.2.2.2 Decision 2: Aggregate Number of Marketing Activities

On average, the MSE in Westlands engages in an average of approximately 7 (7.194) activities with a standard deviation of 3.79 activities which is approximately 4 activities per business. However, as shown by **Graph 1** below, there are 4 modal levels of activity

Graph 1: Total Marketing Activities Engaged in by MSEs

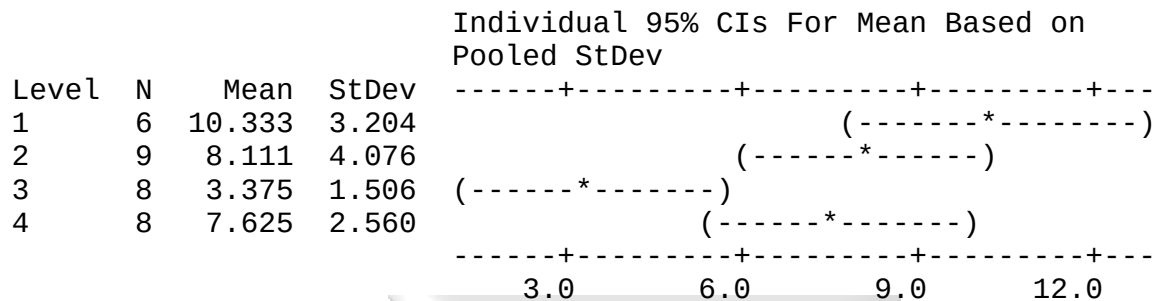


The variability across groups is significant with a p-value of 0.002 at an alpha level of 0.05. An ANOVA showed that on average, Professionals averagely did more marketing activities in total while Artisans did the least.

One-way ANOVA: Total Marketing versus Category

Source	DF	SS	MS	F	P
Category	3	184.87	61.62	6.76	0.002
Error	27	245.97	9.11		
Total	30	430.84			

S = 3.018 R-Sq = 42.91% R-Sq(adj) = 36.57%



Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

Two sample t tests comparing the average total marketing activities of specific categories showed that professionals and artisans were indeed significantly different from the rest of the industry in terms of total marketing activities. Professionals had a level of activity that was significantly higher than the rest, while artisans had a level that was significantly lower than the rest. This was true with an error rate of 5%. A summary of these results is shown below in **table 12**

Table 12: Summary of two sample t-tests comparing differences in total marketing activities

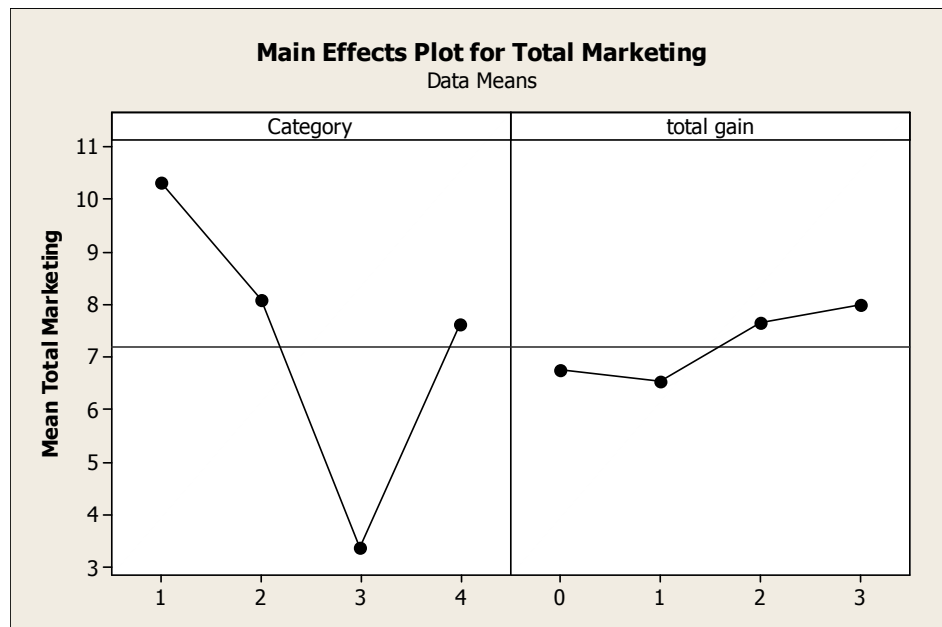
Item	Professionals	Traders	Artisans	E. Houses
Category average (Mu ₁)	10.33 (n= 6)	8. 11 (n= 9)	3.38 (n= 8)	7.63 (n= 8)
Other categories average (Mu ₂)	6.44 (n=25)	6.82 (n= 22)	8.52 (n= 23)	7.04 (n= 23)
Estimate for difference	3.89	1.29	- 5.417	0.58
95% confidence interval for difference	0.46, 7.32	-2.10, 4.69	-6.974, -3.320	(-2.04, 3.20)
T Value	2.61	0.82	- 5.78	0.46
P Value	0.031	0.426	0.000	0.648
Degrees of freedom	8	13	27	20
Comments	There was a significant difference in the level of activity of category 1 in comparison to all the other categories. The t-value of 2.61 is higher than the critical value of 1.860	The average number of marketing activities was not significantly different to that of the general MSE. The t-value was lower than the critical value of 1.771 at 13 degrees of freedom	This difference was significantly different from the rest of the MSEs. A t-test revealed that the difference had a p value of 0.000	Compared to the rest of the MSEs, this average is not significantly different with a t-value of 0.46 and a p - value of 0.648

*Critical values derived from T Distribution table (see **appendix 3**)

A main effects plot (**Graph 2**) looking at the total marketing activities against the category and total gain experienced by the MSEs showed that artisans had an average of marketing activities that was significantly lower than that of the rest of the MSEs. All the other categories had an above-average number of marketing activities with professionals being the highest.

As for the total gain experienced, it seems that those that reported significant gain, i.e., those that reported either 2 or 3 of the success variables given by the research, practiced more marketing activities than those that either reported no change or one success variable. It is therefore clear that the number of marketing activities engaged in can affect the success of a business.

Graph 2: Main Effects Plot for Total Marketing Activities vs. Category and Total Gain



The main effects plot showed a difference in the averages between the categories and the total gain from the average number of activities engaged in. The general linear model showed that the variable “category” was significant with a p value of 0.004 while the variable “total gain” was not at all significant with a p value of 0.991. The r squared adjusted was 28.94%. This showed that the average level of marketing done was significantly varied across categories. However, when compared to the total gain made, the average marketing activities were not significantly different

General Linear Model: Total Marketing versus Category, Total Gain

Factor	Type	Levels	Values
Category	fixed	4	1, 2, 3, 4
Total gain	fixed	4	0, 1, 2, 3

Key Category: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

Key Total Gain: Level 0 –No Gain; Level 1- 1 Success Variable; Level 2- 2 Success Variables; Level 3 – 3 Success Variables

Analysis of Variance for total marketing, using Adjusted SS for Tests

Source	DF	Seq SS	Adj SS	Adj MS	F	P
Category	3	184.87	175.22	58.41	5.72	0.004
Total gain	3	1.05	1.05	0.35	0.03	0.991
Error	24	244.92	244.92	10.21		
Total	30	430.84				

S = 3.19454 R-Sq = 43.15% R-Sq(adj) = 28.94%
Unusual Observations for total marketing

total	Obs	marketing	Fit	SE Fit	Residual	St Resid
	15	15.0000	8.0103	1.2867	6.9897	2.39 R

R denotes an observation with a large standardized residual.

Across categories, the strength of the relationship between the number of marketing activities and total gain is summarized in **table 13**

Table 13: Regression Analysis -Total gain versus Total Marketing Activities

Item	Constant	Total Marketing	F Statistic	P Value	R Squared Adjusted
General Total Gain =	1.2840	0.03227	0.56	0.461	0.0%
Professionals Total Gain =	4.214	-0.2143	2.59	0.183	24.1%
Traders Total Gain =	1.0443	0.04933	0.38	0.555	0.0%
Artisans Total Gain =	-0.0709	0.3543	2.45	0.169	17.2%
E. Houses Total Gain =	1.7493	-0.03270	0.15	0.711	0.0%

Across categories, the strength of the relationship between the number of marketing activities and specific contributors to experience is summarized in **table 14**

The regression equation is:

$$\text{Total Marketing} = \text{Constant} + \text{Yrs} + \text{Education (a)} + \text{Education (b)} + \text{Employees}$$

The coefficients are summarized in **table 14**

Table 14: Regression Analysis- Total Marketing versus Yrs, Education (a), Education (b) and Employees

Item	Constant	Years	Education (a) [General]	Education (b) [further marketing]	Employees	F Statistic	P Value	R Squared Adjusted
General Total Marketing Activities =	2.94	0.078	1.09	0.21	-0.003	0.37	0.828	0.0%
Professionals Total Marketing Activities =	6.74	-0.593	5.23	-6.66	0.391	129.09	0.066	99.0%
Traders Total Marketing Activities =	-4.0	0.118	-0.18	5.08	1.14	0.84	0.566	0.0%
Artisans Total Marketing Activities =	-6.63	0.266	2.12	0.755	0.278	6.11	0.084	74.5%
E. Houses Total Marketing Activities =	13.9	0.16	-3.08	-0.356	7.40	0.041	0.041	73.3%

Looking at the specific contributors of the figure of total marketing, that is, total promotion, total product, total pricing, and total place.

