STRATEGIC MARKETING PRACTICES ADOPTED BY GENERAL MOTORS EAST AFRICA LIMITED

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DECLARATION

This is my original work and it has not been presented in any other university or institution for examination.

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This project has been submitted for examination with my approval as university supervisor.

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DEDICATION

I dedicate this work to my loving parents, Mr. Livingstone Ambetsa and Mrs. Beverly Ambetsa, for always believing in me, for seeing me through my education and for constantly encouraging me to strive for excellence. I love you both and may God Almighty continue to shower you with everlasting blessings.

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ABSTRACT

This study set out to identify the marketing strategies adopted by General Motors East Africa Limited. Its main objectives were to determine the strategic marketing practices employed and to examine the factors affecting the implementation of strategic marketing practices employed by the company.

The study adopted a case study design which was most appropriate in the investigation of strategic marketing practices adopted by the company. Respondents of the study comprised the company's marketing staff, who provided information on the strategic marketing practices. Data collection was done through self-administered questionnaires with closed and open-ended questions. The data collected was analyzed using descriptive statistics. This involved the use of frequency tables, percentages, rank ordering, and means scores. Frequency tables were used for grouping data obtained to facilitate working out percentages in order to partly address the first objective of the study.

The study found that scanning of the environment involving the demand for products, availability of suppliers, changes in consumer tastes, number of employees and market size was always undertaken before marketing plans were prepared. The marketing objectives were all considered very important to the company. Regular review of the marketing plan was always undertaken. The company studies emerging trends to develop new brands, where appropriate, they always withdraw poorly performing brands from the market. It is recommended that the management formulate a coordinated strategic plan to encompass business and marketing plans for the development of the company objectives. Coordination between the departments is vital and General Motors East Africa needs to set priorities, goals and objectives attainable within a set time frame.

CHAPTER 1: INTRODUCTION

1.1 Background

Competition in most global product markets is intense. Product type competition has become intense, so has brand competition. Substitute competition has also become an increasingly bitter battleground, with products being able to replace others as technology and tastes change (Porter, 1990). A system, to be competitive, must have two requisites. First it must be competitive with other systems in attracting resources, and secondly it must be absolutely competitive against similar systems or industries in other countries. The system may have to compete against those industries in international markets or be threatened by them in its domestic markets. Porter (1990) refers to this as "competitive advantage" or "international competitiveness". He concentrates on two factors in the control of manufacturing industries i.e.: lower cost of production and delivery and differentiation of product.

Porter (1990) has explained why some nations are more competitive than others. He explains that as well as being able to successfully maneuver through the environment, the foundation of success lies in the "diamond" of "home" advantage. To successfully launch an international challenge he identified four "home" prerequisites. These are: the maximum use of endowed resources (natural and human), the forming of domestic networks to fully exploit these resources, domestic demand, and finally, an industry and environmental structure in order that these forces can thrive. In Porter's analysis, industry competitors can be threatened by new or potential entrants and substitutes. In systems, barriers to new entrants can exist, as well as barriers to international competitiveness. These barriers can be related to technical characteristics of commodities: perishability, bulkiness, production characteristics, economies of scale, and laws, rules and standards.

Pierce and Robinson (2000), argue that if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength. Strategic marketing is crucial to an organization because it takes into consideration fundamental changes in the environment thus making firms proactive rather than reactive (Bett, 1995). Okutoyi (1992) states that strategy has an important role in helping businesses position themselves in an industry. Effective strategy may enable a business to influence the environment in its favour and even defend itself against competition. Aaker (1992) also adds that given the current focus in business, there is need to understand competitor strengths in the market and then position one`s own offerings to take advantage of weaknesses and avoid head on clashes against strengths.

1.1.1 Strategic Marketing

According to Abdalla (2001), achieving a competitive advantage is a major preoccupation of senior executives in a competitive slow growth market that characterizes many industries today. Gaining strategic leverage is a problem for companies in turbulent and uncertain markets. Abdalla (2001) found that strategic marketing practices applied in the soft drinks industry in Kenya are promotion strategies with emphasis on advertising, sales promotion, personal selling and brand public relations in that order, distribution strategies with emphasis on kiosk network and supermarkets, pricing strategies and product strategies in that order. This study found that good network distribution strategies fulfill demand and ensure extensive brand availability within consumers reach when needed especially in high traffic areas. Intensive distribution channels ensure success in market share expansion, growth and profitability.

Abdalla (2001) adds that branding plays a major role in product strategies with product quality being a major emphasis. To build strong brands, one requires well planned and well executed marketing strategies. To succeed companies also have to carefully and continuously study consumer behavioral trends over time and adjust accordingly. The study by Abdalla (2001) recommends that strategic marketing practices in other industries and sectors be studied to facilitate comparison of practices within and between industries as well as in terms of specific practices adopted. This therefore serves as a springboard for this study to investigate the development of a strategic marketing plan for a sustainable automotive industry in Kenya.

