

CHAPTER 5

MARKETING PLANNING IN SELECTED KENYAN UNDERTAKINGS (CASE STUDIES)

The preceding chapter contained a descriptive analysis of the state of art existing with regard to the marketing planning function in Kenyan industries. It also brought about the differences which existed in the management of this function in the case of public and private sector companies also between private sector companies with foreign collaboration and without such collaboration. The above analysis concentrated on studying and summarising the variables in relation to the management of the marketing planning function at an aggregate level.

In the present chapter an attempt has been made to get a holistic view by studying the steps involved in the marketing planning process as it is practised in some of the companies in Kenya which have been selected for this study. The mode of approach adopted has been to take a set of two companies, one from the field of the private sector and the other from the field of public sector for making comparative study through the case study method of marketing planning process in these companies. Five such sets have been studied for this purpose. The industries covered for this purpose include consumer non-durable goods, consumer durable goods, and pharmaceutical. The chapter concludes with an overall comparison of the marketing planning process as it obtains in these companies.

MARKETING PLANNING IN FOOD PRODUCTS UNDERTAKINGS A STUDY OF PUBLIC SECTOR UNDERTAKING

The corresponding public sector company in this field was set up in 1909 and was entrusted with the responsibility of manufacturing and distribution of protein enriched wholesome nutritious and fortified convenient food products to the general public and to the institutions at reasonable prices. It was also required to assist the government of Kenya in implementing various social welfare programmes. The company set up several plants at different places in Kenya namely Nairobi, Eldoret Nakuru etc. during 1909 to 1960. The company had expansion within and outside the country, expansion started by 1945. During this time the company established several plants in the neighbouring countries of which later on these plants were nationalised. The company has extended its product lines during 1965 to 1986 either by adding production facilities at existing plants or by starting new production facilities. The government has been approving additional funds to the company for setting up of more plants by using entirely indigenous raw materials. The company has diversified in other related food products. For ensuring success in its diversification programme the company was making use of the modern marketing methods and techniques. In order to give a boost to its research efforts, the company has also started a research and development wing in the sites of the company's manufacturing units where strict tests are carried out at every stage of production. Research and further tests are carried out at the central laboratory in Nairobi.

The company stated further that it is planning to diversify in other areas related to it both as vertical intergration as well as horizontal intergration. The company thinks itself as a "price leader" and leveller of price and quality as mentioned by the marketing manager. It has a 35% overall share of the market which gives it an edge over its competitors. The company has been using generic names to market its products, but this was making the company loose its market share. At the moment the company is using brand names, changing its packaging design, shape, colour and even the size of the product.

Market Structure:

The company is operating in a market where it is facing intensive competition from other large sized established foreign-collaborated units in the private sector. Its other competitors are numerous

small and medium sized manufacturers both from the organised and unorganised sector.

Corporate Planning

It had been trying to prepare five yearly plans. At the same time the company operates using revenue budgets (annually) and these indicate the revenue to be generated by different departments within the company. The modus operandi of the company in preparing its last five year plan has been in the following lines.

One existing data was used by it for making projections of demand during this period in respect of different items manufactured by it. To illustrate it was found that rate of growth of demand for its main products in various towns and in the rural areas was expected to be between 50% to 60% yearly not only during the next five years. Secondly the company worked out the demand for the same period for the same main products which it would be supplying to the beneficiaries under the special nutrition programme, government of Kenya. In working its estimates, it made use of the estimates made by working group of the department for the purpose. In this connection it was envisaged that roughly 70% of the beneficiaries will be supplied the required products from the company's sources. Thirdly the company set its production units in the main towns where the population is relatively high and at the same time considering the availability of raw material infrastructure etc.

Corporate Objectives

The company has spelled out its corporate objectives in writing and these have been divided in two broad categories, viz; non-financial objectives and financial objectives. The details of these objectives are as under:-

(a) Non-financial objectives

-To manufacture wholesome and nutritious products under hygienic conditions for supplying to general public, institutions and government sponsored programmes at reasonable prices and thus help in improving the dietary standards of the people.

-To promote the use of indigenous raw materials required for manufacturing of its products and set up such auxiliary industries as may be necessary for sustaining the production and growth of the industry on modern lines.

(b) Financial objectives:-

-To pay dividend regularly on the paid up capital of the company.

-To earmark every year a certain percentage of the profit for expansion programmes.

-To price the products taking into account the cost of production, the need to ensure adequate return on capital invested and the price of similar products in the market.

-To pay remuneration to the employees keeping in view the wage structure or policy as declared by the Kenyan government.

The ultimate responsibility for developing the corporate plan for the company is that of the general manager. For this purpose the general manager has constituted a committee consisting of marketing manager, technical manager, personnel manager, financial manager and other functionaries, provisions also existed for consulting the area representatives from different places all over the country.

Marketing Objectives

As far as the overall marketing objectives of the company are concerned, these the company had already integrated with the corporate objectives listed earlier. The following were the additional marketing objectives which the company was trying to achieve.:

-To attain customer or consumer satisfaction.

-To market at profit products of maximum value to consumers both current and potential

-To improve and strengthen company's long range profit outlook.

-To increase relative market share.

-To develop new distribution methods and channels as a means of improving participation and entering new products.

-To continue improvements in products in terms of quality, features, style or design, colour, size, shape etc.

Responsibility of Marketing Planning

The responsibility of co-ordinating the marketing planning function in the company was that of the marketing manager. The marketing manager is assisted by the General Manager and salesmen who comprise the marketing planning committee, this committee is only held at the sales forecast level. The function of the marketing department at the head office included decision-making in areas like fixation of prices of the products commission structure, designing the selling and distribution system, appointment of sales or marketing staff upto supervisory and the preparation of the overall marketing plan and policy for the company. The marketing manager who heads the whole marketing department reports directly to the General Manager, whereas the area representatives, sales promotion supervisor and others report to the marketing manager directly.

Purpose of Marketing Planning

The company stated that it had been preparing its marketing plans in a formal manner since 1950s and the following are the purposes sought to be achieved through marketing planning.

- To provide sound marketing decisions.
- Helping in production planning.
- Providing a basis for broad directional corporate planning.
- Integrating different marketing functions.
- Co-ordinating efforts of different departments.
- Aiding in planning finances.
- Providing basis for manpower planning

The company prepares both short-run and long-run plans of one year and five years duration respectively. However, the company did not disclose in which month of the year the process for the annual marketing plans commences.

Information System

The company stated that it has a statistical cell at its head office which performs the tasks of collecting and analysing business-relating information on a regular basis where statistical clerks perform this task and report directly to the sales superintendent. The company has also developed a system under which it keeps receiving information relating to the marketing and financial aspects in particular on a fortnightly and monthly basis from its various units. This information is analysed in its statistical cell and then sent to the top management and its various departments including the marketing department.

Beside collecting information relating to its own working, the company also collects and analyses information relating to the working of its competitors. This is done through diverse sources including its staff, distributors, advertising agencies, retailers, interviewing customers, industry survey, marketing intelligence etc. In addition, the company makes use of the secondary data published from time to time by various agencies both government and non governmental in Kenya and abroad.

The company stated that for developing its long-term marketing plans it examines in detail the implication of the environmental factors. These factors included the economic factors, technological factors, cultural factors, social factors and public policy and gives them their due weightage in finalising its plans.

It also stated that it develop its marketing forecasts by using a mix of Statistical Approach Method, Jury of Executive Opinion and the Grass Root Method.

Marketing Research

The company enunciated that during preceding five years it had conducted marketing researches in areas like consumer behaviour, sales forecasting, New product development, pricing of products, motivational research, market segmentation, market share measurement, distribution channels, physical distribution, measuring the effectiveness of advertising and sales promotion and stocking levels. Though most of such researches were done by the company through its own staff, the help of outside agencies like consultancy firms, advertising agencies etc. was taken whenever it was found necessary. This assistance was only in few areas like designing advertising message, selection of advertising media, and measuring advertising effectiveness.

Marketing Planning Process

The process of marketing planning is initiated by the marketing manager. The process then, moves on to the planning committee of the company, then to the General Manager (in case of sales forecast). In the other cases the Marketing Manager initiates marketing planning, and in fact does most of the job relating to the marketing planning till the preparation of the marketing plan in the draft form, viz consulting corporate targets, unit target and past achievements, environmental factors and important information relating to company's business and its competitors and also other relevant things in this context. From here the draft moves to the General Manager who goes through, makes some amendments and calls the marketing manager to discuss about the amendments. Finally the draft is finalised and approved by the General Manager. The approved draft is approved keeping in mind the company's overall objectives, its strengths and weaknesses. It is then broken down on unit-wise, period-wise, marketing-function wise basis in detail. The annual marketing plan is further broken down on monthly and quarterly basis.