The regression equation is:

$$\text{Total Gain} = \text{Total Promotion} + \text{Total Product} + \text{Total Place} + \text{Total Pricing}$$

Below (**table 15**) is a summary of the regression analyses of all the categories

Table 15: Regression Analysis: Total Gain versus Total Promotion, Total Product, Total Place, and Total Pricing

Item	Const ant	Total Promotion	Total Product	Total Place	Total Pricing	F Statistic	P Value	R Squared Adjusted
General Total Gain =	1.63	-0.101	-0.073	0.292	0.159	0.93	0.461	0.0%
Professionals Total Gain =	4.14	-0.608	0.113	0.417	-0.206	13.06	0.204	90.6%
Traders Total Gain =	2.55	-0.425	-0.624	0.567	1.22	0.157	2.99	49.9%
Artisans Total Gain =	-0.75	0.803	-0.673	0.242	0	1.24	0.405	9.3%
E. Houses Total Gain =	2.89	-0.291	-0.156	-0.07	0.449	0.75	0.620	0.0%

In the general category, only the constant was statistically significant while all the other variables were not hence the r-squared adjusted of 0.0%. In category 1, the general equation had an r – squared adjusted of 90.6%. However, the only statistically significant variables were the values of constant and total promotion which had a negative relationship. For traders the only statistically significant variables were total product and total place. All the variables for artisans and entertainment houses were statistically insignificant.

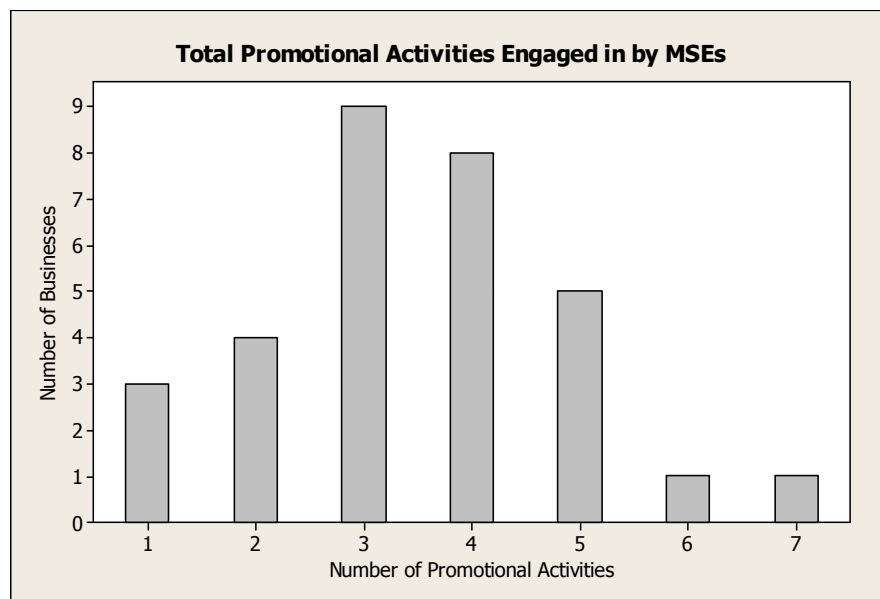
4.2.2.3 Decision 3: Number of Activities Done Per Element

Each category had a different way of effectively reaching its target customers. The section below studies each element broadly and if there are any differences within categories in relation to the number of activities engaged in and the relationship that the number has with success

Promotion

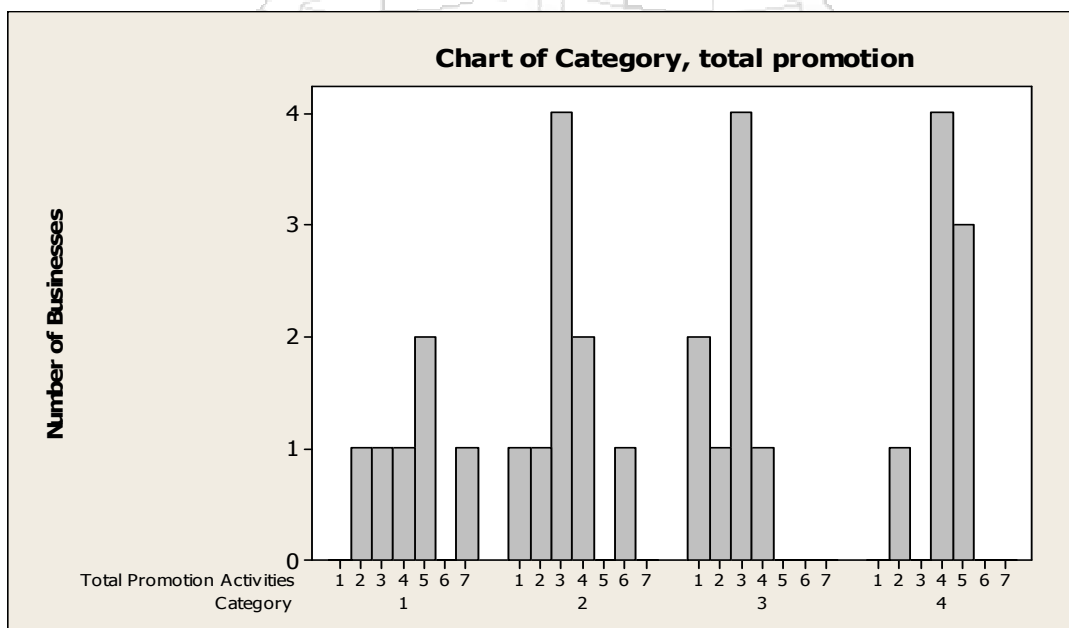
The modal number of activities that businesses engage in is 3 promotional activities at a time as seen in **Graph 3** below

Graph 3: Total Promotional Activities Engaged in by MSEs



Category-wise, the modal number of activities that professionals (category 1) engage in is 5 promotional activities at a time. Traders and artisans (categories 2 and 3 respectively), it is 3 activities while entertainment houses (category 4), it is 4 activities. This is summarised in **graph 4** below

Graph 4: Total Promotional Activities engaged in by MSEs sorted by category

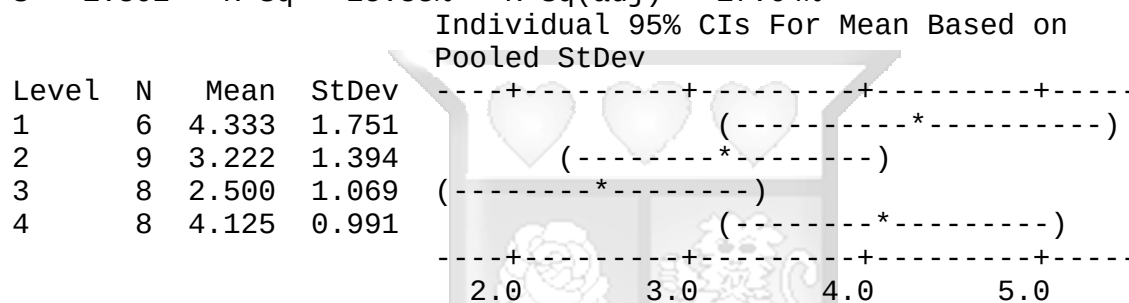


A one way ANOVA showed that the differences in categories were significant with a p value of 0.042. The r squared adjusted was 17.64%. Professionals and entertainment houses showed a strong tendency to exhibit similar levels of activity in contrast to traders and artisans. The level of promotional activities employed by artisans was the lowest.

One-way ANOVA: Total Promotion versus Category

Source	DF	SS	MS	F	P
Category	3	15.98	5.33	3.14	0.042
Error	27	45.76	1.69		
Total	30	61.74			

S = 1.302 R-Sq = 25.88% R-Sq(adj) = 17.64%



Pooled StDev = 1.302

Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

As seen in **graph 4** and the one way ANOVA for Total Promotion versus Category, professionals have a higher modal and average level of activity. Considering the average education levels are higher, average operating years are higher, average number of employees is higher, heavily rely on the business market and marketing is described as advertising, it is expected that the average level of promotional activity will be significantly different than the average MSE. However, a two sample t-tests as summarised in **table 16**, showed that categories artisans and entertainment houses were significantly different from the rest of the industry in terms of the number of activities they did in terms of promotion but not for professionals and traders

Table 16: Summary of two sample t-tests comparing differences in promotion activities

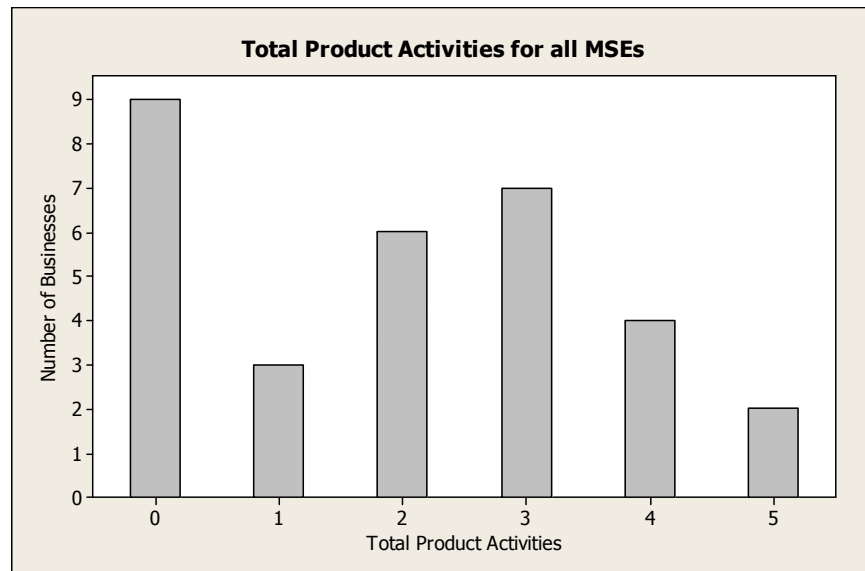
Item	Professionals	Tradders	Artisans	E. Houses
Category average (Mu ₁)	4.33 (n= 6)	3.22 (n= 9)	2.50 (n= 8)	4.125 (n= 8)
Other categories average (Mu ₂)	3.28 (n=25)	3.59 (n= 22)	3.83 (n= 23)	3.26 (n= 23)
Estimate for difference	1.050	-0.369	- 1.326	0.864
95% confidence interval for difference	-0.812, 2.912	-1.563, 0,825	-2.339, -0.313	-0.127, 1.855
T Value	1.38	-0.66	- 2.77	1.83
P Value	0.217	0.52	0.014	0.084
Degrees of freedom	6	15	16	18
Comments	The average number of promotional activities was not significantly different from the rest of the MSE population. When this is compared to the critical value in the t-distribution table, the t-value is lower than the critical value of 1.943.	This average was not significantly different for the MSE average which was 3.59 activities. The critical t-value was 1.753 while the t-value from the test was -0.66 with a p-value of 0.52	It was significantly different from the rest of the MSEs. A t-test revealed that the t-value was at -2.77 with a p-value of 0.014 showing that the average number of promotional activities that artisans engaged in was lower than the rest of the MSEs	A two sample t-test revealed that this difference is significant with a t-value higher than the critical value