1.1.2 Strategic Marketing Planning

Corporate executives are continuously trying to cope with environmental threats and opportunities (Abdalla, 2001). They carefully monitor and assess the changing market environment, especially in relation to customer needs and desires, competitive actions, laws and regulations and other pertinent factors to evolve their own marketing strategies (Majumder, 1996). Strategic marketing planning is the managerial process that entails analysis, formulation and evaluation of strategies that could enable the organization to achieve its goals by developing and maintaining a strategic fit between the organizations distinctive competences or resources, and the threats and opportunities arising from its changing environment (Vinayak, 2001). The strategic marketing planning focuses on three aspects: Firstly, Where are we? This is an assessment of the marketing environment and a situational analysis. Secondly, how do we operate? This is the identification of competitors and internal strengths and weaknesses, formulation and implementation of strategy. Thirdly, what are our results? This involves a detailed marketing activity reviewed with proper standards of performance.

Vinayak (2001) observes that most marketing executives caught in the routine details of product development, pricing, promotion, advertising and distribution often lose sight of the big picture. They lose focus on the most vital questions. Where are we going? How are we doing? To stay competitive in the market, each business has to develop its own response to these questions, and this entails development of its own strategy. According to Aaker (1992), the strategic approach to marketing has a number of advantages. It helps organizations orient themselves towards external factors such as consumers and competition. It makes them look beyond immediate issues forcing them to have along term view. It does also provide methods to help in strategic analysis and decision making and results in actions that must be taken to attain the objectives and goals through avoiding threats and taking advantage of the opportunities.

1.1.3 The Automotive Industry in Kenya

The Automotive industry in Kenya is primarily involved in the retail and distribution of motor vehicles. There are a number of motor vehicle dealers operating in the country, with the most established being Toyota (East Africa), Cooper Motor Corporation (CMC), General Motors, Simba Colt and DT Dobie. There are also three vehicle assembly plants in the country, which concentrate on the assembly of pick-ups and heavy commercial vehicles. The established dealers face intense competition from imported second-hand vehicles, mainly from Japan and United Arab Emirates. These imports now account for about 70% of the market. The last decade witnessed a significant decline in the number of new vehicles sold in the country. There has been a steady recovery in the last four years, but the numbers achieved still fall far short of the numbers recorded a decade ago. In 2004, the leading motor vehicle companies recorded sales of 9,979 units. Although 27% better than the previous year, this is still well below the levels achieved in the early 1990's (www.pwc.com/ke/en/industries/automotive.jhtml, accessed on 08/09/2009).

The slump in the volume of new cars sold is attributable the increased competition from second hand vehicles and the depressed economic environment. The Kenya Motor Industry Association (KMI), the representative body of the corporate participants in the motor industry, has been lobbying hard to reverse this trend. Some of these measures have helped the industry recover from its lowest point in 2000, when only 5,869 units were sold. On their part, the companies themselves have become more innovative in responding to customer needs. Some of the measures that KMI has been advocating include implementation of strict criteria on importation of second hand vehicles, incentives to promote local assembling of commercial vehicles and export incentives aimed at encouraging car manufacturers to expand operations in the region (www.pwc.com/ke/en/industries/automotive.jhtml, accessed on 08/09/2009).

1.1.4 General Motors East Africa Limited

General Motors Corporation (GM) founded in 1908, is the world's second largest automaker after Toyota, ranked by 2008 global unit sales. It manufactures cars and trucks in 34 countries. With global headquarters in Detroit, Michigan, USA, General Motors has currently employed 266,000 people spread in every major region of the world, and sells and services vehicles in some 140 countries. In 2007, 9.35 million GM cars and trucks were produced in 19 different countries. GM is the majority shareholder in GM Daewoo Auto & Technology Co. of South Korea and has had several collaborations with the world's various automakers. This includes product, power train and purchasing collaborations with Suzuki Motor Corp. and Isuzu Motors Ltd. of Japan, advanced technology collaborations with Toyota Corporation and BMW AG of Germany and vehicle manufacturing ventures with several of the world's automakers including Toyota, Suzuki, Shanghai Automotive Industry Corporation of China, AvtoVAZ of Russia, Renault SA of France, and most recently, UzAvtosanoa of Uzbekistan. GM also had collaborations with Fiat S.P.A and Ford Motor Company. To this day, GM retains various stakes in many different automakers. GM East Africa markets and sells Isuzu, Chevrolet, Opel and Hummer products and assembles Isuzu vehicles in Nairobi, Kenya. It has a 57.7% majority equity interest and management responsibility in this joint venture company. Itochu Corporation (Japan) has 4.5% equity, and the government of Kenya owns 20.0% through the Industrial & Commercial Development Corporation (ICDC). The remaining 17.8% equity is owned by the Industrial & Commercial Development Company, Investment Company (ICDCIC), a publicly owned company and an affiliate of ICDC. This affiliate also exports to neighboring countries in the COMESA region: Uganda, Tanzania, Rwanda, Burundi, Zambia, Zimbabwe and Mozambique (http://www.zenobank.com accessed on 24/02/2009).