In short, the marketing planning function in this company is mainly performed at the top and middle levels of management. Besides developing an overall marketing plan, the company develops separate plans for its various marketing functions viz; product-mix plan, sales plan physical distribution plan sales promotion plan, marketing research and pricing plan. The Company enunciated that it also prepares seasonal marketing plans. The seasons covered included the holiday and non-holiday months from the month, of October to January and February to September respectively.

Review and Updating of Marketing Plans

The marketing performance in this company is reviewed on a regular basis at the levels of the General Manager and the Managing Director at the Head office. This review and subsequent updating is done on a quarterly basis so far as long term plans are concerned and on a monthly basis in the case of short-term plans.

The company identified a number of external and internal factors that were responsible for the revision of its plans during the preceding five years. The external factors included erratic supply of raw materials and power, uncertain economic outlook, changes in governments policy and unpredictable moves on the part of competitors. Internal factors included the plant operating problems, eg, plant breakdown etc and shortage of finances.

Research and Development (R&D)

The company right from its inception had been having a laboratory, although it was not an advanced one till 1955. Recently the company has set up R&D unit, which is advanced and currently engaged in developing new products which are still at the pilot marketing stage improving the quality of the existing products, and developing and testing new products ideas, formulation testing, quality control, maximum capacity utilization etc.

Besides these activities the company is also laying an augmenting emphasis through its R&D efforts on improving its efficiency and reducing its cost. The company has the central laboratory in

Nairobi where further research is done apart from the laboratories located at each manufacturing unit.

Marketing-Mix Strategy

The company stated that in developing its marketing-mix strategy, "high" emphasis was given to price planning, distribution planning, and product planning and development. As against this the company gave "good" emphasis to technical research and development, product advertising and economic variables "Little" to "fair" emphasis was given to service including after sales service sales promotion and personal selling.

PLANNING OF THE DIFFERENT ELEMENTS OF THE MARKETING-MIX

Product-Mix Planning

The company stated that it determined its product mix on the basis of growth as one of the principle objectives. To achieve the above objective the company has introduced two new products in the market during the preceding five years. Out of these one of the item is still in the pilot marketing stage.

The company mentioned that some of the major reasons for introducing the above two new products were to meet the demand of a particular market segment, to improve the utilization of its plant capacity and meet its social obligations of changing habits of the people by providing them with more useful items at low margins of profits.

The company further stated that it has gone to diversification both in the horizontal and vertical intergration.

Market Segmentation

The company at present is selling its products in three market segments. Three include commercial, institutional and protected or contractual markets. The company follows different pricing policies and supplies different quality of products to suit specific needs of these segments. As far as the commercial market segment is concerned, the company uses geographic basis, demographic basis and psychological basis.

Besides these the company broadly segmented its market, into consumer market that is comprising the end users and the industrial market. The industrial market consists of the industrial buyers for adding value to the product.

Price Planning

The company's pricing objectives which formed part of its corporate objectives were to price its products on the basis of the cost of production, the adequate return on the capital invested and the price at which products were sold in the market.

The company further stated that its pricing objectives also included the following; maintaining relative parity with competitors' price, keeping out competition, promoting products line, having early cash recovery, mobilising resources and charging prices in consonance with the market conditions. The company mentioned that one of its major pricing objective is to be the price leader with a view to prevent price inflation of similar other products sold by its competitors and also attempting to reduce the price if possible.

So far as pricing of its new products is concerned the company followed penetration pricing policy. Besides the price factor, the non-price factors were also emphasised by the company in promoting its products. The company also made use of the market research methods and break even analysis technique in deciding the prices of its products. The competitive pricing policies were also considered in taking the final decision.

In case of some of the products, the price is controlled by the government in that there is government interference to some extent. The government did this for it has declared these products as essential commodities for the society.

The company observed that ever since it entered the market, it has been able to act as "price-leveiler" as well as pace setter in sale of quality products. The company substantiated this by mentioning that in spite of sharp rise witnessed in the price index in general, the price-line of its products has been held for so long until recently-1980s-when it had to hike the prices of its products following an increase in the issue of price of its basic raw materials. Another reason was due to sharp increase in the prices of other raw materials.

Distribution Planning

The planning in relation to distribution function at the head office is limited to advising its units with regard to the channel of distribution to be used as well as the logistics arrangements that should be adopted by its units. In addition, it helps the units in determination of the dealers or distributors commissions structure including incentive guidelines. The remaining aspects like those of dealer or distributor selection and service mix to be offered to them are also looked after by the marketing manager together with the sales superintendent.

The company makes use of both direct and indirect channels of distribution. The direct channels are mainly being used for providing supplies to institutional and protected or contractual buyers (Industrial Market). Indirect channels using distributors or dealers are being used for selling its products to final consumers.

The company had appointed a number of distributors for this purpose. About 3,000 distributors were appointed by the company to cover the whole country. A large number of small dealer (about 30,000) for making its products available to ultimate consumers were also appointed. If in any area the company did not have any distributor it supplied its products to the dealers directly.

Distributor and Dealer Selection

The company, in selecting a distributor or a dealer for its products, considered the following factors.:

- Services required to be performed by channel members,
- The availability of storage space with the distributor or dealer
- Competitive channels arrangements.
- The distribution costs.
- Intensive market coverage objective, and
- Customer expectations with regard to products availability.

Physical Distribution objectives

The physical distribution objectives of the company included objectives like providing quick and regular supply of the products to its customers, to retain their freshness, to ensure ready availability of its new products to customers, to synchronize with its launching in the market, to cut prices through successfully reducing physical distribution costs, to effect stonger patronage by offering more than competitors in the way of services, to optimise customers services and to minimise distribution costs.

The company supplied its products to its distributors and dealers on cash basis only. The quantities of its different products to be supplied to them is determined both on the basis of their performance as well as the potential present in their territories.

Distribution Commision and Incentives

As far as distribution commission and incentives was concerned, the arrangements followed by the company however, was not disclosed. Although bigger incentives were however given where the quantity sold by the channel was giving rebate on transport and quantity discount by product.

Replacement Policy

No clear cut policy, however, existed so far as the replacement of its unsold or spoiled stocks

was concerned. The company, however, stated that an understanding existed between its units and channel members that if the products supplied were found to be defective because of the company fault, the same would be replaced with the fresh supplies.

Promotion Planning

The company spends each year about 20% of the total sales, 15% being spent on advertising alone, in promoting sales of the products. The company stated that in determining its total promotion budget it followed "objective and task method" and at times it sets a certain percentage on sales and at the same time total revenue available is also taken into account.

The company has been determining suitable promotion mixes and has been using tools of advertising, personal selling and sales promotion in an integrated manner. This has been in the context of the various goals that it has been trying to pursue from time to time.

Advertising

The following had been some of the advertising goals which the company had been trying to achieve during the latest five years or so:

- To create customer awareness.
- To reduce selling expenses.
- To encourage immediate sales.
- To reach inaccessible customers.
- To counter act competitive activity.
- To support sales force.
- Not to lose identity with the public, and
- To create customer preference for the company products or brands.

The company mentioned that in all its advertising campaigns has been to lay emphasis on people's health and also to educate people in this direction

Personal selling:

For promoting the sale of its products the company has also a field sales force attached to various areas each area looking after a particular territory of the company. The company utilizes its sales force for the following purpose; to make sufficient number of calls on customers, giving optimum level of satisfaction to customers, to check that the retailers carry adequate stocks, provide good shelf exposure enthusiastically, and co-operate; in other sales promotion activities, to educate customers (retailers, dealers, users) by explaining the technical aspects of the products, to provide adequate customer service and to help dealers in sales promotional activities

Sales Promotion

The company also uses sales promotion with personal selling and advertising as an element of the promotional mix. In other words these various elements of the promotional mix are planned in an integrated manner in the context of the overall promotional goals of the company. Some of the objectives sought to be achieved through its sales promotional programmes relating to motivating dealers to stock and sell larger quantities of company's products, to increase the products rate of usage among existing users, to attract new customers to the company's products, to meet competitive challenges, to increase brand loyalty and to secure their co-operation and support in successfully launching new products in the markets.

Some of the sales promotion methods used by the company in connection with these objectives have been several. These include the distribution of free samples, organising get together parties, participation in trade fairs, exhibitions etc. Organising seminars, conferences etc, giving awards to the salesmen on successfully completing targets etc.

Effectiveness of Promotional Programmes

To measure the effectiveness of promotional programmes is a difficult exercise for it requires establishment of cause-and-effect relationship between promotional programmes and sales, which is not easily established. Reason being sales are a function not only of promotional programmes but also other marketing variables.

Judging effectiveness, however, is easier in the case of sales promotional programmes as it is simpler to establish such relationship in such situations.