*Critical values derived from T Distribution table (see **appendix 3**)

Product

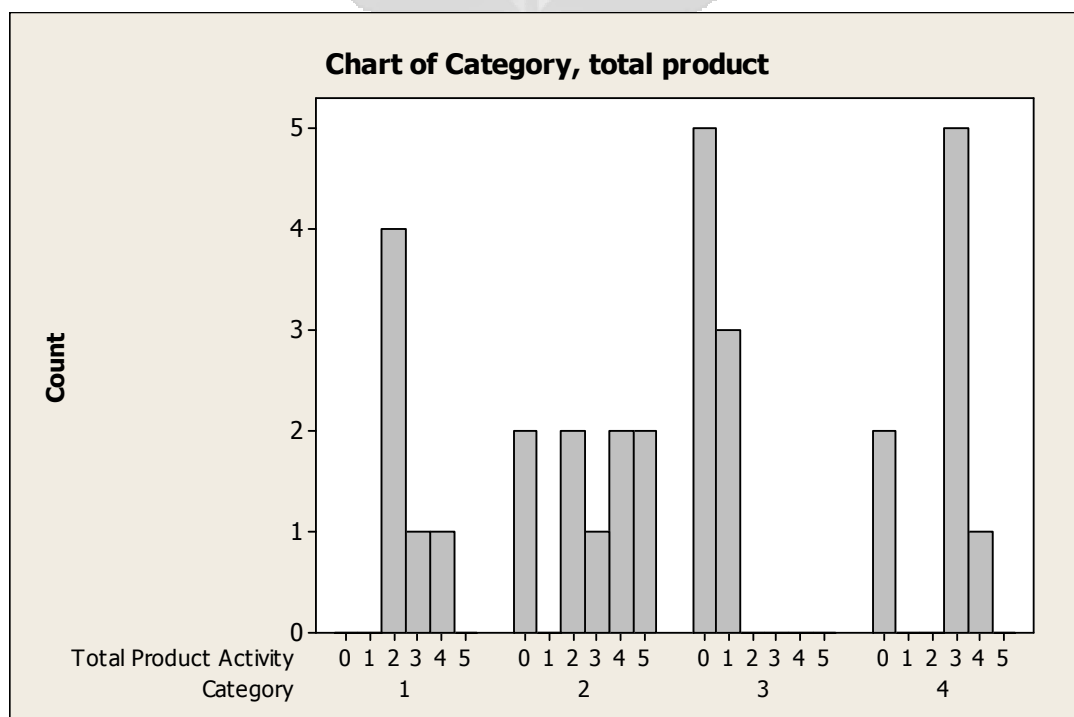
As seen in **graph 5**, the modal product attribute is no activity. However, the average product attributes change is 2 activities.

Graph 5: Total Product Activities for all MSEs



Category-wise, the modal number of activities that businesses professionals (category 1) engage in is 2 product activities at a time. Traders (category 2) had 4 modal levels of activity at 0, 2, 4 and 5. Artisans (category 3) had its modal level at 0, while for entertainment houses (category 4), it is 3 activities. This is summarised in **graph 6** below

Graph 6: Total Product Activities engaged in by MSEs sorted by category

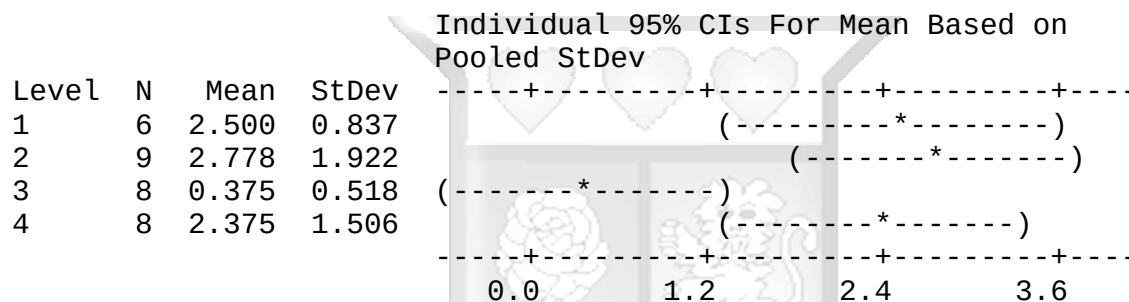


A One way ANOVA of total product activities versus category revealed that the variation among groups is significant with a p value of 0.006. The confidence intervals for professionals, traders and entertainment houses show some large degree of overlap; artisans were distinctly different from the rest

One-way ANOVA: Total Product versus Category

Source	DF	SS	MS	F	P
Category	3	29.19	9.73	5.17	0.006
Error	27	50.81	1.88		
Total	30	80.00			

S = 1.372 R-Sq = 36.49% R-Sq(adj) = 29.44%



Pooled StDev = 1.372

Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

Two sample t-tests (**table 17**) confirmed that only artisans was statistically different from the rest of the MSEs when it came to product attributes

Table 17: Summary of two sample t-tests comparing differences in product activities

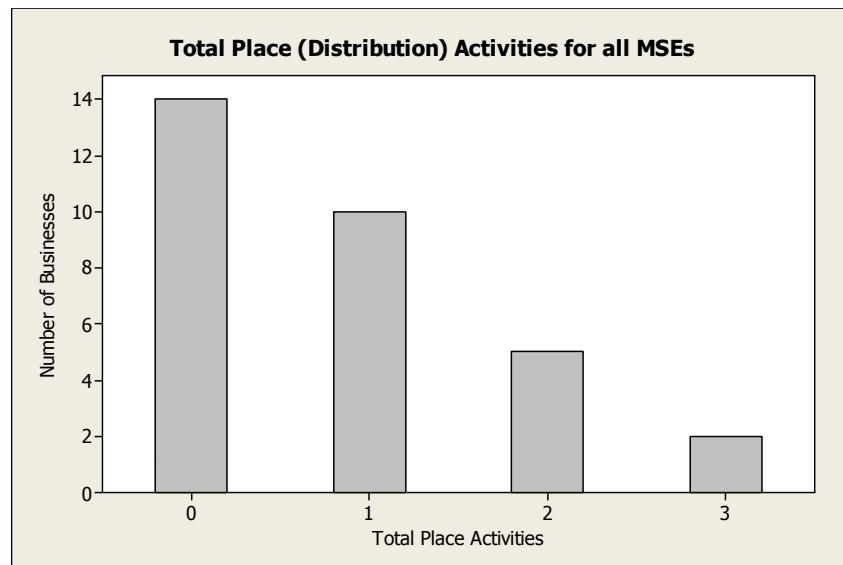
Item	Professionals	Traders	Artisans	E. Houses
Category average (μ_1)	2.50 (n= 6)	2.78 (n= 9)	0.375 (n= 8)	2.38 (n= 8)
Other categories average (μ_2)	1.88 (n=25)	1.68 (n= 22)	2.56 (n= 23)	1.87 (n= 23)
Estimate for difference	0.62	1.096	- 2.190	0.505
95% confidence interval for difference	-0.416, 1.656	-0.465, 2.657	-2.933, -1.447	-0.874, 1.884
T Value	1.26	1.55	- 6.04	0.79
P Value	0.224	0.151	0.000	0.443
Degrees of freedom	17	11	28	13
Comments	This average was not unlikely in the general population as revealed by a two sample t-test. The t-value was lower than the critical value at 17 degrees if freedom.	A two sample t-test revealed that this average was not unlikely since the t-value was lower than critical value of 1.796	The average product attributes change is 0.375 activities is significantly lower than the MSE average of 2.56 as seen in the t-test below. The p-value stands at 0.000 and the t-value at -6.04 with 28 degrees of freedom	This average was not unlikely in the general population as revealed by a two sample t-test. The t-value was lower than the critical value at 13 degrees if freedom.