Investing in community service, GM has played a major role in social responsibility programs. A team of GM volunteers, known as "HIV/AIDS Busters" work to sensitize colleagues and the community about HIV and AIDS and provide free Anti-Retroviral Drugs to HIV-positive employees and dependents and is the largest corporate blood donor in the region. As part of its Youth Empowerment initiative, GM East Africa supports the Junior Achievement program, for students who are interested in professional careers. The Organization also sponsors awards of excellence at colleges across the region to those students who are in good academic standing. It is also involved in reducing poverty housing in Nairobi's surrounding communities through Habitat for Humanity Kenya or Habitat Build. This organization seeks to empower communities, by developing resources and building affordable housing. Its focus is to make shelter a matter of conscience and action in Kenya. Lastly, the employees of GM East Africa support Operation Smile, Wind in the Trees, Nyumbani Children's Home, the resettlement of displaced families in Northern Uganda, and Uganda's Driver Training. (http://www.zenobank.com accessed on 24/02/2009).

1.2 Statement of the problem

With the increasing competition that companies are facing today, rewards will accrue to those who can read precisely what consumers want by continuously scanning the environment and delivering the greatest value to customers. Evans (1987) argues that as the operating environment changes, a more pronounced transformation of the business landscape lies ahead. Therefore, strategy is vital to the adaptation of the changing business environment. Karemu (1993), in a study of the state of strategic management in the retail sector found that there was intense competition among the supermarkets in Nairobi. The study found that service location and varieties of merchandise were most important in creating competitive advantage. Ngatia (2000) in a comparative study of service providers and customer perception of service in the retailing industry found that there is a consensus that there exists competitive strategy of service. In a study of competition strategy applied, Gathoga (2001) adds that banks have adopted various competitive strategies, which include delivery of quality service at competitive prices and at appropriate locations. In a case study of one Kenyan retail pharmaceutical firm, Mukuria (2002) concludes that the key response to competition centres on customer care.

None of the previous studies has dealt with strategic marketing practices that have been adopted by companies in Kenya in the automotive industry. Based on this evaluation, there is a gap in literature to warrant a research to be conducted in this industry. This research therefore intended to establish the strategic marketing practices adopted by General Motors East Africa.

1.3 Objectives of the study

The objectives of this study were:

1. to determine the strategic marketing practices employed by General Motors East Africa Limited
2. to examine the factors affecting the implementation of strategic marketing practices employed by General Motors East Africa Limited

1.4 Importance of the study

Foremost, General Motors Corporation will be able to know how effective it has been in assisting its branch in Kenya. This will act as a basis upon which improvement can be sought in client service delivery. General Motors Corporation, together with other Multi National Companies represented Kenya will recognize the importance of selecting appropriate marketing models in increasing outreach, ensuring sustainability, increasing program cost-effectiveness and improving program design.

Secondly, the research will bring in current statistics that the government can utilize in analyzing the multinational sector. The government will be able to know how the General Motors East Africa Limited is contributing towards the growth of the economy. The accessibility of products and its sustainability by the Kenyans population will come into light. The study will help the government in its desire to create and facilitate favorable policies for the automotive industry in Kenya. Requisite laws have not been enacted to regulate the Multinational Companies industry. The finding of this study may trigger action in that direction.

Thirdly, in the development of government policy papers the role of the international trade greatly require the effective participation of General Motors East Africa Limited as a Multi National Corporation. The policy makers will be able to know how well to incorporate the sector and how effective to ensure its full participation.

Fourthly, the donors will be able to assess performance of the Multinational Companies by comparing programs to ensure effective use of funds and measuring client-level impact. The study will help stakeholders of Multinational Companies and the private sector in assessing the sustainability of these organizations. This will enable them decide which Multinational Company branch to fund.

Finally, the research will provide valuable information regarding General Motors East Africa Limited, as the second largest car manufacturer in the world. Being upcoming entrepreneurs the academicians will be furnished with relevant information regarding international trade. It will contribute to the general body of knowledge and form a basis for further research.

1.5 Chapter Summary

This chapter encompasses the background of the study, the problem statement, research objectives, and questions. It introduces the research paper by providing background information on strategic marketing practices employed and it focuses on the background information of General Motors and the importance of the study.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter provides a detailed review of the existing research that has been carried out which is significant to the strategic marketing practices adopted by General Motors East Africa Limited. The chapter examines existing research on the concept of Strategy and Strategic Marketing.

2.2 Concept of Strategy

Ansoff (1965) observed that strategy is an elusive and somewhat abstract concept. This is expected when dealing with an area that is constantly changing. For instance, Pearce and Robinson (1991) define strategy as large-scale future oriented plans for interacting with competitive environment to achieve company objectives. It is the company's 'game plan'. While it does not detail all future development of resources, it provides the framework for managerial decisions. A strategy reflects company's awareness of how, where and how it should compete and for what purpose.