As far as other promotional programmes are concerned effectiveness is generally measured to the extent to which it is possible by relying on measurement of earlier stages of the purchasing process, like awareness, change of attitude etc.

The company has been measuring the effectiveness of its promotional programmes on these lines and also subject to the limitations listed above. To manage its promotion function more effectively the company has been taking the help of advertising agencies. This is in connection with the managing functions like media planning and selection, copy writing etc.

Management philosophy and Development of Marketing Personnel

The marketing orientation and the level of sophistication so far as the management of its marketing function is concerned could also be judged in terms of the managerial resources which it employed for this purpose. There are three senior executives functioning in its marketing field, one possessed either M.B.A. (Master in Business Administration) or post-graduate diploma in business management. The other remaining two persons possessed Bachelor of Commerce (marketing option) or Bachelor of Arts (Management). These people had also attended a number of specialised courses in the area of marketing management. This is both overseas and locally to ensure highly skilled manpower to handle the sophisticated nature of many of the production and marketing processes.

The company policy is not only to appoint professionally qualified persons in the first instance, but also to help them to keep themselves upto date by sponsoring them to various executive development programmes, conferences etc. Usually the sponsored executives attend different programmes organised by leading management institutions and organisations from time to time within the country and outside the country. However the company did not disclose the average time it sponsored its executives to attend these courses instead it stated that the need, the nature of the programme and the availability of funds were the prime determination factors.

Top Management Philosophy

When asked about the philosophy followed by the top management of the company it was stated that the company was "marketing oriented". The marketing orientation was defined as providing high nutritious and hygienically made products of high quality in a large volume to the customers at affordable prices with reasonable margin of profit for the survival of the company and make sure that consumer/customer is satisfied".

Societal Aspects

When asked about the societal aspects which the company took into consideration in planning its marketing function, it was mentioned by the company that it was helping the country in the following ways, raising its national standards and consequently the longevity of life of people, helping in achieving the self-sufficiency by developing indigenous food products, setting up auxiliary plants, protecting consumers by setting and maintaining quality and quantity standards commensurate with their prices, saving the economy considerable amount of foreign exchange which was utilized in imports at independence, earning the country valuable foreign exchange through exports.

Others include, payment to farmers who benefit from the company by receiving an average of kshs 16 billion per year for over half a million tonnes of produces turned into food products.

Large number of Kenyan companies benefit by supplying material and service to the company and its subsidiaries. Particularly important are packaging, power, water, machinery, printing and transportation.

The company today employs approximately 3,000 employees, each supporting an average average of six family members, hence providing a livelihood for over 18,000 Kenyans. The company with its subsidiaries, contributes enormously to the government revenue through the payment of corporate taxes eg, value Added Tax (VAT), sales tax, excise duty etc. averaging at kshs 63 million per year. The share holders receive over kshs 30 million in dividends per year.

TABLE 34:- BENEFITS GAINED BY KENYANS FROM THE COMPANIES OPERATION

BENEFITS GAINED BY DIFFERENT PARTIES	Percentage(%)
1. Dividends to approximately 3,500 share holders	1%
2. Government taxes	3%
3. Salaries and wages paid approximately 3000 employees	6%
4. Supplies and Services	13%
5. Payment to farmers of agricultural raw materials	77%
Total	100%

The company has also been trying to help in the vulnerable section of the society both by popularising the need for consumption of nutritious food products and also by developing products of special type in this direction.

Relative Position Vis a vis the Private Sector Unit

When asked to compare itself in terms of the advantages enjoyed by it in the public sector as well as limitations from which it suffered because of this reason, the responses which emerged in respect of its functioning vis a vis its counter part in the private sector were as under:

In its opinion its competitor in the private sector enjoyed the following advantages, viz; pioneers in the manufactures of some of the product, longer experience, foreign collaboration, experienced personnel and highly qualified established brand names and its greater credibility, great flexibility of managing and larger promotion budget.

As against this, the advantages enjoyed by it were, greater ease in obtaining financial support from the government, preferential treatment in purchases by government and its sister enterprises also in the allotment of raw material in short supplies. Not with standing some of the advantages, its functioning suffered from a number of disadvantages like slowness in decision making process communication gap between the head office and its unit and greater degree of conflict between

different departments.

The company felt that these were some of the factors which were responsible for adversely affecting the image and reputation of the company in general amongst its dealers and, through them, its ultimate customers. The company, however, mentioned that it was trying to resolve these problems by minimising their adverse influence on its functioning. The two aspects in respect of which it claimed special credit related to disciplining the competitor. These were: firstly in respect of maintaining the quality and weight of standard of the product and secondly in respect of maintenance of stability of prices.

Conclusion

The state of art regarding marketing planning in this company reveals a sufficiency satisfactory approach towards this function. It was found that the company had formulated corporate and marketing objectives, to have developed separate Marketing plans in respect of different element of the marketing mix, besides an overall marketing plan. It was also noticed that the company was sufficiently operational in its efforts of harmonising the goals with the overall need of the society.

There existed, however certain deficiencies which needed to be stream lined like the process used in planning the marketing function, routinised and unintegrated marketing information system and so forth. One of the important areas of marketing planning which had not as yet reached a level of stability was its planning of the distribution function.

This company, unlike its counterpart in the private sector, was found not using sophisticated marketing models in the planning of its marketing function.

In terms of the scoring technique used this company recieved the overall score of 0.69 and thus fell in the category of those companies that had gained a medium level of marketing planning sophistication.

Marketing Planning in food products Undertakings: A study of Private Sector Undertaking.

This private sector company was incorporated in 1936 with the object of manufacturing various consumer non-durable items to better living for Kenyan families. The company also operates an industrial division which caters for the industrial market. The company operates through trade centers through out the country namely Mombasa, Nakuru, Karatina, Nairobi and Kisumu. These trade centers are treated as profit centers and their activities are co-ordinated and controlled through the head office situated at Nairobi. Nearly each trade center has a manufacturing unit attached to it where as the industrial product manufactured by the company is manufactured at the Nairobi unit. Each trade center is headed by General Manager who reports to the chairman of the company directly. The increasing demand for company's products is reflected in its continous growth of sales.

The company has a government recognised research and development unit which was started right at the beginning of the company, which puts pronounced emphasis on result-oriented activity, meaning there by development of better products, better technology, better process and that quality travels well. The companies products are well upto world standards of quality. The company export started in 1977 and has expanded during the last five year. In 1990 its exports were kshs 110million representing a 10% increase over the previous year (1990). The company has also well established seperate division to boost up exports. This export unit is headed by a senior manager supported by well trained and experinced staff.

Market Structrue :

The company is operating in a market where it faces an intense competition for one of its products from a public sector company. For the other products it is facing competition from large sized private sector and many small sized companies in the unorganised sector. The company's products enjoy an established brand name and have a considerable market share among organised sector companies.

The company is also considered as the market leader in the case of four of its products.

Organisation of Marketing Function

The marketing function at the corporate level is looked after by the marketing director of the company who reports to managing director of the company. He is assisted by a group of products managers and products development manager. The company general sales manager at the head office who works under the marketing director and co-ordinates the marketing activities of the branch offices and has working with him a marketing services manager and a deputy general sales manager. The set up regarding the marketing function at the branch level in general is as follows: Each branch office as stated earlier is headed by a general manager under whom there is a branch sales manager heading the selling activities of the branches assisted by one assistant sales manager separately looking after field and administrative activities of the company. They have under them sales supervisor as well as salesmen for performing the sales or marketing tasks.

Corporate Planning

The corporate objectives sought to be pursued by the companies consisted of survival, growth profit, customer/consumer satisfaction, market leadership among others. To achieve the above objectives the company has developed a system of formulating its overall corporate plan in an integrated manner.

The responsibility for such planning is that of the chairman who is assisted by planning committee of the functional directors consisting of the commercial director, technical director and marketing director. These four comprise of executive directors and four non executive directors representing the share holders. These ones represent the board of directors who are responsible for all policy decisions within the frame work of overall share holders policy and planning. The executive members of the board meet regularly to discuss the day to day running of the company. Also a team of managers who are responsible for various departments do assist the board. Further to ensure co ordination of the day to day operation of the company at the corporate planning function the company gives this responsibility to various heads of departments to assist the chairman.

Marketing Objectives

At the corporate level corporate objectives consisted of profit, growth and survival. The other corporate objectives pursued by the company related to customer satisfaction, growth of sales, market leadership, and optimization of return on the investment.

When asked about the other marketing objectives followed by it, the company stated that besides the marketing objectives as reflected in corporate objectives the other objectives pursued by the company related to maximizing the sales volume, maintenance of quality products, efficient system of distribution network etc.

Responsibility of Marketing.