*Critical values derived from T Distribution table (see **appendix 3**)

Place (Distribution)

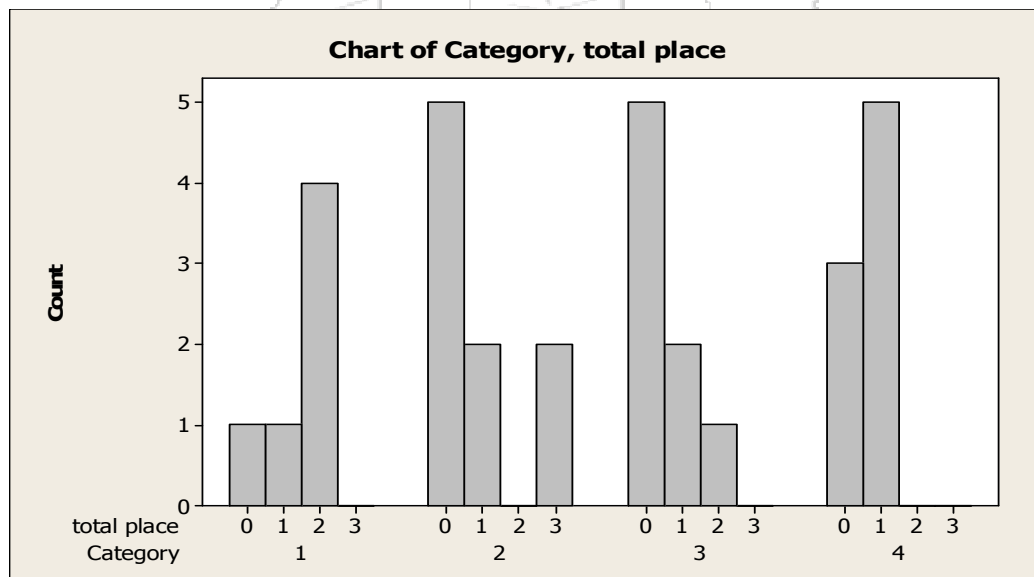
As seen in **Graph 7**, the modal distribution activity was 0 activities. Therefore, distribution was the second least active marketing element. The average number of activities employed was approximately 1 activity (0.839)

Graph 7: Total Place (Distribution) Activities for all MSEs



Category wise, professionals (category 1) had the highest level of activity with a modal level of 2 activities per business. Traders and artisans (categories 2 and 3 respectively) had a modal level of activity of zero. Entertainment Houses (category 4) had its modal level of activity at 1 activity per business as seen in **graph 8**

Graph 8: Total Place Activities engaged in by MSEs sorted by category

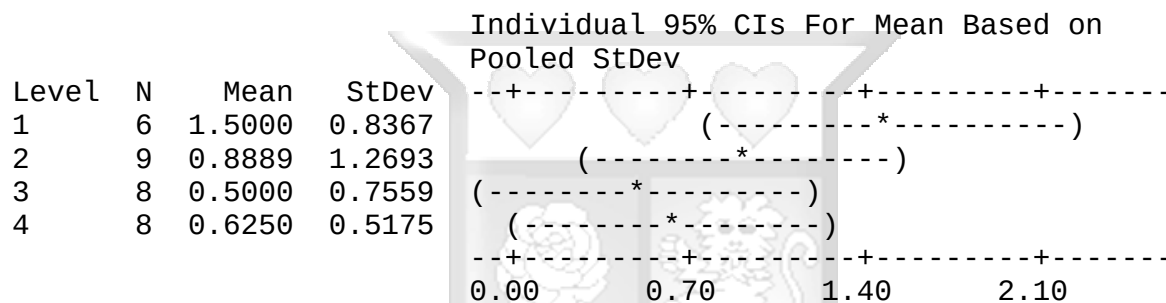


The variation among businesses for distribution was not significant like the other elements of marketing. However, professionals tended to engage in more activities at a particular time than all the other groups. A one way ANOVA revealed the findings below

One-way ANOVA: total place versus Category

Source	DF	SS	MS	F	P
Category	3	3.930	1.310	1.59	0.215
Error	27	22.264	0.825		
Total	30	26.194			

S = 0.9081 R-Sq = 15.00% R-Sq(adj) = 5.56%



Pooled StDev = 0.9081

Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

Two sample t-tests (**table 18**) showed that only professionals were statistically different from the rest of the MSEs when it came to distribution; this further cements the results found in the one way ANOVA above. Entertainment houses on the other hand had new branches for 2 main reasons; to cater for excess capacity and as a growth strategy

Table 18: Summary of two sample t-tests comparing differences in place activities

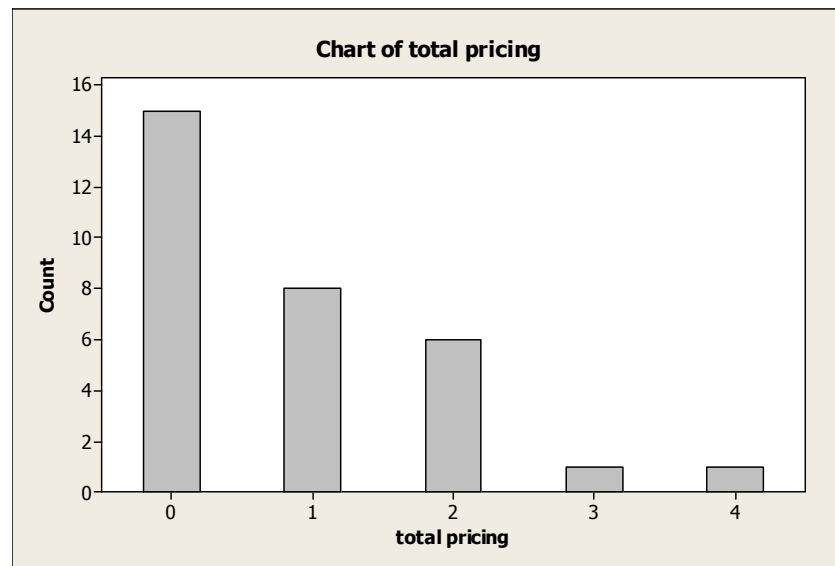
Item	Professionals	Traders	Artisans	E. Houses
Category average (μ_1)	1.50 (n= 6)	0.89 (n= 9)	0.50 (n= 8)	0.625 (n= 8)
Other categories average (μ_2)	0.680 (n=25)	0.818 (n= 22)	0.957 (n= 23)	0.91 (n= 23)
Estimate for difference	0.820	0.071	-0.457	-2.88
95% confidence interval for difference	-0.071, 1.711	-0.944, 1.086	-1.173, 0.259	-0.874, 0.298
T Value	2.12	0.16	-1.36	-1.01
P Value	0.066	0.879	0.194	0.321
Degrees of freedom	8	10	15	24
Comments	The average number of distribution activities engaged in was significantly more than that of the average MSE. The t-value was higher than the critical value at 8 degrees of freedom.	Just like promotion and product attributes, this average was likely in the general MSE environment. The t-value of 0.16 is lower than the critical value of 1.812 at 10 degrees of freedom	The industry average was not significantly different from the MSE average in as much as it was lower	the distribution activities were not significantly different from other MSEs

*Critical values derived from T Distribution table (see **appendix 3**)

Pricing

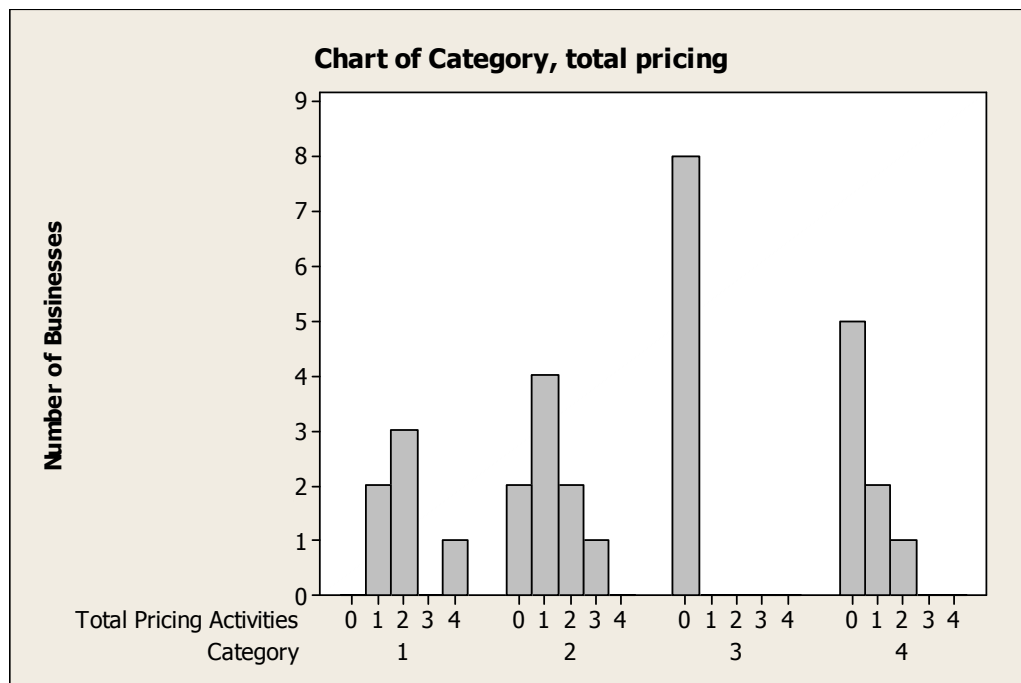
The modal pricing activity was 0 with 48.39% of all businesses not engaging in any pricing activity but rather taking the price in the market as informed by market intelligence (see **graph 6**). Similar to distribution, the average activity was approximately 1 for each business (0.871).

Graph 9: Total Pricing Activities engaged in by all MSEs



However, category-wise artisans and entertainment houses (categories 3 and 4 respectively) showed the largest tendency not to engage in pricing activities as seen in **graph 10**. Professionals (category 1) had a modal level of activity of 2 while traders (category 2) had a modal level activity of 1 activity. Therefore the literature would only apply to artisans and entertainment houses (categories 3 and 4).