On the other hand, Mintzenberg and Qiunn (1996) define strategy as the pattern or plan that integrates organizations major goals, policies and action sequence into a cohesive whole. Porter (1996), states that strategy is creating a fit among a company's activities. The success of a strategy depends on doing many things well- not just a few- and integrating them. If there is no fit among activities, there is no distinctive strategy and little sustainability. Thompson and Strickland (1993) define strategy as the pattern of organizational moves and managerial approaches used to achieve organizational objectives and pursue organizational mission. Strategy is the match between an organization's resources and skills, and the environmental opportunities it wishes to accomplish (Schendel and Hofer, 1979). It is important to provide guidance and direction for the activities of the organization.

Strategy is the direction and scope of an organization over the long term, which achieves advantage for the organization through configuration of its resources within a changing environment, to fulfill stakeholder expectations (Johnson and Scholes, 2002: Ansoff and

McDonell, 1990). Hitt et al (1997) defines strategy as an integrated and coordinated set of commitments and action, designed to exploit core competences and gain a competitive advantage. By strategy, therefore, managers mean their large-scale, future oriented plans for interacting with the competitive environment to optimize achievement of organization objectives (Pearce and Robinson, 2002)

2.3 Strategic Marketing

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

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

2.3.1 Characteristics of Strategic Marketing

Strategic marketing focuses on financial performance rather than marketing concern about increasing sales and market share. Some of the characteristics of strategic marketing are foremost, Market driven strategies. Competitive advantage is customer driven and it is based on the degree of customer satisfaction achieved by the firm, and the extent to which it exceeds the customer satisfaction levels of competitors. Marketing strategy contributes to competitive advantage by combining the customer influencing strategies of the business into an integrated array of market focused actions. Environmental turbulence: the turbulence of the contemporary business environment places a special importance on the role of strategic marketing on the market and competitor monitoring activities. Secondly, they revolve around customer satisfaction. The key to achieving customer satisfaction is linking buyers' needs with the organization's product or service planning process. Success in creating high quality products and services depends most importantly on finding out which dimensions of product and service quality drive customer satisfaction. Thirdly, they lean towards financial performance. The objective is to make strategic decisions that contribute to the financial performance of the business.

2.3.2 Components of the Strategic Marketing Plan

There are two major components of a strategic marketing plan: how an enterprise will address the competitive marketplace and how it will implement and support the day to day operations of the enterprise. In today's very competitive marketplace a strategy that ensures a consistent approach to offering a product or service in a way that will outsell the competition is critical. However, in concert with defining the marketing strategy the company must also have a well defined methodology for the day to day process of implementing it. It is of little value to have a strategy if it lacks either the resources or the expertise to implement it. In the process of creating a marketing strategy you must consider many factors. Of those many factors, some are more important than others. Because each strategy must address some unique considerations, it is not reasonable to identify 'every' important factor at a generic level. However, many are common to all marketing strategies. Some of the more critical are described below.

2.3.3 The Strategic Marketing Planning Process

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

2.3.4 The Strategic Marketing Planning Framework

This research recognizes an urgent need to put in place a strategic marketing framework within which automotive marketing and development can be coordinated, funded and driven. The role of the framework is to provide coherence and certainty for motor vehicle sector marketing initiatives. Unless these fundamentals are in place, it will be very difficult to achieve both the objectives of the sector and the set targets. The marketing campaigns and activities will be based upon regular analysis and interpretation of global and domestic trends.

The key elements of the framework include Institutional Alignment, where the strategic marketing framework will encourage more effective alignment of public and private sector marketing organizations in the sector. Secondly, it has to align with the Central Government, where the framework will encourage local councils to take responsibility for the coordination of marketing and product development within their area of jurisdiction. The core roles and responsibilities of local organizations should be to support and coordinate the branding/marketing of local products, assist in profiling their areas with the national and international marketing and product development efforts, develop local product and provide infrastructure in local areas, facilitate private sector involvement in the marketing and development effort and lastly provide information and publicity to the public.

2.3.5 Benefiting From Strategic Marketing Planning

The top-down process of developing a strategic marketing plan helps ensure that all tactical marketing programs support the company's goals and objectives, as well as convey a consistent message to customers. This approach improves company efficiency in all areas, which helps improve revenue and market share growth, and minimizes expenses, all of which lead to higher profitability. It's important for a strategic marketing planning process to look at the company from the customer's point of view by asking questions that have a long time horizon, such as what needs or problems cause customers to consider buying from our company? What improvements in the customer's personal or business life can we enable or improve? Which customer market segments are attracted to our company or products? Which customer motivations or values lead people to decide to purchase our products? And lastly what changes or trends in our customer base are affecting their general interest or attraction to products like ours?

2.4 Chapter Summary

The chapter reviews the literature on marketing strategies as it is presently. This chapter is structured based on the research objectives. It reviews the relevant literature available focusing on the concept of Strategy, and evaluating strategic marketing, the characteristics of strategic marketing, components of the strategic marketing plan and the strategic marketing planning process. It also evaluates the strategic marketing planning framework and highlights the benefits that accrue from strategic marketing planning.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives details regarding the procedures used to conduct this study. Pertinent issues discussed in this section include the research design, data collection methods and data analysis.