The responsibility for co-ordinating marketing planning in this company lies with the head of the marketing department that is the marketing director. It was stated by the company that the purposes for which it made marketing plans were mainly to decide how to achieve its marketing targets, what inputs were necessary and what other actions were required and also by whom and when. Besides a marketing plan assisted the company in taking in sound marketing decisions, integrating and co-ordinating different marketing function as well as inter department activities and also providing the company a basis for broad directional corporate planning.

The period since the company was making formal plans was not exactly specified by the company as it stated that it started by 1960s. But it seemed probable that the company was preparing marketing plan for last ten year or so.

Frame Work of Marketing Planning

The marketing plans are prepared by the company both at aggregate level as well as for each branch. The Marketing plan at the aggregate level is used for taking policy decisions on brands, advertising, national level promotions, personal selling etc. Earlier and even now the company used to prepare an A.O.B. (Annual Operation Budget) divided into four semesters and all areas are covered. Review is under taken in each semester. The company also prepares a long term plan of four year duration which is updated every year on quarterly basis.

The company, marketing plan is drawn up by the marketing department on the basis of information received from the branches which are directly in touch with the market. After this the plan is approved by the marketing director together with the marketing planning committee. This is followed by planning of steps required to be taken to achieve the target the input to be used for this purpose as well as the efforts to be made by specific functionaries together with the time period when they are to be taken.

Marketing Planning Process:-

The process of preparing marketing plans is initiated simultaneously by the marketing director at the head office and the general manager at each branch. The process for annual planning commences at the end of the year (October to November). This is the period when the respective branches, based on studies made by them as well as data collected through various sources namely; Census report, industry statistics, market research reports, own sales force reports, distributors and dealers reports, marketing intelligence system etc plus the information provided by the marketing division of the company regarding changes taking place at the environmental, company and competitors level make their projections for the next twelve months. These projections at the branch level are required to be made assuming that things needed would be freely available and that there would not be restrictions or constraints of any kind. These projections are then put in terms of brands, varieties, pack sizes, units, kilograms, shillings, etc. It is only after that the various constraints which might affect the functioning of these plans including constraints with regard to actual production capacity are analysed and the plans are moderated and sent to the marketing division / department of the head office.

The marketing division of the company at the head office after a thorough analysis and study of the competitive activity economic and technological factors governmental policies other environmental factors and the company desired product mix modifies the branch sales targets or projections. The company uses the "grass root" method, jury of executive opinion for making its marketing forecasts and plans which in turn are cross-checked with the trends at the national level.

After the annual sales targets are approved by the head office marketing division, these are then broken down at a branch level into regional variety, pack, size, weightage, month-wise etc. and also compared with the previous year figures. Variances over the previous year achievements are listed and such variances are explained in the context of market environment and on other relevant factors and the need for advertising and sales promotion inputs is qualified. Due weightage is given to regional differences in fixing sales targets. For this purpose both past sales performance and potential broken down province wise and town wise are taken into consideration. Such analysis then forms the basis for branch marketing plans.

The next phase in the process is the preparation of selling and distribution cost budgets and manpower requirement budgets. Keeping in view the width and intensity of market coverage aimed at competitive position, market share objective, etc. for each branch. Each branch being a profit centre calculates its contribution and finally the budget gets a shape which on approval becomes a part of the company budget. The marketing Division at the head office also approves the sales promotion plans including the budgets for each branch. The branches are given the responsibility for implementing their plans within their budgets. As stated earlier that the marketing plans prepared at the Head office

by the Marketing Division are used for making policy decisions on brands, advertising and international level promotions etc.

Research and Development

The company has today a full-fledged research and development unit recognised by the Ministry of science and technology, government of Kenya which was established back in the 60s. The emphasis of the unit is on result oriented activity which in practice means development of improved and superior products. The unit is situated in industrial area at Nairobi to ensure quality control at every stage in the production process. The product-development portfolio is backed by qualified professionals and world renowned scientific researchers. Great emphasis is being laid by it on production of high nutritional food products which would be delicious in taste as well as help to combat the problem of mal-nutrition.

Application of Marketing Models:-

For managing its marketing planning function effectively, the company stated that it had adopted marketing models for taking decisions in the area of product-mix planning, pricing, consumption behaviour and sales analysis.

Marketing-Mix Strategy

In order to know the degree of emphasis the company placed on different elements of the marketing-mix in devising its marketing strategy the company was asked to state the level of emphasis which it placed on the various elements of the marketing-mix. This was on a four point scale showing "little", "fair", "good" and "high" emphasis. The reply of the company was that it placed "high" emphasis on product pricing, product advertising, technical research and development and on economic variables. Good emphasis on product-planning and development, product distribution, personal selling and sales promotion and "fair" emphasis on service including after-sales services.

PLANNING OF THE DIFFERENT ELEMENTS OF THE MARKETING-MIX

Product-Mix Planning:

The company keeps on making the required adjustments in the product-mix on consideration of profitability and growth which are the principal objectives of the enterprise. As part of this the company keeps on introducing new products. Recently, it introduced new products which included a packaged, convenient food product in the market. The time taken by the company in introducing these new products in the market was, however, not disclosed.

In total the company today manufactures over 32 different products which illustrates the diversification of the company business. The company is also developing new products every year and the development illustrated by the fact that in 1963 the company only manufactured 20 products.

The company stated that with regard to the introduction of new products it enjoyed the benefits of sharing information and R & D achievements of its collaborator abroad and as such was able to introduce successfully many new products from time to time.

The company is attempting to pursue a number of goals to be achieved through its new product policy. These goals besides meeting the company's objectives of growth and increased profitability comprise of utilizing excess capacity in production and distribution developing end-products by utilizing the firms own basic materials-off-setting obsolescence of products utilising the materials for a higher value use keeping the present product lines competitive providing standardized products for the masses, developing substitutes for the imports, reducing the cost of a given product, maintaining and improving the company's position in the world markets and taking full advantage of its special facilities and skills.

The responsibility for new product development programme in the company lies with its product development manager and product development committee. Besides the product development man-

the other members of the committee are the chairman of the company, Marketing director, deputy marketing director, General sales manager, research and development manager.

The company stated that it always tests markets of its new products before launching them in the market. However the company did not disclose the average time taken for such test marketing. The company stated that through the test-marketing of its products it aims to achieve the objectives of improving its knowledge of potential sales and profitability, testing the acceptability of the product under typical marketing conditions gaining its understanding regarding buyer behaviour and identifying and correcting any weakness in its marketing planning. In order to enable itself to judge the effectiveness of its test-marketing programmes the company analyses data relating to product shipment to test markets, volume sales and profits, nature of sales and also conducts retail audits and researches using consumer panels.

Product Elimination :-

The company stated that in order to achieve its product policy objective of not allowing the product to tie up its capital for long it pruned its product-mix regularly. The company has set up a formal periodic product review system and under this system it conducts its products audit frequently. The company stated that if, as a result of the product audit as well as owing to technological problems, materials shortage, poor responses from the markets etc. any products were found not to be moving satisfactorily and profitably, it then developed a product liquidation plan for such products. And the company took steps like stopping production or procurement of such products and clearing them through organising various sales promotion schemes.

The company has eliminated many such products during the preceding five years. However the company did not disclose the average period it took for this purpose, although it stated that all products did not take equal period but at the same time the elimination of these products depended upon the product and the market conditions. Some of the factors that compelled the company to eliminate its weak products included declining volume of their sales, falling rates of profits, price control by the government, operating difficulties created in an environment where consumer prices under government restriction do not respond to changes in cost of production consumer dissatisfaction with the product and appearance of a substitute that represented an improvement.

Market segmentation:

The company used a multi-stage approach for segmenting its market. It first segmented the market on geographical basis Secondly on demographic basis and finally on buyer behaviour basis or usages situation basis. The price at which it sold its products and the channels through which these were sold differed in different markets. One reason for such differentiation in prices was the fact that the prices of some of its products packaged food products was controlled by the government in the market.

Price Planning

The price objectives followed by the company are to fix prices at a level which would enable the company achieve its profit objective without jeopardizing the sales volume. The competitive pricing policies, demand of the products and the cost are considered for this purpose. Greater weightage is however, given by the company to non - price factors in promoting its products.

Needless to mention, whenever the price of one of its food products are regulated by the government, the final limits are set by such regulatory provisions. The company uses break - even technique for fixing its prices. The company further stated that as and when the circumstances permitted, it tried to pass on the benefits of decreased costs say on account of ingredients to its customers. The company also mentioned that it was its continuous effort to cut down on costs by increasing its efficiencies and also by improving the technology whenever possible through transfer and adaptation of appropriate technology. The company stated that it adopted high pricing strategy for some of the products termed as luxuries. The overall pricing and also to depict high quality product communicating factor, creates simple image of the company.