Graph 10: Total Pricing Activities engaged in by MSEs sorted by category

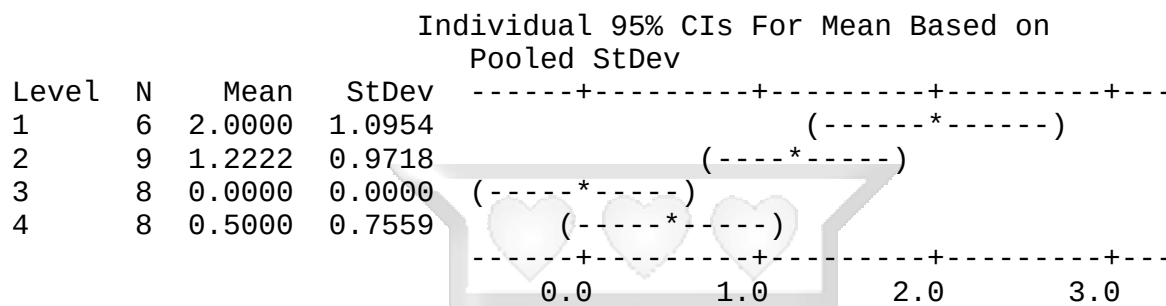


A one way ANOVA revealed that the variability in activity level among the groups is significant with a p value of 0.00 and an F statistic of 8.17 and an adjusted r squared of 41.74%. Professionals had the highest average of 2 activities at any particular time. This was followed by traders, entertainment and artisans respectively. In fact, artisans did not employ any strategy consistently; none employed a particular pricing strategy. Pricing was decided on the product and how much effort was employed, the artistic appeal and the cost of materials- all of which varied per product

One-way ANOVA: total pricing versus Category

Source	DF	SS	MS	F	P
Category	3	15.928	5.309	8.17	0.000
Error	27	17.556	0.650		
Total	30	33.484			

S = 0.8064 R-Sq = 47.57% R-Sq(adj) = 41.74%



Pooled StDev = 0.8064

Key: Level 1 –Professionals; Level 2- Traders; Level 3- Artisans; Level 4 – Entertainment Houses

Two sample t-tests (**table 19**) revealed that only professionals were significantly different from the rest of the MSEs in terms of the number of pricing activities engaged in. This shows that category 1 is more proactive in terms of price activities rather than being price takers

Table 19: Summary of two sample t-tests comparing differences in pricing activities

Item	Professionals	Traders	Artisans	E. Houses
Category average (μ_1)	2.00 (n= 6)	1.222 (n= 9)	Analysis not possible since the mean for the category was zero (0) activities	0.500 (n= 8)
Other categories average (μ_2)	0.60 (n=25)	0.73 (n= 22)		1.00 (n= 23)
Estimate for difference	1.400	0.495		-0.500
95% confidence interval for difference	0.227, 2.573	-0.347, 1.337		-1.248, 0.248
T Value	2.92	1.25		-1.40
P Value	0.027	0.231		0.177
Degrees of freedom	6	16		18
Comments	A t-test revealed that the difference in averages was significantly different when compared with the industry average which had a p value of 0.027.	This average was not statistically different from the general MSE average.		the average was not statistically different from the average of other MSE categories

*Critical values derived from T Distribution table (see **appendix 3**)

4.3 Objective 3: Observe and Understand the Combinations of Marketing Mix Elements Relevant To Success within Specific Industries

4.3.1 What Is Marketing?

When asked to describe what marketing is, 48.39% described marketing as simply advertising. 12.9% said it was the creating of awareness of the business location and products. Other featured responses were the buying and selling of goods, selling unique products, attaining goals, and attracting new customers. Only 9.68% mentioned that marketing was a strategic tool in business and used to both maintain and grow new business opportunities. 3.23% did not know what marketing was. These are outlined in **table 20** below

Table 20: Descriptions given for marketing

Marketing Description	General	Professionals	Traders	Artisans	E. Houses
Advertising	48.39%	83.33%	44.44%	62.50%	12.50%
A Strategic business tool	9.68%	16.67%	0 %	0 %	25%
Creating Awareness	12.9%	0 %	22.22%	12.50%	12.50%
Selling Unique Products/ New innovative products	6.45%	0 %	11.11%	0 %	12.50%
Attaining Goals	3.23%	0 %	11.11%	0 %	0 %
Buying and Selling	6.45%	0 %	11.11%	12.50%	0 %
Attracting New Customers	9.68%	0 %	0 %	12.50%	25%
Do not know/ no comment	3.23%	0%	0 %	0 %	12.50%
Total	100%	100 %	100%	100 %	100 %

Averagely, professionals had the highest average in terms of marketing activities followed by traders, entertainment houses and artisans respectively as seen in **table 21**

Table 21: Average number of marketing activities

Item	General	Professionals	Traders	Artisans	Entertainment Houses
Average	7.194	10.33	8.11	3.375	7.625
Standard Deviation	3.79	3.2	4.08	1.506	2.56
Modal Levels	3,4,8,10	13	3,8	4	10

4.3.2 Commonalities among Categories

4.3.2.1 Promotion

Promotion made up 48.43% of all marketing activities. This was followed by Product decisions at 27.8%, then pricing at 12.11% and finally place (distribution) 11.66%

The most common promotional tool was advertising with a total of 53 activities across all businesses. This was 49% of all the promotional activities done by all the businesses. The other most commonly used promotional tool is word of mouth followed by personal selling and sales promotion at 12.04%, 9.26% and 9.26% respectively. Public relations accounted for 7.41% of all promotional activities while publicity was at 4.63%. The least common tools were: Product Placement (not used by any business), free samples, introductory letters, marketing references, websites and emails all getting 1% response from all the businesses. A summary is in **table 22**

The most common advertising method is in store displays which featured in 41.94% of all businesses. However, despite being the most common advertising method, professionals, did not employ this tool

Table 22: Promotion tools used by MSEs

Promotional tool	Sub category	Total Number	Percentage
Advertising	Radio	4	3.70
	TV	3	2.78
	Newspapers	6	5.56
	Magazines	4	3.70
	Fliers	8	7.41
	Posters	7	6.48
	In Store Displays	13	12.04
	Shop Front Adverts	8	7.41
Personal Selling		10	9.26
Sales Promotion		10	9.26
Public Relations		8	7.41
Publicity	Sponsorships	2	1.85
	Art Exhibition	3	2.78
Word Of Mouth		13	12.04
Free Samples		1	0.93
Business Cards		2	1.85
Brochures		2	1.85
Introductory Letters		1	0.93
Marketing Reference		1	0.93
Website		1	0.93
Email		1	0.93
Total Promotion		108	100.00

From **table 22** geographic specific marketing is also generally exhibited by most of the MSEs hence agreeing with Kimani (2010) which highlighted In store displays, brochures, posters, and fliers to be the most heavily used form of promotion.

Category wise, the combination of promotional tools was as follows seen in **table 23**

Table 23: Promotion tools used by MSEs sorted by category

Common Tools Promotion	Professionals	Traders	Artisans	Entertainment Houses
Advertising	83.33%	51.72%	45%	63.64%
Word Of Mouth	66.67%	22.22	20%	0%
Personal Selling	0%	33.33%	0%	0%
Sales Promotion	0%	33.33%	0%	50%
Publicity	50%	0%	0%	0%
PR	0%	13.79%	0%	0%
Exhibitions	0%	11.11%	0%	0%
Business Cards	0%	11.11%	0%	0%
Common Advertising Tools				
In Store Displays	0%	66.67%	44.44%	37.50%
Fliers	25%	0%	0%	75%
Posters	25%	11.11%	0%	50%
TV	12.50%	11.11%	0%	0%
Radio	0%	11.11%	0%	38%
News Papers	25%	11.11%	33.33%	0%
Shop Front	0%	44.44%	22.22%	0%
Magazines	12.50%	0%	0%	0%

4.3.2.2 Product

In terms of product attributes, the most insisted on, and most visible product attribute is product quality. Many of the respondents highlighted the fact that the location they are in demands that they sell quality products. Many of their customers not found in Westlands area were attracted by the fact that Westlands is assumed to have premium products whose first attribute is quality. 29.03% of product activities were accounted for by product quality.

Customisation followed at 17.74%. This was generally done to maintain current customers and those who were attracted by customisation. Packaging was also important, accounting for 14.52% of activities. Product branding received very little attention. Corporate branding accounted for only 4.84% of activities while product branding was lower at 3.23%. Most seemed unaware of branding as a concept let alone how to brand their products. This is summarized in **table 24**

Table 24: Product tools used by MSEs

Product tool	Total Number	Percentage
Branding – Company	3	4.84
Branding – Product	2	3.23
Customization	11	17.74
New Product Lines	5	8.06
Quality	18	29.03
Warranties	8	12.90
Packaging	9	14.52
New Product Development	6	9.68
Total Product	62	100.00

An analysis of the various categories is summarized in table 25 below. Again, traders were the most versatile in terms of the tools used followed by professionals. The most insisted on attribute was product quality insisted on by professionals, traders and artisans by 83.33% 66.67% and 25 % of respondents respectively. The most important attribute for entertainment houses was product packaging said by 75% of respondents followed by quality and customization each being said by 62.5% of respondents.

For professionals, quality went hand in hand with assuring the quality by them giving warranties which followed at 66.67% of all product activities of this category.

Table 25 Product tools used by MSEs sorted by category

Common Product Attributes	Professionals	Traders	Artisans	Entertainment Houses
Quality	83.33%	66.67%	25%	62.50%
Customization	33.33%	44.44%	0%	62.50%
Packaging	0%	33.33%	0%	75%
Warranties	66.67%	44.44%	0%	0%
New Product Lines	0%	33.33%	0%	0%
Corporate Branding	33.33%	0%	12.50%	0%
Product Branding	16.67%	11.11%	0%	0%
New Product Lines	0%	0%	0%	0%

4.3.2.3 Place (Distribution)

For those who employed an added form of distribution strategy, the most common one used is opening of new branches with 34.62% of the business reporting opening a second or 3rd branch. Out of the 34.62%, 55.56% were from entertainment houses.

The other common distribution strategy was the formation of alliances done by 30.77% of the businesses.