3.2 Research Design

This study adopted a case study design that was most appropriate in the investigation of strategic marketing practices adopted by General Motors East Africa Limited. This gave the required observation of the kind of strategies prevalent and factors affecting management and how these were being addressed. Other researchers in related studies have also used this method (Aosa, 1992, Kan'goro, 1998).

3.3 Data Collection

The study selected a sample of respondents randomly from the marketing staff at General Motors East Africa Limited. A total of 45 marketing staff at General Motors East Africa Limited were sampled using simple random sampling. The researcher used both primary and secondary data. Primary data was obtained through interviews and self-administered questionnaires with closed and open-ended questions (see appendix I). The closed ended questions enabled the researcher to collect quantitative data while open-ended questions gave the respondent to collect qualitative data. The questionnaire was divided into two sections. Section one was concerned with the general information about the youth. Section two dealt with the strategic marketing practices adopted by General Motors East Africa Limited. Secondary data was collected by use of desk search techniques from published reports and other documents. Secondary data included the company's publications, journals, and periodicals.

3.4 Data Analysis

The data collected was analyzed using descriptive statistics. The data was summarized, coded and tabulated. Descriptive statistics such as means, standard deviation and frequency distribution were used to analyze the data. Data presentation was done by the use of charts, graphs, percentages and frequency tables. This ensured that the gathered information will be clearly understood. Data was coded and entered into the Statistical Package for Social Sciences (SPSS) for analysis. SPSS was used to perform the analysis as it aids in organizing and summarizing the data by the use of descriptive statistics such as tables.

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents a detailed discussion of the research findings in an attempt to achieve the research objectives. Data analysis is carried out based on the objectives of the study.

4.2 Analysis of General Information

A total of 45 questionnaires were distributed to managers of General Motors East Africa. However, only 35 were completed and returned, representing a 78% response rate.

4.2.1 Gender of the Respondents

The study sought to find out the gender of the respondents. It captured the gender of the respondents. Table 4.1 shows their response.

Table 4.1: Gender of the Respondents

	Frequency	Percent
Male	20	57.14
Female	15	42.85
Total	35	100.0

Table 4.1 shows that 57% of the respondents interviewed were male and 43% were female.

4.2.2 Age of the respondents

The study sought to find out the age of the youths which is captured in Table 4.2.

Table 4.2: Age of the respondents

	Frequency	Percent
21-30 years	11	31.4
31-40 years	18	51.4
41-50 years	6	17.1
Total	35	100.0

From the results in table 4.2, it is evident that most of the respondents were aged between 31-40 years. 51.4% of the respondents are between the ages of 31-40 years, 31.4% are aged between 21-30 years and the rest 17.1% are between 41-50 years.

4.2.3 Level of Education

The study sought to find out the level of education of the respondents which is captured in Table 4.3.

Table 4.3: Level of Education

	Frequency	Percent
College	5	14.3
University	30	85.7
Total	35	100.0

Table 4.3 shows that 85.7% of the respondents were university graduates, while the rest, 14.3% were college graduates. This indicates that on average the respondents are university graduates.

4.2.4 Planning For Marketing Activities

The respondents were asked to indicate whether the company did plan for their marketing activities. All the respondents indicated that they undertook planning for their marketing activities. The respondents were asked to indicate the duration that was covered by the marketing plan. The respondents indicated that the marketing plans covered durations of 1 month to over one year, with all the respondents indicating that the marketing plans were designed to cover periods of 1 year.

4.2.5 Scanning Of the Environment before Preparing the Plans

When the respondents were asked to indicate whether the company scanned the environment before preparing the plans, all the respondents indicated that scanning of the environment was always undertaken before marketing plans could be prepared. This is consistent with the strategic planning process which begins with environmental scanning.

Respondent's were required to rate the importance of various environmental factors when preparing market plans. Very important responses were coded 1, important responses were coded 2, indifferent responses were coded 3, and unimportant responses were coded 4. The results are as indicated in Table 4.4.

Table 4.4: Environmental Factors Considered In Marketing Plan Preparation

Variable	Very important	Important	Indifferent	Unimportant	Total
	%	%	%	%	%
Demand for product	91.4	8.6	-	-	**100**
Availability of suppliers	89.6	11.4	-	-	**100**
Changes in consumer taste	80.0	20.0	-	-	**100**
Number of employees	74.3	25.7	-	-	**100**
Market size	71.4	28.6	-	-	**100**
Availability of finance	68.6	31.4	-	-	**100**
Competition	68.6	31.4	-	-	**100**
Political stability	62.9	37.1	-	-	**100**
Technological factors	62.9	37.1	-	-	**100**
Business regulations	57.1	42.9	-	-	**100**
Staff policy	57.1	42.9	-	-	**100**
Ethical standards	54.3	45.7	-	-	**100**
Market growth potential	51.4	48.6	-	-	**100**
Government regulations	48.6	51.4	-	-	**100**

As shown in Table 4.4, key factors considered as very important when preparing marketing plans were cited as demand for product, availability of suppliers, changes in consumer taste, number of employees and market size which all had percentages above 70%. The other factors were important in the preparation of marketing plans. This depicts the scenario that all environmental factors indicated above were important in the process of preparing marketing plans.