Distribution Planning

Needless to mention, some of the products marketed by the company have low shelf life and requires intensive and brisk market coverage to facilitate their distribution. As such, distribution planning in the case of companies like this is of out most importance. This is not only from the point of view of the total distribution cost required to be incurred in this connection, but also from the point of view making the product as widely available as possible, which again affects the total distribution costs. It was stated by the company that because of serious effort put by its researchers in this direction, the company was able to cut down on its overall distribution costs. The company stated that it was also successful in developing and organising an effective and efficient system of distribution network, so that its products could reach its customers within time and remain fresh for use by its customers.

One of the functionaries of the company stated that the company keeps on monitoring the distribution system, such that the company really cannot get displaced in the sense that the means become the ends. The company mentioned that its products are distributed through the distributors, wholesalers and agents an easy manageable task, who in turn distribute the company's products to the retailers. In general the company operates through distributors, wholesalers and retailers to reach its customers. This also helps the company to meet the needs of the trade and the customer in a more effective manner.

The company also has a quality assurance scheme and its salesmen and sales supervisors see that the stale stocks do not remain on the shelves. It also continuously keeps testing the quality of its products. Also the company keeps on monitoring the movement of its products through its distributor stock control system.

Selection of Channel Members :

With the view to have intensive market coverage, the company selects its distributors or wholesalers on the basis of the availability of storage service with them, advertising, competitive channel arrangements, to keep down distribution cost etc.

The physical distribution objective as stated by the company was to ensure availability of stock at all required points of demand at the right price and in the prime condition. For this purpose, the policy followed by the company was to distribute its products by balancing with the need to keeping stocks fresh and the ability of the trade to stock and sell them too. The company stated that it uses the assistance of associates and subsidiaries in the neighbouring countries in the distribution of products.

Promotion Planning

The company uses a mix of advertising, personal selling and sales promotion for promotion of its products. It determines its promotion budget on the basis of objectives and task method and also certain percentage of sales of the products is applied as another method of setting the promotion budget. The company mentioned that, it also considers the total profits available. The company reported that the promotion mix expenditure that is the ratio of advertising:personal selling:sales promotion, is decided on a mixture of ratio of targets and ratio of costs.

Advertising :

Some of the important advertising goals pursued by the company during the last five years were creation of brand image and pre-selling of some of the company's products. Also it stated that other goals included the following :- to create customer awareness, to encourage immediate sales to counteract competitive activity, not to lose identity with the public, to remind customers and to reinforce the purchasing habits, to boost growth of their products, to maintain its image as the leading advertising company in the country and to protect the company's image. The company stated that these goals are strictly followed.

Budget is determined on the basis of the profitability of a particular product, but, in case a particular product is doing well in the market the company will increase the budget. The objective of the company being to reinforce consumer purchasing decisions and to avoid sleep-over effects. Also on the basis of overall profit the company stated that if a particular product yields more profit then there is a good reason to expand its advertising expenditure. As against the company's policy to advertise products with low field the company stated that in order to prevent wastage of resources on goods with low returns it has implemented checks and balance system in the company.

Advertising message which is formulated by the advertising agencies of the company is examined by the marketing director together with his team and the company has the mandate to reject or accept the message. It was mentioned that the company prepares its advertising message being designed by these agencies because of two major reasons. The reputation of the agencies in the field of advertising and secondly, reliability. Other reasons include good work done by the agencies and economies of scale which is benefited by the company when they negotiated the contract with the agencies.

The advertising effectiveness of the company is determined through the sales volume. The company stated that the customers who had some contact with the product through an advertisement make quicker purchasing decision as compared to those who have no contact at all, as is clear from an in depth survey conducted on one of its products which emphasized the effectiveness of advertising for customers who purchased that product had some contact with the product through an advertisement before.

The company stated that it uses both electronic media and print media in its advertisements. Electronic media radio both in Swahili service, a general service (English station), TV, in both KBC (Kenya Broadcasting Corporation) and KTN (Kenya Television Network) in static cinemas and mobile cinemas also in the print media. The company stated that it uses three daily newspapers that is Daily Nation, Kenya Times and the Standard, weekly publications and monthly these include Viva, Consumer Digest, Parents etc.

However, the company stated that depending on consumer target, certain media are emphasized more than others. For instance housewives in the rural areas, the company stated that they preferred use of Radio in Swahili station and also using regional or tribal languages at different frequencies. For the product which does not have specific target market, the company uses all media.

Personal Selling:

The company has a territorial structural sales force. The sales force was utilized by the company mainly for managing its accounts, collection and analysis of market information etc. One of the

supervisory functions performed by its sales force was to check that retailers carried adequate stocks, provide good shelf exposure enthusiastically and cooperate in other sales promotional activities, to make sufficient number of calls of customers giving optimum level of satisfaction to them, to educate dealers, retailers and users by explaining the technical aspects of the products and to provide adequate customer service.

The company has a total of fifteen salesmen, who are experienced and well versed in salesmanship. These sales men are usually recruited from the universities and other professional institutions. The company give first priority to those with a marketing background and experience. However, the company provide's on-the-job training for qualified applicant with no experience. In other words the company has a flexible recruitment policy. The other type of recruitment is referred to as direct customer contact, in this case the company do visit some institutions and give educative talk about the company and the interested groups are recruited on the basis of their response.

The company stated that the main requirements it expects these salesmen to possess include the following, a valid driving licence, interest in the job and a times experience. The nature of the salesmen job requires a lot of motivation and stated that it takes this very seriously.

As far as motivation of its salesmen is concerned the company stated that it gives them a car, end year awards, field allowance, contests and a lot more. The company stated that more often the sales targets are used as means of motivating the salesmen. The company sets a specific sales targets to achieve, and if the salesmen achieve them successfully the company gives them bonus. The company stated that through experience it has discovered that other salesmen who are slow to put extra effort to finish their sales targets are highly encouraged.

In relation to the control of salesmen, the company reported that the total market available is divided into territories and customer groups in order to make the work of the salesmen easier. It was mentioned that this activity provides fair means of effective evaluation of performance of the salesmen vividly.

Sales Promotion

The sales promotion activities were carried out by the company both at the dealers and at the consumers level. Some of these were organising of display, contest, distribution of free samples, introduction of festival packs, presenting gifts etc.

The following were the objectives which the company kept in view through its various sales promotional activities, Viz, to increase product rate of use among existing users, to attract new customers to the company's products and brands, to meet the competitive challenges, to induce dealers to keep and sell large stocks, to reinforce and increase brand loyalty, to induce opinion leaders recommend the company's products, to widen ownership of company's products among the middle class customers.

The company stated that sales promotion is done at an extensive degree with the aim of constant reinforcement of the purchasing habits of active customers and reward them at the same time. The company gives free samples of their new products as a means of introducing the new products in the market. The company uses this as a way of conditional learning process. It also organises raffles and other prizes with the aim of boosting their products as well as encouraging prospective buyers.

The company stated that it terms the whole saler and retailers as agents of sales promotion and for this reason the company gives them certain sales quotas and if they are able to meet them, the company rewards them with prizes special for them. It was stated by the company that this encourages the wholesalers and retailers to order in large quantities and the end result is the growth of the company.

The company stated that sales promotion is next to media advertising in terms of how effective it works, to boost sales of the company.

The company stated that it is involved in an extensive publicity programme. For instance sending out salesmen on territories and giving out brochures. The estimated appearance in print media is three times a week but more frequent appearances are common in the T.V and in the Radio.

The company stated that the timing of the appearance is very much regulated in such a way that majority of customers attention is captured at a goal, for example, during the weekends. Another important issue is customer grouping in the company of its wide range of products almost every customer group has to be studied, satisfied and captured. The company stated that the various groups it has studied include the youth, the rural dwellers, middle class income earners, the aged and the house wives.

It was also mentioned by the company that they have penetrated the kenyan market successfully and is also engaged in external trade with the neighbouring countries e.g. Uganda, Tanzania, Rwanda etc.

The company stated that where the company's products are marketed communicate on where the company is located, and communicate a message about the company image. It was stated that it creates an image of simplicity and availability.

The company products are usually found in the supermarkets, small kiosks, stands in small towns. In other words the company's products are available at places where the average man can afford to shop. The company rarely practices direct selling but operate through the wholesalers, retailers who act as middle men and make the products available to prospective customers at the right time.

Management Philosophy and Development of Marketing Personnel;

The company has eight marketing executives at the top level. All these persons are well-qualified and experienced. To illustrate the marketing Director has attended a number of marketing programs both in Kenya and abroad. Most of these executives have attained bachelors degree and even postgraduate degrees in fields like business Management etc. Besides these in order to keep themselves up-to-date all these executives keep on attending relevant courses organised by different institutions in kenya from time to time.

The company has also a well developed programme of training and developing its other personnel through in-company training programs as well as by sponsoring them to various courses organised by other specialised institutions in Kenya. However, the company did not disclose the average frequency with which these executives were sponsored to participate in such courses, but stated that this was based on need, availability of funds, nature of the course, the organising institution etc.