The least distribution strategy used was the use of agents at 11.54%. A common response when probed was that agents brought complexity to the business and were therefore not used. Others claimed that it was easy to lose clients to such agents and were thus avoided. **Table 26** summarises the distribution strategies

Table 26: Place tools used by MSEs

Place (Distribution) Tool	Total Number	Percentage
New Branch	9	34.62
Strategic Alliances	8	30.77
Agents	3	11.54
Internet Selling	6	23.08
Total Place	26	100.00

The distribution strategies used in each category are summarised in **table 27**. For distribution, category 1 was the most versatile in its distribution activities followed by category 2

Table 27: Place tools used by MSEs sorted by category

Place (Distribution)Attributes	Professionals	Traders	Artisans	Entertainment Houses
New Branches	33.33 %	22.22 %	0%	62.50%
Strategic Alliances	83.33 %	0%	12.50%	0%
Agents	16.67 %	11.11 %	12.50%	0%
Internet Selling	16.67 %	33.33 %	25%	0%

4.3.2.4 Pricing

In terms of the strategy adopted, the least adopted strategies were cost plus and marginal pricing. Some managers argued that if they were to do that, they will lose customers in case their pricing is significantly higher. This is confirmed by the fact that the highest employed strategy was target pricing accounting for 25.93% of all pricing. This was closely followed by tender pricing

and value leader pricing each accounting for 18.52% of all pricing activities. This is summarised in **table 28**

Table 28: Pricing tools used by MSEs

Pricing Tool	Total Number	Percentage
Penetration	1	3.70 %
Skimming	1	3.70 %
Cost Plus	0	0.00 %
Value Leader	5	18.52 %
Loss Leader	2	7.41 %
Tender Pricing	5	18.52 %
Price Discrimination	1	3.70 %
Marginal	0	0.00 %
Target	7	25.93 %
Contribution	1	3.70 %
Psychological	4	14.81 %
Total Pricing	27	100.00

Category analysis shows that artisans were the only category that did not apply any particular pricing strategy. The pricing strategies adopted are summarised in **table 29**

Table 29: Pricing tools used by MSEs sorted by category

Pricing Attributes	Professionals	Traders	Artisans	Entertainment Houses
Target Pricing	83.33%	11.11%	0%	12.5%
Tender Pricing	33.33%	33.33%	0%	0%
Psychological Pricing	16.67	33.33%	0%	0%
Value Leader	33.33%	22.22%	0%	12.5%
Loss Leader	0%	11.11%	0%	12.5%
Price Discrimination	0%	11.11%	0%	0%
Cost Based Pricing	0%	0%	0%	0%
Marginal	0%	0%	0%	0%
Penetration	0%	0%	0%	12.5%
Price Skimming	16.67%	0%	0%	0%
Contribution	16.67%	0%	0%	0%

4.4 Chapter Summary

This study has established that the ages of the businesses were not significantly varied. Similarly, education levels were more or less the same across businesses although they are much higher in Westlands compared to other areas. However, professionals recorded higher levels of education. Overall, education did not affect the level of success experienced. Variability in employee numbers was also not significant. Overall experience (explained by education, employees and years) was only statistically significant for artisans.

Variability in the customers served was statistically significant with professionals dependent on the business market.

There are two major motivators to market. One, to increase sales as recorded professionals, traders and entertainment houses; and two, to fight competition as recorded by traders and artisans, with artisans being most affected by competition.

The biggest challenge for professionals was marketing expenses and building customer confidence. Traders featured cost, competitors and consumers as the biggest challenges. Artisans had the most varied challenges but price setting was important. Entertainment houses also highlighted the cost of marketing and competition

Among all businesses, the most significant indicator of success was increased employee numbers with 64.51% of all businesses reported to having increased their employee numbers as seen in **table 8**. Professionals and entertainment houses tended to show more increased employees than traders and artisans. This tendency was followed by increased finances and finally increased floor space.

The variability in terms of marketing across categories was significant with professionals having the highest average. Though not significant, firms with more marketing activities showed more success variables.

The most versatile category in terms of applying the elements of the marketing was traders. It employed more tools than any other category except in terms of distribution.

Variability across groups in the number of activities done per element was significant for promotion, product and pricing decisions but not distribution decisions.

CHAPTER FIVE

SUMMARY, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary of findings and the conclusions drawn from them. After that the recommendations and areas for further research will be highlighted

5.2 Summary of findings and Discussions

The main objective of the study was to explore the relationship between marketing mix decisions and the success of micro and small enterprises. This was broken down to 3 specific objectives which were to: understand the general environment and marketing activities and programs that MSEs engage in, examine the significance of the correlation between marketing mix elements and success of micro and small enterprises and to observe the combinations of the marketing mix elements relevant to success within specific industries in the MSE sector.

The research established that the average manager in Westlands is highly educated and has vast experience as seen in the summary in **tables 3 and 4**. As pointed out by literature (e.g. McCartan-Quinn and Carson, 2003; O'Dwyer, Gilmore and Carson 2005; and Reijonen 2009), the more experience the owner manager has, the better and more marketing activities they engage in, consequently increased total gains made. However, this experience as quantified by, the years of operation, level of education (graduate, college, secondary, or primary), further education in marketing and number of employees, was not statistically significant to success (total gain made) except for artisans with an r-squared adjusted of 91.8% and a p-value 0.016. For the rest of the categories, the results were inconclusive. This is in contrast to Reijonen (2009) and McCartan-Quinn and Carson (2003).

Variability across categories in terms of experience (by looking at individual contributors of experience; years, education and employees) was not significant except for the employee variable which was significant with a p-value of 0.006. Two sample t-tests on employee numbers showed that the variability was significant across all categories except for professionals. It is believed that this is the case because of the high average of entertainment houses and the low averages of traders and artisans. This difference in employee numbers was also observed by Liedholm (2001)

As seen in the main effects plot (**graph 2**), none of the categories showed any significant relationship between the number of marketing activities engaged in with the total gain (success) made by the MSEs in Westlands. This is unlike literature that supports the more marketing activities engaged in, the more successful a business is (e.g. Pelham and Wilson, 1996; Mbah et al., 2007; Li, 2008; Baker and Sinkula 2009).

As highlighted by literature (e.g. Blankson 2006; Reijonen, 2009), the number and intensity of marketing activities is affected by the experience that the MSEs have. Supporting literature (summarized in **table 14**), regression analyses show that for professionals, artisans and entertainment houses were statistically significant at 95% confidence level. Similar results were found by McCartan-Quinn and Carson (2003). For all categories, employees have a positive relationship.

Supporting literature, (e.g. Liedholm 2001) a majority of 74.2% rely on the consumer market as the purchase occasions were higher than those of the business market. For all these businesses, the main revenue stream was the consumer market.

The regression analyses done (**table 10**) showed that the type of customer did not adversely affect the success shown by the MSEs- no category showed that the type of customer had a statistically significant correlation with success. The type of customer however did have a statistically significant effect on the number of marketing activities done supporting findings by Liedholm (2001), Reijonen (2009), and Sonobe (2009) that MSEs that served business markets were more pro-active in terms of marketing with a p-value of 0.012. However, across groups, the values were not significant hence inconclusive (see **table 11**).

Among all businesses, the most significant indicator of success was increased employee numbers with 64.51% of all businesses reported to having increased their employee numbers as seen in **table 8**. This refines Liedholm (2001), which found more employee numbers meant more success. Professionals and entertainment houses tended to show more increased employees than traders and artisans. This tendency was followed by increased finances and finally increased floor space.

Traders showed the highest tendency to increase finances more than other categories. This can be explained by the fact that traders are made up of merchandizing companies, products are bought

for re-sale and often had a mark-up. It is therefore possible that the revenues were easier to come by within the first year of operation, thereby making it easier for traders to grow earlier than the rest of the categories. This contradicts Liedholm (2001) which found that manufacturing and service MSEs grow faster than trading.

The findings on increased floor space support Sonobe et al (2009) which showed that businesses graduate to more formalised areas after growing to a certain level.

When asked to describe what marketing is, 48.39% described marketing as simply advertising. 12.9% said it was the creating of awareness of the business location and products. This is in line with literature that supports that small businesses describe marketing narrowly to promotional activities as was found in Blankson and Ogenyi, (2002) and Blankson et al, (2006). This is unlike literature where the definition of marketing which was interpreted as sales (Reijonen 2009 cited in Stokes 2000b). Averagely, professionals has the highest average in terms of marketing activities followed by traders, entertainment houses and artisans respectively as seen in **table 21**

Supporting Reijonen (2009), promotion activities were given more emphasis than place, product and pricing decisions. Promotion made up 48.43% of all marketing activities. This was followed by product decisions at 27.8% then pricing at 12.11% and finally place (distribution) 11.66%. Promotion activities across the categories were significantly different with a p value of 0.042 and an r squared adjusted was 17.64%. Professionals and entertainment houses showed a strong tendency to exhibit similar levels of activity (averages of 4.33 and 4.125 respectively) in contrast to traders and artisans (averages of 3.222 and 2.5 respectively). These results were in line with to Reijonen, (2009) and contrasted Blankson and Ogenyi, (2002) Blankson et al, (2006). The most common promotional tool was advertising which was 49% of all the promotional activities done by all the businesses. The most common advertising method is in store displays which featured in 41.94% of all businesses. This supports Kimani (2010) which showed in store displays to be a common advertising tool for MSEs. The other most commonly used promotional tool is word of mouth followed by personal selling and sales promotion at 12.04%, 9.26% and 9.26% respectively. Public relations accounted for 7.41% of all promotional activities while publicity was at 4.63%. The least common tools were: Product Placement (not used by any business), free samples, introductory letters, marketing references, websites and emails all getting 1% response

from all the businesses. Like other MSEs pointed out by Kimani (2010), geographic specific marketing is also generally exhibited by most of the MSEs in Westlands as seen in **table 22s**.