4.2.6 Review of Marketing Plans

When the respondents were asked to indicate whether the company regularly reviewed the marketing plans, all the respondents indicated that regular review was always undertaken. This is consistent with the strategic planning process which requires review of the strategic planning process.

4.2.7 Importance of Marketing Objectives to the Company

Respondent`s were required to rate the importance of marketing objectives to the company. Very important responses were coded 1, important responses were coded 2, indifferent responses were coded 3, unimportant responses were coded 4 and less important factors were coded 5. The results are as indicated in Table 4.5.

Table 4.5: Marketing Objectives Considered in Marketing Plan Preparation

Variable	Very Important				Less important					
	1		2		3		4		5	
	n	%	n	%	n	%	n	%	n	%
Customer satisfaction	21	60.0	10	28.6	-	-	4	11.4	-	-
Product quality	20	57.1	12	34.3	-	-	3	8.6	-	-
Market share growth	28	80.0	3	8.6	-	-	4	11.4	-	-
Profit maximization	27	77.1	8	22.9	-	-	-	-	-	-
Survival	18	51.4	5	14.3	-	-	12	34.3	-	-
Target return on investment	19	54.3	9	25.7	-	-	7	20.0	-	-

As shown in the Table 4.5, all the marketing objectives were considered very important to the company, with market share growth, profit maximization, customer satisfaction and product quality being rated very important by 80.0%, 77.1%, 60.0% and 57.1% of the respondents respectively. This indicates that the above marketing objectives were important to the company.

4.2.8 Products Offered To Customers across the Industry

The respondents were then asked to indicate whether the company offered the same product to all customers across the industry. A total of 85.7% of the respondents indicated that the same products were offered to all customers across the industry while the rest (14.3%) indicated that the same products were not offered to all the customers. This is consistent with the strategic planning process which requires review of the strategic planning process.

4.2.9 Statements Related to the Products

The respondent's were then required to evaluate and rate statement related to the products offered by the company. Means for the factors were established in order to provide a generalized feeling of all the respondents. Always responses were coded 1, sometimes responses were coded 2, and never responses were coded 3. Means closer to one implied that the factor was rated always by most respondents, Means closer to 2 implied that most respondents rated that the factor sometimes, while means closer to 3 implied that the factor was rated as never by the respondents. The results are as indicated in Table 4.6. A total of 29 out of 35 respondents indicated that the company always studies emerging trends to develop new brands. A total of 25 out of 35 respondents indicated that they always withdraw poorly performing brands from the market where appropriate. Majority of the respondents indicated that they always offer high quality products and their packaging is always the best in the market all of which had means closer to one. Regular review of the performance of their brands, offering a wide variety of products and branding of their products differently was undertaken sometimes as indicated by the means closer to 2.

Table 4.6: Statements Related to the Products

Variable	Always	Sometimes	Never	Total	Mean	Standard Deviation
	Frequency	**Frequency**	**Frequency**	**n**		
New product introduction	20	10	5	**35**	1.57	**0.73**
Product line branding	10	18	7	**35**	1.91	**0.69**
Product modification	8	20	7	**35**	1.97	**0.65**
New market entry	10	15	10	**35**	2.0	**0.76**
Divesting sale to other firm	9	16	10	**35**	2.03	**0.74**
Product withdrawal	3	23	9	**35**	2.17	**0.56**
Entry barriers to competitors and substitutes	5	19	11	**35**	2.17	**0.65**

4.2.10 Product Strategy Pursued

The respondent's were also required to indicate the product strategy pursued by their company. Means for the factors were established in order to provide a generalized feeling of all the respondents. Always responses were coded 1, sometimes responses were coded 2, and never responses were coded 3. Means closer to one implied that the factor was rated always by most respondents, Means closer to 2 implied that most respondents rated that the factor sometimes, while means closer to 3 implied that the factor was rated as never by the respondents. The results are as indicated in the Table 4.7.

Table 4.7: Product Strategy Pursued

Variable	Always	Sometimes	Never	Total	Mean	Standard Deviation
	Frequency			n		
New product introduction	20	10	5	**35**	1.57	**0.73**
Product line branding	10	18	7	**35**	1.91	**0.69**
Product modification	8	20	7	**35**	1.97	**0.65**
New market entry	10	15	10	**35**	2.0	**0.76**
Divesting sale to other firm	9	16	10	**35**	2.03	**0.74**
Product withdrawal	3	23	9	**35**	2.17	**0.56**
Entry barriers to competitors and substitutes	5	19	11	**35**	2.17	**0.65**

As shown in Table 4.7, the respondents indicated that the company always pursued new product introduction, product line branding, and product modification strategies as these strategies scored means closer to one. The rest of the product strategies had means closer to 2 and were thus sometimes followed.