Top Management Philosophy

The company uses the marketing-mix approach in the planning and implementation of its marketing programmes. The philosophy of its top management is oriented towards marketing. When asked to define its marketing orientation the company gave the following definition;

"Our marketing orientation policy is towards being the best consumer-company to meet consumer needs most profitably, possible in Kenya, selling good quality products and service in the competitive environment and having best people willing to work with us."

Social Aspects

As far as the use of the marketing concept by the company to meet its social obligations was concerned, the response of the company was as follows :

"Our marketing concept of being best customer company to meet consumer needs results in advantages for national economy through contribution to the exchequer in terms of corporate taxes, excise duty, VAT (Value Added Tax) etc, greater employment, capital reinvestment and contribution to the GNP. we also contribute to the health and nutritional needs of the economy, educate customers

and augment supply”

In this context, it was also mentioned by the company that it was helping the economy through import substitution in augmentation of exports of products, regular and equitable distribution of its products, protection of the consumers against poor quality products, adulteration, etc and offer of assistance to small and medium scale units for helping them to develop their exports.

In this connection it may be relevant quote here from Daily Nation Newspaper of 20th may 1992. “For a long period the company has maintained its tradition of service to the society. The company’s contribution has varied with the need of the occasion but what has not varied is its, genuine concern for the welfare of the community in general. So whether its the matter of developing and assisting to needy organisations or making donations in cash and kind at the time of national calamities e’g famine etc, the spirit behind all these activities is always based in “we care” tradition.” The company has given scholarship, for studies in science and research. It also sponsors T.V. and Radio programmes in the country. To help people themselves in the central themes of its social activity.

Relative Position Vis - a - Vis The Public Sector Unit:

The company for a long time was the only large - sized company in the organised sector which fulfilled the needs of its customers so far as two of its product lines was concerned. The products marketed by it enjoyed a high reputation in the market. The company felt that ever since a competing unit in the public sector was set up, it rather got a boost in the reputation both with respect to quality as well as prompt delivery of its products, and is today the market leader in the real sense. It explained that its market share in some of the products has declined due to reasons like constraints on its capacity, lack of foreign exchange to import raw materials, increased cost of production etc. It further explained that the company in the public sector had no capacity constraints and also enjoyed the facility of liberal finances from the government of Kenya. In its opinion, it would be able to pose a real challenge to it. It proudly claimed that with its large production capacity, better quality of products, lesser interference at the managerial level and strong brand, loyalty towards its products, it would continue to have a major share of the market. Further, it pointed out that over a period of time, the wisdom and experience that it had collected and also the human resource that it possessed would stand it in a good stead, things which were more or less lacking in the public sector unit. It was sure about the fact that during shortages, the public sector unit got preference in getting supplies.

Despite some of these disadvantages, it believed that the unit in the public sector will have to go a long way before it could pose a real challenge to it in this field of operation.

Conclusion

A review of the performance of the marketing planning function in the above company when judged in the context of the factors studies for evaluating the management of the marketing planning function reveals high degree of sophistication, so far as the management of this function is concerned.

Some of the significant points in this direction are the existence of the written corporate and marketing objectives, the performance of the marketing planning tasks according to well laid out systematic policies and procedures, use of grass root approach with a view to involve marketing functionaries at different levels with other approaches for developing the sales forecast and marketing plans the company also uses models in areas like product, price, Consumption behaviors and sales analysis and the integration of plans at different marketing levels. In addition it was also found that the company had a progressive approach so far as the professional development of its personnel was concerned. The company was also found to be Conscious of its social responsibility.

Since the company had started the planning of its marketing function in 1960's it had succeeded in developing a comprehensive system so far in both its short term planning and long range planning was concerned.

With a view to gain an insight into the level of sophistication of marketing planning by the companies Surveyed a Scoring technique has been developed and used. The details of which are

given in chapter IV of this study. In terms of this technique, the company got an overall rating of 0.79 and in this case fell in the top Category of Companies having a "high" level of sophistication of marketing planning function.

A Comparative Study of the Undertakings in the Two Sectors :

A comprehensive comparison of the above two companies from the view point of their marketing planning function points out the superiority of the private sector company over its counter part in the public sector. This was in respect of factors like the use of information system, process followed for developing marketing plans etc.

However one factor in respect of which the public sector company scored over its counter part in the private sector was in respect of its social responsibility which has operationalized to a greater degree in its case. This could be due to its basic reason that is to provide welfare for the society. The difference in their relative performance are also borne out by the scores received by these companies on the marketing planning Sophistication index. The relative scoring were 0.79 in the case of the private sector company and 0.69 in the case of public sector company.

As such the private sector company with the rating of 0.79 fell in the category of companies having "High" level of sophistication, while the public sector company with the rating of 0.69 fell in the category of Companies having medium level of marketing planning sophistication. Thus, confirming the differences noticed above the state of art with regard to the performance of the marketing planning function in this two companies studied above.

MARKETING PLANNING IN—FOOTWEAR UNDERTAKINGS :

A STUDY OF PUBLIC SECTOR UNDERTAKING :

The corresponding public sector company in this field was started in 70s. The formulation of this company primarily resulted from the urgent need to take over from the private sector enterprise. This unit located in Nairobi has been one of the biggest footwear and leather making concern in Kenya. The unit had been passing through crisis for a long time due to mismanagement and neglect of renovation of machinery.

The considerations that weighed heavily in favour of bringing the unit under public sector enterprise were, the government was the single buyer of footwear for the defence and various civil defence, and two there was a great demand from overseas market for the Kenyan made footwear and leather products. Besides, the future of leather and leather footwear industries in the country was also quite bright on account of large and growing population and their rising standards of living.

The time when this public sector company commenced business, was however, not the most opportune for starting business. The company had to face many problems in organising its production and sales in that the exigencies of production of priority over those of market. The availability of raw hides, both qualitatively and quantitatively, was poor. The processing materials were not available ex-stock and their procurement involved considerable stalls. Creating confidence among the suppliers and also establishing good trade ties with them was a major hurdle. At this time the company had to start abinitio as far as the appointments of distributors and dealers was concerned. The company has full fledged quality control and design department for making attractive designs.

The activities in which the company is currently engaged in are tanning, manufacturing and selling leather and leather products like footwear, industrial leather, leather boards, miscellaneous leather goods and other products like shoe finishes etc. The emphasis in production is on the quality of the products. All through these years since it started the company continued to face many difficulties in sales and production. Quite a substantial percentage of its footwear production equipment is geared on to defence production solely. Though supplies for defence department increased during the years, the company had not been able to utilize its full capacity as yet because of limited size of defence orders.

Steps are also taken by the company to boost its export sales. The company has so far exported to the P T A countries. The management of the company is also giving serious thought to possible diversification which is not only limited to the existing product lines of the company, but also extends in other directions like manufacture of leather sports goods etc.

Market Structure :

The market structure of footwear industry in Kenya is marked by the presence of a few leading companies in the large scale sector, a very considerable number of small scale units in the unorganized sector. Except for few firms which sell their products at the national level and that too mainly in big and metropolitan cities, most of the other firms operate either in the regional or local markets. So far as the company is concerned, except for the defence purposes for which it has a substantial percentage of its production capacity suited for such products and also for the preferences which it gets from other government and sister organisations because of being in the public sector, the products of this company face an intensive competition in the city markets from the large scale manufacturers and in local or rural market from the unorganized manufacturers.

Marketing Organization :

The sales and marketing activities of the company are being looked after by its sales manager who works directly under the managing director of the company. He is further assisted in this task by a team of officers like the deputy sales manager, assistant sales manager and sales officers at the head office. The company also employs sales representatives who are attached to its depots and reports to its sales officers. The company also has a design and development manager who looks after introduction of new products, new designs, their production plans, production improvements and test marketing of new products. Though the design and development manager is linked up with the sales department, he reports to the works manager of the company. The company operates in the domestic civilian market through distributors and authorised dealers.

Responsibility For Marketing Planning :

The responsibility for preparing the marketing plans lies with the company's deputy sales manager, though ultimately it is the responsibility of the sales manager of the company. The sales manager for this purpose has also constituted a sort of an informal committee that is headed by him. The deputy sales manager, assistant sales manager and sales officers working at the head office as other members.

The company started developing its marketing plans right at the beginning of the company.

Purpose Of Marketing Planning :

The specific purposes for which the company stated that it had started preparing its marketing plans include; enabling it to take sound marketing decisions, integrating different marketing functions, helping, in the production planning and co-ordinating the activities of its different departments.