In terms of innovativeness, traders were the only category that had the most versatility in terms of the combination of promotion tools, supporting O'Dwyer, Gilmore and Carson (2005) who showed that pro-activeness or re-activeness is dependent on the industry. Artisans and entertainment houses supported Mc-Cartan-Quinn and Carson (2003) who said they generally do not engage in innovative marketing activities.

As evidenced by literature (Kimani 2010; Baker and Sinkula 2009), many MSEs do not engage in product changes as they are expensive for most. As seen in **graph 5**, the modal product attribute is no activity. Product activities revealed that the variation among groups is significant with a p value of 0.006 with an r squared adjusted of 29.44%. The confidence intervals professionals, traders and entertainment houses show some large degree of overlap; artisans were distinctly different from the rest with averages of 2.500, 2.778, 2.375, and 0.375 respectively. This builds on literature (Reijonen, 2009) as literature was silent on the variability of product variations across industries. Again, traders were the most versatile in terms of the tools used followed by professionals. As summarized in **table 25**, the most insisted on attribute was product quality insisted on by professionals, traders and artisans by 83.33% 66.67% and 25 % of respondents respectively. The most important attribute for entertainment houses was product packaging said by 75% o respondents followed by quality and customization.

Generally artisans do not consider product attributes necessary as every product is unique. Quality varies with materials and in as much as they care about the quality of the product, the quality varied greatly per product. Customer tastes were also different and some preferred lower quality products while others preferred high quality products with a lot of aesthetics. Even when selling the products, customers were always treated to the reasons why each product had its own price and thus could choose. Just as surprising, artisans did not customise their products as a general practice. This perhaps resonates with Voss (2000) which, in its study of theatre firms, found that customer orientation (making the products that customers want) had a negative relationship with subscriptions to theatre firms.

For curio shops customisation only occurred on request or during repair of items returned by customers. The logic was that most customers were not creative but appreciated creativity. Many of them usually picked what they liked and therefore never needed customisation. On the other hand, fashion houses considered customisation part and parcel of the business. They did not have an option but to customise; it was critical success factor therefore cannot be used as a basis to compete. Most clothes that were made before the customer designs it were for marketing purposes (these items were still for sale to those who liked them). Each item is considered unique and thus designs were generally made by the customer with the guidance of a portfolio available at the shop.

The variation among businesses for place (distribution) activities was not significant like the other elements of marketing. However, professionals tended to engage in more activities at a particular time and were more versatile than all the other groups (as seen in **table 27**). The push to have additional distribution by professionals was due to the need to increase sales and build credibility. This is in agreement with results found by Sonobe et al. (2009). It however builds it further by specifying that it is the professionals that are most affected. The variation across groups had a p value of 0.215 and an r squared adjusted 5.56%. The category averages were 1.500, 0.8889, 0.5000 and 0.6250 for professionals, traders, artisans and entertainment houses respectively.

For those who employed an added form of distribution strategy, the most common one used is opening of new branches with 34.62% of the business reporting opening a second or third branch. This supports findings by Sonobe et al. (2009). The other common distribution strategy was the formation of alliances done by 30.77% of the businesses.

Like promotion and product, the variability in activity level for pricing among the categories is significant with a p value of 0.00 and an F statistic of 8.17 and an r squared adjusted of 41.74%. Literature (e.g. McCartan-Quinn and Carson 2003; Kimani, 2010) suggest that MSEs are generally price takers and do not engage in price setting activities. However, as seen in **table 29**, professionals and traders are versatile in pricing strategies and tend to be more proactive in price setting. Professionals had the highest average of 2 activities at any particular time. This was followed by traders, entertainment houses and artisans with 1.222, 0.500 and 0.00 respectively. In fact, artisans did not employ any strategy consistently; none employed a particular pricing

strategy. This was in line with McCartan- Quinn and Carson (2003) and Kimani (2010). However, unlike Kimani (2010), the prices of products were generally stable throughout the day. Furthermore, the strategies employed were in sharp contrast to Kimani (2010) which found that the cost of acquisition was a necessary consideration in price setting. This is confirmed by the fact that the highest employed strategy was target pricing accounting for 25.93% of all pricing. This was closely followed by tender pricing and value leader pricing each accounting for 18.52% of all pricing activities.

The biggest motivation to market was to increase sales of the business at 45.16%. This was closely followed by competition at 38.71%. Generally, MSEs in Westlands, unlike those of other areas shown by Ronge (2002), Bowen, Morara and Mureithi (2009) and Kimani (2010) are more proactive than reactive. Further, they are more aware of their competitors than other areas are. Artisans showed the highest tendency to fight competition, which is more in line with literature (e.g. Kuada and Buatsi, 2005; Sonobe 2009; Bowen, Morara and Mureithi (2009); Kimani (2010), than all other categories. For professionals, the biggest motivator for this was to increase sales as mentioned by 83.33% of the businesses. For traders, to increase sales and to fight off competition were the major reasons why businesses in this group market. These responses were featured by 33.33% of the businesses each. For entertainment houses, like the professionals, the main motivation to market was to increase sales. 62.5% of all businesses reported this to be the main motivation to market.

The biggest challenge for professionals was marketing expenses and building customer confidence. Traders featured cost, competitors and consumers as the biggest challenges. Artisans had the most varied challenges but price setting was important. Entertainment houses also highlighted the cost of marketing and competition.

5.3 Conclusions and Recommendations for Future Research

This research concludes that for successful MSEs, the level and complexity of marketing activities and the subsequent significance is dependent on the industry that the particular MSE is in, answering calls by Reijonen (2009). This is in the wake that these firms have more or less the same characteristics in terms of experience and customer type.

The results have implications on several players in the marketing field. For media buyers and sellers, the most interesting and versatile category would be traders followed by professionals and entertainment houses respectively, as the best consumers of their products. Being successful businesses with the potential for growth, these are the best categories to target.

Academic institutions, incubation centres and business clubs need to educate/ create programs to educate MSEs on proper marketing activities which are sensitive to particular industries. There is a clear difference in the mix used to succeed as MSEs.

Lending institutions to MSEs should be sensitive to the marketing strategy proposed by businesses who seek financial aid.

For future research, it would be recommended to conduct a survey that is sensitive to industry variations. Being an exploratory study, the research recognises that some variables were not significant because of the numbers involved. Although the tests used could reasonably make conclusions with the small numbers, it would be recommended to conduct a survey to check on statistical significance. For example, the experience of the owner/manager had statistical significance for artisans while professionals had the highest levels of education.

Another area would possibly be studied is looking at the type of customer and the level of marketing activities done. Cumulatively, the MSEs had a figure that was statistically significant. However, across industries, the type of customer served was not significant. It would be interesting to find out why.

The exhibition of success variables outlined by the research was not statistically significant but there were tendencies that are worth noting- for instance, traders were more likely to exhibit financial growth. A survey would suggest whether these tendencies are significant across categories.

A study on how business orientation affects the marketing activities done would also be a good area to study, especially for successful MSEs.

5.4 Limitations of the Study

This study had initially proposed to use tape recorders to collect data but during data collection, most respondents were apprehensive to the use of tape recorders. Much more information would have been captured if tape recorders were used.

The cost of conducting the research proved to be a challenge, this was especially true for time. A lot of time and resources were needed to verify claimed activities and the time taken to find the right respondents (qualified and willing) proved costly.

The research was limited in some of its findings because full information was either not available or respondents were unwilling to share the information. This was especially when it came to financial records. Consequently, self reported levels were taken.



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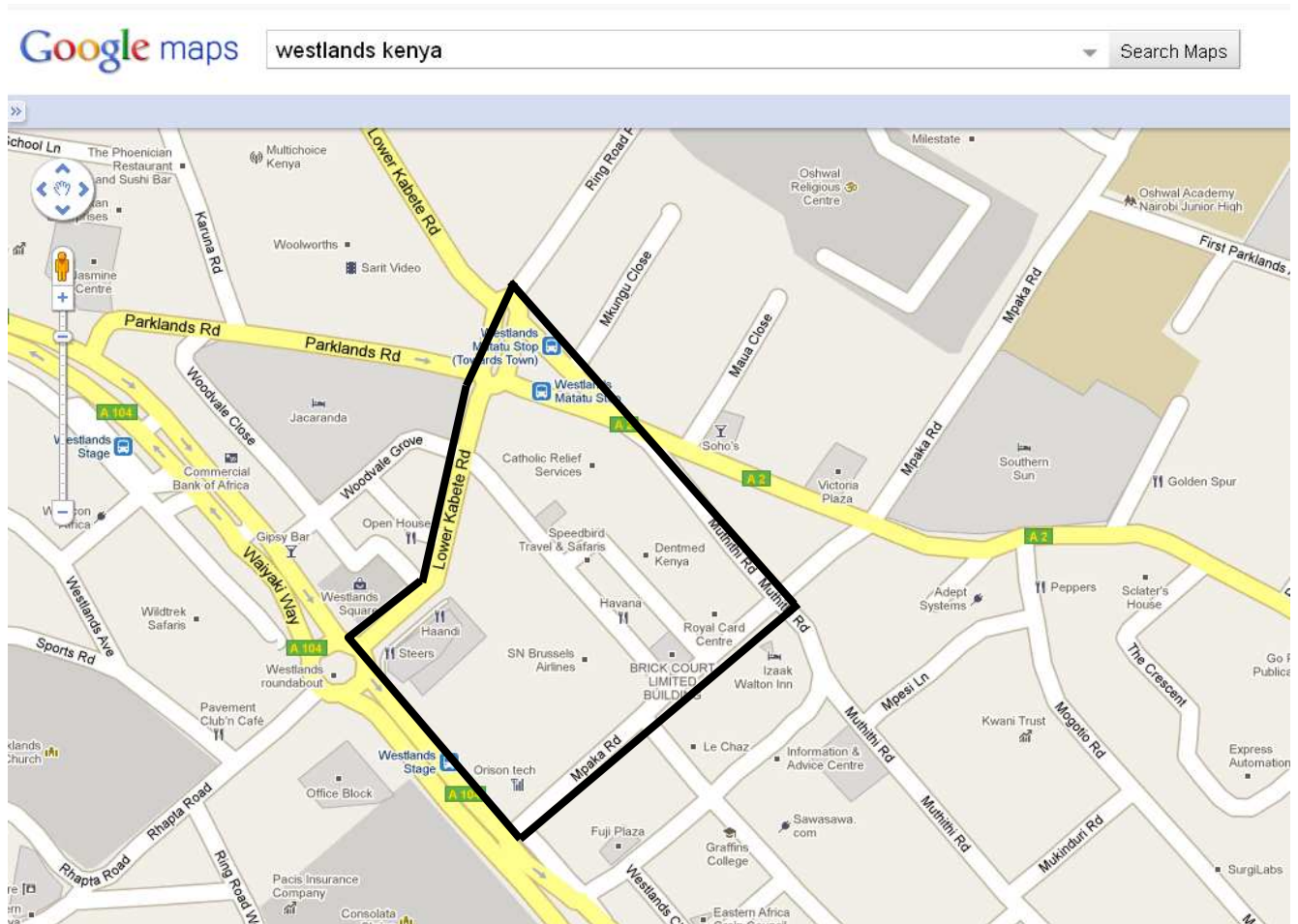
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APPENDIX 1