4.2.11 Pricing Objective Adopted

The respondent's were then required to indicate the pricing objective that their company adopted. The results are as indicated in Table 4.8.

Table 4.8: Pricing Objective Adopted

Variable	Always		Sometimes		Never	
	Frequency	**Percent**	**Frequency**	**Percent**	**Frequency**	**Percent**
Maximum profit	17	**48.6**	11	**31.4**	7	**20.0**
Meet competition	7	**20.0**	24	**68.6**	4	**11.4**
Offer better value than competitor brands	17	**48.6**	15	**42.9**	3	**8.6**
Undercut competitors	20	**57.1**	9	**25.7**	6	**17.1**
Increase frequency of consumption	14	**40**	18	**51.4**	3	**8.6**
Increase market share	17	**48.6**	16	**45.7**	2	**5.7**
Earn expected return on investment.	11	**31.4**	17	**48.6**	7	**20.0**

As shown in the Table 4.8, a total of 57.1% of the respondents indicated that the company always adopts a pricing objective to undercut competitors while 68.6% and 51.4% of the respondents indicated that the company sometimes adopted pricing objective to meet competition and increase frequency of consumption respectively.

4.2.12 Relative Roles of Features in the Product

The respondents were asked to evaluate and rate the roles of features in the products form a list of features such as cost, quality, packaging and attractiveness,. The results are as indicated in the Table 4.9.

Table 4.9: Relative Roles of Features

	Fairly important	Important	Very important
Cost of product	-	8.6%	91.4%
Quality of product	-	11.4%	89.6%
Packaging	8.6%	11.4%	80.0%
Attractiveness	20.0%	25.7%	54.3%
Expensive packaging	14.3%	34.3%	51.4%

As shown in Table 4.9, the relative role of the cost of product, quality of product and packaging were rated as very important by 91%, 89% and 80% of the respondents.

4.2.13 Participation in Product Improvement or Product Development

The respondents were finally asked to indicate whether the company engaged in new product development or improvement of existing products. The results are as indicated in the Table 4.10.

Table 4.10: Participation in Product Improvement or Product Development

	Frequency	Percent
Yes	28	**80.0**
No	7	**20.0**
Total	**35**	**100.0**

As shown in the Table 4.10, 80% of the respondents indicated that the company engaged in new product development or improvement of existing products mostly to meet customer needs and expectations. 20% did not affirm to the same.

4.3 Chapter Summary

This chapter has presented a detailed discussion of the research findings while answering the research objectives. Data analysis is carried out based on the objectives of the study. Descriptive statistics such as means, standard deviation and frequency distribution were used to analyze the data. Data presentation was done by the use of pie charts, bar charts and graphs, percentages and frequency tables.

CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the results gathered from the analysis of the data, as well as the conclusions reached. The chapter incorporates the various suggestions and comments given by the respondents in the interview. Findings have been summarized alongside the objectives of the study, conclusions have been drawn from the study and the recommendations for action are also given.

5.2 Summary of the Findings

All the respondents indicated that they undertook planning for their marketing activities with the marketing plans covered durations of over one year. The respondents indicated that scanning of the environment was always undertaken before marketing plans could be prepared. Key factors considered as very important when preparing marketing plans were cited as demand for product, availability of suppliers, changes in consumer taste, number of employees and market size which all had percentages above. The respondents further indicated that regular review of the marketing plan was always undertaken. The marketing objectives were all considered very important to the company, with market share growth, profit maximization, customer satisfaction and product quality being rated very important by majority of the respondents.

The respondents further indicated that the same products were offered to all customers across the industry. The respondents also indicated that the company always studies emerging trends to develop new brands, where appropriate, they always withdraw poorly performing brands from the market, they always offer high quality products and their packaging is always the best in the market all of which had means closer to one. They further indicated that the company always pursued new product introduction, product line branding, and product modification strategies as these strategies scored means closer to one. The company was cited as always adopting a pricing objective to undercut competitors, to meet competition and increase frequency of consumption. The relative role of the cost of product, quality of product and packaging were rated as very important by majority of the respondents respectively. The respondents also indicated that the company did engage in new product development or improvement of existing products mostly to meet customer needs and expectations.

5.3 Conclusions

The study focused on the strategic marketing practices adopted by General Motors East Africa as a means of achieving sustainable development of the automotive sector in Kenya. The respondents were optimistic that strategic marketing would among other things increase and sustain market share, lead to greater value added and improve profitability. The main problems were seen to be lack of support, high production overheads, lack of adequate resources particularly financial, outdated regulations that hamper sectoral growth, negative publicity by press, competition from second hand vehicle dealers and fast changing markets and consumer trends. A wide variety of solutions were recommended, ranging from seeking government support, improvement of infrastructure, mainly roads, as this would lower operating costs significantly, funding to enable smaller players to grow to optimal operating levels, marketing and publicity to improve image, generate more sales, capture and retain a reasonable market share, and enhancement of technology to improve quality and lower costs.