Marketing Objectives :

In order to enable itself to plan effectively, the company has set some marketing objectives before itself and has been attempting to achieve those through its activities. The following are some of the objectives which have been spelt out by the company: to make and market good quality footwear at reasonable prices, to increase its relative market share and to attain a position among top footwear manufacturers in the organised sectors, to develop a new distribution system as a means of improving its participation in existing and new markets, to make people more footwear minded, and to continue improvements in its products in terms of quality, feature and style and also making addition of new products and production line with the objectives of attaining customer satisfaction

and improving its image.

Planning Horizon :

The company stated that though it has only been developing, a short term plans of one year duration divided into two parts of two yearly plans, it was engaged in drawing up its long term plans of few years duration also. In addition to the development of the short term marketing plans the company also developed separate marketing plans for promoting its products in different seasons. However, the efforts of the company presently were limited only to the extent of preparing an overall marketing plan for the company as a whole and giving details on the basis of articles size and value etc.

Information System :

The company has made some modest arrangements for the collection and analysis of the relevant marketing information on a regular basis in order to enable itself to develop more realistic marketing plans. In this connection the company stated that it collected data relating to the changes taking place at the environmental and competitors levels. These information was collected through various sources like census reports, industry statistics and reports, national sample surveys, marketing intelligence etc, with regard to its own working, the company collected information on a regular basis through its salesmen, dealers and distributors, in the form of reports, sales records, inventory records etc.

It may be mentioned here that the company had set up a system under which its sales force after returning from their territories, submitted a detailed report to the head office relating to the position of the company's and its competitors products promotion and other marketing activities.

The company's design and development department also scans regularly the published literature both in Kenya and foreign. Indicative of patterns of the type of changes taking place in the fashion, both in the home and foreign markets in order to create new designs. Based on the analysis of this and other collected information relating to its production capabilities, availability of raw materials and other resources and facilities the company develops its marketing forecasting and marketing plans.

Marketing Research :

The company stated that during the preceding five years it has conducted marketing researches more so in an ad-hoc manner on its own. The areas in which these researches were conducted included areas like new product development and distribution arrangements. The company stated that it hoped to do its marketing researches in a more sophisticated manner in the near future.

Process Of Marketing Planning :

The process of marketing planning in this company is initiated by the sales manager. The process being initiated by the Sales Manager, moves on to the Deputy Sales manager, who in fact does most of the work / Job relating to the marketing planning function . He does so till the preparation of the marketing plan in the draft form, viz, consulting marketing targets and objectives, past achievements, availability schedules of production capacity, market environment etc and also does other things relevant and needed for the development of the marketing plans. The Deputy Sales Manager is assisted in this task by the sales officer at the head office of the company situated at Nairobi.

The draft marketing plan so prepared by the Deputy Sales Manager is then placed before the Sales Manager of the company. The Sales Manager reviews it with the help of an informal planning committee formed for this purpose in the light of factors like overall marketing objectives, company's strengths and weaknesses, past performance, market situation, competitive behaviour, production availability, finances required and other constraints if any. The finalised marketing plan

along with the budget estimate is then sent to the Managing Director of the company for his approval. The Managing Director then reviews this plan in the light of corporate objectives, financial consideration of the availability of help from the government, export commitments etc.

The marketing plan so approved by the Managing Director is then detailed out first into two parts of the year and then detailed on article-wise, size-wise, value-wise and region-wise. Based on this plan as well as on the past achievements, and potentials of the market territory, the company then develops targets for its distributors and dealers. From this stage the company makes product mix plans, supply plans, sales plans and promotion plans.

Review of Marketing Plans :

The marketing performance in this company is reviewed on a regular basis through the feed back which the company receives from its field sales force, distributors and dealers. The review and consequent updating is done on a monthly/quarterly basis so far as the short-term plans are concerned and in the future it will be done on a half yearly basis in respect of its long-range plans.

Some of the variables that necessitated a revision in the past in its marketing plans as listed by the company were: the prevailing uncertainty in the economy, delays in the implementation of the projects in other sectors, erratic supply of materials and power, irregular inflow of orders especially from the defence departments, delays in new product development, plant break-downs and its distribution problems.

Design and Development :

The company has recently set up a full fledged design and development department, which is currently engaged in developing new products even outside its present product lines of activities like footballs and other sports goods, improving the quality of existing products, and evolving new footwear designs.

Marketing Mix Strategy :

The company stated that in developing its marketing mix strategy it gave "High" emphasis to product advertising, sales promotion, distribution planning and economic variables. As against this, it gave "fair" to "good" emphasis to pricing, technical research and development of its product and product planning and development.

PLANNING OF THE DIFFERENT ELEMENTS OF THE MARKETING - MIX :

Product-Mix Planning :

The product-mix of the company consisted of leather and leather products like footwear, industrial leather boards, miscellaneous leather goods and other products like shoe finishes etc. As the company's production machinery was quite old and also a substantial percentage of its footwear production capacity was suited to the defence purpose only. The planning of the product-mix of the company especially with a view to keep its factory running, becomes all the more important. Thus, besides, attempting to keep the factory running on a regular basis, the company determines its product -mix with the objectives of achieving growth and profitability.

As a part of this, the company has been introducing quite a few new products and designs, modification and improvement of the quality and styles of the existing products through its "Designs and Development" department, during the preceeding 5 years.

For making the above changes, the company stated that it got information from its field sales force, market reports and fashion magazines about changes taking place in the living and wearing styles of people.

The company further stated that some of the major reasons of its introducing new products / designs in the market included, meeting the demand of the customers, improving its product-mix,

meeting competition and meeting profitability objectives of the company.

Product Pruning :

The company also kept on pruning its existing product mix and attempts to identify the slow moving items, arranging to shift them to places where they may move faster. The slow moving products were also given necessary boost for their sales by organising certain sales promotion schemes and if need be were eliminated as well. The company stated that it has discontinued some of its products mainly because of their declining sales and profitability.

Market Segmentation :

The company stated that it segmented its market mainly on geographic and demographic bases. It also attempted to segment its market on buyers behaviour basis. The company follows different pricing policies and supplies different quality of goods to suit the specific needs of these segments. The company does so, keeping in line with its general objective of marketing more footwear to more people at more places and making people footwear minded.

Price Planning :

The responsibility for fixing the prices for its products lies with the sales manager of the company. The objectives followed by the company are to fix prices at such levels as to enable the company to achieve its profits objective, to maintain the relative parity with competitors price and also to allow it to realise cash at the earliest.

The pricing policy followed by the company was thus a combination primarily of cost, competitive and demand orientations. As such the final fixation of the price depended on the cost of production to which a minimum margin of profit was adju cted. This margin was smaller than the minimum adju cted for trade markets.

Then the price so arrived at was moderated with the competitors price and also what the traffic could bear. It was found that on different occasions the company reduced the prices of its products to suit the requirement of the market. It explained that the reduction in prices announced by it could become possible in certain cases through efforts on its part to lower its cost.

Distribution Planning :

The distribution arrangement of the company had been changing from time to time and the company had been on the look out for improving its performance in this regard. The distribution system which the company is presently following for its product is as follows: The company was selling its footwear through different channels in its civilian, exports and defence and allied markets. In the civilian markets the company operated through wholesale distributors and authorised dealers. The wholesalers major concentration was in towns like Nairobi, Mombasa, Nakuru and Kisumu. The wholesale distributor was given a field territory to carry on their activities and were also advised about the prices at which goods should be supplied to the authorized dealers. The authorised dealers, though appointed on suggestions of the wholesale distributors, worked directly under the company, and their terms of appointments, commission structure, etc were all determined by the company itself.

The authorised dealers and the wholesale distributors under an agreement had to life an agreed quantity of goods per quarter of the year and sell those at the company's recommended prices only. Both the dealers and distributors were provided with publicity materials, sign boards etc by the company. The authorised dealers as per agreement, worked on an exclusive basis for the products of the company.

In the case of defence and allied markets, its footwear were supplied against direct enquiries as well as through defence purchase tenders. The products of this company received preferences from defence, and other governmental institutions as coming from public sector enterprise.

In the case of export markets, the footwear were mainly being traded directly to the foreign

customers by the company. The company perform all the marketing activities for these exports, organizing and participating in exhibitions, sending samples abroad etc.

So far as the sale of leather and leather goods was concerned, the channels used for the supply of such products, both the export and defence and allied markets, remained the same as described above. In case of the civilian markets the products were sold through the channel of distributors and dealers appointed by the company for the purpose.

In short the company made use of both direct and indirect channels for the distribution of its products depending upon the nature of the market.

Distributor / Dealer Selection :

The company in selecting its distributors and dealers considered the following factors viz.; services required to be performed by them, competitive channel arrangements, channel regulation needs, selective market coverage and objective of the company, besides their locational financial and managerial capabilities.

Physical Distribution of Goods :

The physical distribution objectives of the company included optimising customer services, maintaining regular supply of its products to dealers and customers, ensuring ready availability of its new products / designs, to synchronize with their launching in the market etc.