MAP OF WESTLANDS RESEARCH AREA



APPENDIX 2

INTERVIEW GUIDE

This interview guide will be used to interview owner/managers who have been active in the running of the business for the last 4 years. Preferably, owners will be sought as they would have a better understanding on the history and activities that the business has engaged in

Company Profile

1. Name of the organization (optional)_____
2. For how many years have you operated the business?_____
3. What category best describe the business/organization?
 - ☐ Professional services (includes salons, dentists, clinics, accounting firms, software development firms)_____
 - ☐ Trading (any business involved in merchandising i.e. buying and selling of products including software merchants)_____
 - ☐ Artisans (businesses which personally make products including curio shops, furniture shops and fashion houses that make the clothes themselves)_____
 - ☐ Entertainment houses (any bar and/or restaurant that is open at least 6 days a week for at least 18 hours)_____
4. What is your highest level of education?
 - ☐ Primary School
 - ☐ Secondary School
 - ☐ College/ Technical School
 - ☐ University
 - a. What was your area of expertise? (in case higher than secondary education)

 - b. Have you ever received any form of knowledge/education/training on business management and specifically marketing? (if course is not business related)
☐ Yes ☐ No
5. How many employees do you have in the business?_____
6. Who is your major customer in terms of revenue received?
☐ Business market ☐ Consumer market

7. Who among the two has a higher volume of purchase occasions?

☐ Business market

☐ Consumer market

Success and Marketing Activities/Programs

9. What is your definition of success? (Multiple answers allowed with the most significant first)

☐ Financial gain

☐ Better community

☐ Job satisfaction

☐ Other _____

10. How would you rate the success of your business?

☐ Not successful,

☐ Successful,

☐ Somewhat unsuccessful,

☐ Very successful

☐ Somewhat successful,

11. Since the beginning of the business, have any of the following been experienced in the business?

i. Increased financial revenue using the first year as the base year?

☐ Yes

☐ No

ii. Increased number of employees compared to the first year?

☐ Yes

☐ No

iii. Increased floor space either by opening another branch or within the same locality

☐ Yes

☐ No

a) At what point did these changes happen?

Financial revenues increasing _____

Increasing number of employees _____

Increased floor space _____

12. How would you rate the significance of change?

☐ Insignificant,

☐ Significant or

☐ Somewhat insignificant,

☐ Very significant

☐ Somewhat significant,

13. What would you say attributed to your success?

14. What would you describe marketing as?

15. Taking the definition of marketing as any activity that is done to maintain or attract new customers, what marketing activities have you engaged in within the last 4 years

(The tables are a guide to the activities done)

Promotion	Product
Advertising • Radio • TV • Newspapers • Magazines • Fliers • Posters • In store displays • Shop front advert	Branding • Company • Product
	Customisation
	New product lines
Personal selling	Quality
Sales promotion	Warranties
Public relations	Packaging
Publicity • Sponsorships • Product placement • Art exhibitions	New product development

Place/ Distribution	Pricing
New branch	Penetration
Alliance with other businesses	Skimming
Agents	Cost plus
Internet selling	Value leader
	Loss leader
	Tender pricing
	Price discrimination
	Marginal
	Target
	Contribution
	Psychological

16. What were your key drivers to market?

- ☐ Competition
- ☐ Own experience
- ☐ Your customer behaviour/the type of client
- ☐ New innovation
- ☐ A strategic partnership
- ☐ Other _____

17. In your opinion how successful were the marketing activities in achieving the set objectives?

18. What were your biggest challenges in marketing to your customers?



APPENDIX 3

T DISTRIBUTION TABLE

t Table											
cum. prob	$t_{.50}$	$t_{.75}$	$t_{.90}$	$t_{.95}$	$t_{.98}$	$t_{.99}$	$t_{.995}$	$t_{.9975}$	$t_{.999}$	$t_{.9995}$	$t_{.9999}$
one-tail	0.50	0.25	0.20	0.15	0.10	0.05	0.025	0.01	0.005	0.001	0.0005
two-tails	1.00	0.50	0.40	0.30	0.20	0.10	0.05	0.02	0.01	0.002	0.001
df											
1	0.000	1.000	1.376	1.963	3.078	6.314	12.71	31.82	63.66	318.31	636.62
2	0.000	0.816	1.061	1.386	1.886	2.920	4.303	6.965	9.925	22.327	31.599
3	0.000	0.765	0.978	1.250	1.638	2.353	3.182	4.541	5.841	10.215	12.924
4	0.000	0.741	0.941	1.190	1.533	2.132	2.776	3.747	4.604	7.173	8.610
5	0.000	0.727	0.920	1.156	1.476	2.015	2.571	3.365	4.032	5.893	6.869
6	0.000	0.718	0.906	1.134	1.440	1.943	2.447	3.143	3.707	5.208	5.959
7	0.000	0.711	0.896	1.119	1.415	1.895	2.365	2.998	3.499	4.785	5.408
8	0.000	0.706	0.889	1.108	1.397	1.860	2.306	2.896	3.355	4.501	5.041
9	0.000	0.703	0.883	1.100	1.383	1.833	2.262	2.821	3.250	4.297	4.781
10	0.000	0.700	0.879	1.093	1.372	1.812	2.228	2.764	3.169	4.144	4.587
11	0.000	0.697	0.876	1.088	1.363	1.796	2.201	2.718	3.106	4.025	4.437
12	0.000	0.695	0.873	1.083	1.356	1.782	2.179	2.681	3.055	3.930	4.318
13	0.000	0.694	0.870	1.079	1.350	1.771	2.160	2.650	3.012	3.852	4.221
14	0.000	0.692	0.868	1.076	1.345	1.761	2.145	2.624	2.977	3.787	4.140
15	0.000	0.691	0.866	1.074	1.341	1.753	2.131	2.602	2.947	3.733	4.073
16	0.000	0.690	0.865	1.071	1.337	1.746	2.120	2.583	2.921	3.686	4.015
17	0.000	0.689	0.863	1.069	1.333	1.740	2.110	2.567	2.898	3.646	3.965
18	0.000	0.688	0.862	1.067	1.330	1.734	2.101	2.552	2.878	3.610	3.922
19	0.000	0.688	0.861	1.066	1.328	1.729	2.093	2.539	2.861	3.579	3.883
20	0.000	0.687	0.860	1.064	1.325	1.725	2.086	2.528	2.845	3.552	3.850
21	0.000	0.686	0.859	1.063	1.323	1.721	2.080	2.518	2.831	3.527	3.819
22	0.000	0.686	0.858	1.061	1.321	1.717	2.074	2.508	2.819	3.505	3.792
23	0.000	0.685	0.858	1.060	1.319	1.714	2.069	2.500	2.807	3.485	3.768
24	0.000	0.685	0.857	1.059	1.318	1.711	2.064	2.492	2.797	3.467	3.745
25	0.000	0.684	0.856	1.058	1.316	1.708	2.060	2.485	2.787	3.450	3.725
26	0.000	0.684	0.856	1.058	1.315	1.706	2.056	2.479	2.779	3.435	3.707
27	0.000	0.684	0.855	1.057	1.314	1.703	2.052	2.473	2.771	3.421	3.690
28	0.000	0.683	0.855	1.056	1.313	1.701	2.048	2.467	2.763	3.408	3.674
29	0.000	0.683	0.854	1.055	1.311	1.699	2.045	2.462	2.756	3.396	3.659
30	0.000	0.683	0.854	1.055	1.310	1.697	2.042	2.457	2.750	3.385	3.646
40	0.000	0.681	0.851	1.050	1.303	1.684	2.021	2.423	2.704	3.307	3.551
60	0.000	0.679	0.848	1.045	1.296	1.671	2.000	2.390	2.660	3.232	3.460
80	0.000	0.678	0.846	1.043	1.292	1.664	1.990	2.374	2.639	3.195	3.416
100	0.000	0.677	0.845	1.042	1.290	1.660	1.984	2.364	2.626	3.174	3.390
1000	0.000	0.675	0.842	1.037	1.282	1.646	1.962	2.330	2.581	3.098	3.300