5.4 Recommendations

The study found that General Motors East Africa usually formulated a marketing plan for its marketing activities. It is therefore recommended that the management needs to formulate a coordinated strategic plan to encompass business and marketing plans for the development of the company objectives. The study also found that coordination between the departments is lacking, and as a result resources are not optimally channeled and utilized. General Motors East Africa needs to set priorities, goals and objectives attainable within a set time frame. General Motors East Africa needs to put in place procedures for allocating the necessary financial resources to enable it play its mandated roles. Currently, the organization lacks enough resources to effectively carry out its marketing budget and should therefore devote more funds to its marketing activities.

The study also found that the same products were offered by General Motors East Africa to all customers across the industry. As a result, it is therefore recommended that General Motors East Africa should differentiate their products and segment their customers in order to meet the needs of existing and potential customers in the ever changing and dynamic market. This will ensure that General Motors takes advantage of the market opportunities presented by the ever changing customer needs and will ensure that the customer's needs are exceeded.

5.5 Recommendations for Further Studies

This study focused on the strategic marketing practices adopted by General Motors East Africa Limited and the factors affecting the implementation of strategic marketing practices. The study however did not address the issue of the implementation of these strategic marketing practices in the face of the current Global Economic and Financial Crisis that has particularly affected General Motors Corporation, the mother company of General Motors East Africa Limited. It is therefore recommended that further studies be undertaken to find out how the Global Economic Meltdown and the 2009 Stimulus Package awarded to salvage General Motors Corporation, USA has affected General Motors East Africa Limited.

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APPENDIX

Appendix I: Questionnaire

The information provided her will only be used for academic purpose and will be treated with maximum confidentiality

PART A: GENERAL INFORMATION

1. What is your name? (Optional) ………………………………………………..

2. Please indicate your Gender. Male [ ] Female [ ]

3. Please tick the age bracket in which you fall.

   i) 21-30 years [ ]

   ii) 31-40 years [ ]

   iii) 41-50 years [ ]

   iv) 51-60 years [ ]

   vi) Above 60 years [ ]

4. What is your highest level of education?

   Primary [ ]

   Secondary [ ]

   College [ ]

   University [ ]

   Other, please state ……………………………………….

PART B

5. Do you plan for your marketing activities?

   Yes [ ] No. [ ]

6. What duration does the plan cover?

   1-6 months [ ] 7-12 months [ ] Over I year [ ]

7. Do you scan the environment before preparing the plans?

   Yes [ ] No. [ ] Sometimes [ ]

8. What environmental factors do you consider important when preparing the market plan?

(Please rate the factors as regards their importance)

Environmental Factors	Very important	Important	Indifferent	Unimportant
Market size				
Market growth potential				
Changes in consumer taste				
Government regulations				
Business regulations				
Ethical standards				
Political stability				
Availability of suppliers				
Availability of finance				
Technological factors				
Demand for product				
Competition				
Staff policy				
Number of employees				

9. Do you regularly review your marketing plans?

Yes [ ] No. [ ]

10. Indicate, by ticking appropriately, the importance of the following marketing objectives to your company

	Very important	Important	Indifferent	Unimportant	Less important
Customer satisfaction					
Product quality					
Market share growth					
Profit maximization					
Survival					
Target return on investment					
Others (specify)					

11. Who participates in setting marketing objectives?

____

____

____

____

12. Do you offer the same product to all customers across the industry?

Yes [ ] No. [ ]

13. Briefly state how you undertake your planning activities, in order of importance

____

____

____

14. Please indicate the target market of your products

Product	Target market group

15. Below are statements related to your products? Please tick the box that applies

	Always	Sometimes	Never
We offer high quality products			
We offer a wide variety of products			
Our packaging is the best in the market			
We brand our products differently			
We regularly review the performance of our brands			
We study emerging trends to develop new brands			
Where appropriate, we withdraw poorly performing brands from the market			

16. Please tick the product strategy pursued appropriately

	Always	Sometimes	Never
Product modification			
Product withdrawal			
Divesting, sale to other firm			
New product introduction			
Product line branding			
New market entry			
Entry barriers to competitors and substitutes			

17. Pricing please tick the appropriate pricing objective

	Always	Sometimes	Never
Maximum profit			
Meet competition			
Offer better value than competitor brands			
Undercut competitors			
Increase frequency of consumption			
Increase market share			
Earn expected return on investment.			

18. Please tick the relative role of the following in your product

	Totally unimportant	Unimportant	Fairly important	Important	Very important.
Cost of product					
Quality of product					
Packaging					
Attractiveness					
Expensive packaging.					

19. What are the major considerations of product quality? Please list

____

____

____

____

20. Does your company engage in new product development or improvement of existing products?

Answer **Reason**

Yes

No

21. Do you have any other comments that you deem to be important to this study?

____

____

____

____

Thank you for your co-operation.