As per agreement entered into with the wholesale distributors and dealers and subject to the production availability, the channel members had to lift an agreed quota every quarter and had also to maintain a certain amount of the minimum stock per month with them. The wholesale distributors were also required to place orders at least 6 weeks in advance with the company. The company supplied to its distributors and dealers on a weekly to fortnightly basis. This periodicity of supplies, the company stated, was fixed by it on the basis of its past experience.

The company also monitored the performance of its channel members on a quarterly and annual basis and as per needs also announced various incentive schemes to motivate them to sell more of its products.

Promotion Planning :

Promotion function in the company is performed in a centralised manner at the head office and is being looked after by a deputy sales manager of the company. The company uses a mix of advertising, personal selling and sales promotion methods for promoting its products. It determines its promotion budget on the need based method subject to what it could afford for this function.

Advertising :

Some of the advertising goals personed by the company during the last few years were; recapulating its lost image, changing customers attitudes towards its products and encouraging immediate sales of its products. To manage its advertising function more effectively the company has been taking the help of advertising agencies for functions like copy writing, media selection etc.

Personal Selling :

The field sales force which is mainly organised on a territorial basis is utilized by the company for the purpose of checking that the dealers and distributors carried adequate stocks of its products, provided good shelf exposure and co-operated in the sales promotional activities of the company helping dealers in their sales.

Promotional programmes, credit collection, and providing feedback to the company regarding its sales, competitors activities customer opinion and conducting market surveys, are other duties of the field sales force.

Sales Promotion :

Some of the objectives sought to be achieved by the company through its sales promotional programmes related to attracting new and existing customers to its products, motivating dealers to stock and sell larger quantities of its products and clearing up its inventories

Some of the sales promotion methods used by the company in connection with these objectives at the consumers level have been participation in exhibitions, announcing temporary price reduction, organizing premium offers, giving free gifts with sales etc.

At the dealer level, the company adopts the methods of providing more display materials and allowances, and awarding special discounts and prices on the achievement of sales in excess of their targets.

Management Philosophy And Development of Marketing Personnel :

The company has four marketing executives manning its senior level positions and all these persons are professionally qualified, with diplomas in Business Management, marketing courses etc. Besides this they have attended a number of specialised courses in the areas of customer and industrial marketing.

Top Management Philosophy :

The top management philosophy of the company is production oriented as the company has not yet been able to overcome its production constraints. However, the company stated that it was attempting to adopt gradually the marketing orientation.

Societal Aspects :

As far as the response of the company towards its societal obligations was concerned, the company stated that it was helping the country by providing employment opportunities, distribution of its products adequately to the rural areas, making its footwear for masses at reasonably lower prices besides meeting the defence requirement of the country.

Relative Position Vis-a-Vis the Private Sector unit:

As far as its position in relation to the competing unit in the private sector was concerned the company felt that the private sector unit was far ahead of it, both in terms of efficiency as well as in terms of market size covered. The company further felt that it could not think of being able to offer any worthwhile competition on the private sector company even in the near future. The reasons for its relatively poor performance, in the opinion of the company lay basically in the fact that its production facilities had been geared to meet the defence needs, although from which it was not receiving steady patronage. The company had a limited capacity, consisting mainly of old machinery, catering to civilian markets. Its other weak areas comprised of the excess staff, high overheads and relatively rigid managerial approach.

As against this, the competing unit in the private sector had a number of advantages in terms of latest technology, experienced professional staff, flexible managerial policies, a comprehensive distribution network. And also the tie up with a world famous organisation resulting in the use of marketing expertise and international brand name advantages for the efficient marketing of its products.

The company was, however, trying to improve its performance through modernization of its production facilities, diversification of its products and promotion of its products in the foreign markets.

Conclusion :

Notwithstanding what the company felt and also the efforts which it was trying to put into

improve its working, a review of the overall performance of the company leads one to conclude that the marketing planning function in this company is not being managed in a systematic manner. Further, not much progress seems to have been made by the company in this direction so far. This was not because of any ignorance in the part of the company. Its marketing executives were fully conscious of the need of managing this function in a sophisticated manner.

The company's orientation appears to be that of selling its products rather than marketing them. The policies it had been following have been more of an ad-hoc nature with a short-term perspective. What the company appears to be badly in need of, amongst other things, is to have a system and integrated planning system for developing plan both of a short-term as well as long-term duration. This would also necessitate the creation of a suitable organisation and information system for providing the needed support for the efficient operation of the system.

MARKETING PLANNING IN FOOTWEAR UNDERTAKINGS : A STUDY OF PRIVATE SECTOR UNDERTAKING :

This case study relates to footwear company in the private sector, the company was established in Kenya in 1972 as a private limited company. The principle objectives of the company are to manufacture and market all types of footwear, footwear components, leather and products allied to footwear trade. The company operates through the sales network of retail shops, wholesales depots, distributors and dealers all over Kenya, which even extend to the remotest villages of the country.

The company is a major supplier of footwear to some of the institutions and also leading exporters of footwear from Kenya. The production facilities of the company are located at the capital city of Nairobi. The company has a collaboration arrangements with a famous footwear manufacturer of the world and its because of this collaboration that the company keeps on receiving customers from all parts of the world mainly from the African countries. The company also exports its products nearly to all parts of the world.

Market Structure :

The footwear market of Kenya consists of a few large-sized companies and a very large number of small scale unorganised sector firms. Except for few firms which sell their products at the national level, most of the firms, most of the small scale-ones are operating either in regional or local markets. This company which is a large-sized private sector company is operating at a national level and being market leader has a leading market scale, an established brand name and also does not face much competition in the overall from the other footwear firms in Kenya.

Organisation of Marketing function :

The Sales and Marketing Functions of the company are looked after by its Marketing Manager, who reports to the Managing Director of the company directly. The company's sales and marketing activities are organised through its divisions, viz, retail, wholesale and exports and other sections for example contracts and the merchandising section. The retail division looks after the retail sales of the company's products through the retail shops located in both urban and rural small towns. This division is headed by one manager designated as Retail Manager. The Retail Manager who works under the Marketing Manager of the company have under him Area Managers covering different regions. Under each area manager there are depot managers who look after the supply of the company's products to its various retail shops as well as the company agents. The company also has a number of Product Managers working at its head office.

The Wholesale Division is headed by a Wholesale Manager, working under the Marketing Manager who looks after the company's wholesales. Under him there are Regional Managers, one incharge of supplies and one assistants superintendant for administration. The company sells to its rural customers under different brand names through depots and sub depots working under this division.

The export division of the company is headed by a Manager-Exports, who has working with him an Administrative Manager-Exports and whom production, planning, administration and Account Executives work.

The total export activities of the company are looked after by Manager-Exports.

The Contracts Sales Section looks after the sales of the company's products to Governmental and other non-governmental large institution and is headed by a manager who reports to the Marketing Manager and under him two executives assist him in this task.

The company's merchandising section looks after the marketing functions of the company like market research, publicity, store-improvements, sales promotional, sales personnel and administration, physical distribution of goods and overall pricing of its products.

Corporate and Marketing Objectives :

The company has spelt out in writing both its short term as well as long term corporate and marketing objectives. The company stated that it was started with a social responsibility objective that is to shoe mankind, half of which walked barefooted. To fulfill this ideal, the philosophy which the company kept before it was that, the shoe must be simple and functional, shoes must be capable of being mass-produced on machines and shoes must be cheap and within easy reach of the masses. Thus the company stated that the factory was started with the primary purpose of serving the people with shoes and serving the shoe makers by showing them the way to do things better and cheaper. Further, as the people of lower income groups of developing countries cannot spend more than one percent of their annual income on shoes, therefore, the company decided that shoes for the masses have to be priced at a maximum of two days income for two pairs a year and be available where the people live. This resulted in the need to keep the distribution cost at a minimum and thus direct selling was found to be the answer for eliminating all intermediary profits.

The working for the last few years the company has been constantly endeavouring to achieve these broad objectives. The details of the other specific corporate objectives being pursued by the company are as follows:-

- * To optimise return on investments at the rate of 24% per annum.
- * To provide technical assistance and marketing facilities to small scale sector firms.
- * To produce shoes for vulnerable and middle class customers, and,
- * To provide maximum customer satisfaction and to optimise.

The ultimate responsibility for corporate planning in this company lies with the Managing Director of the company, works through a formally designated committee consisting of members from various areas like Finance, Marketing, Manufacturing, Research and Development etc.

The Marketing Objectives:-

The company has also spelt in writing its marketing objectives. The following are some of the major objectives which the company has been trying to achieve:-

- * To offer merchandise of the type customer wants at a price he wants and at a price he is willing to pay and, more important, is able to pay.
- * To give customers more durable shoes at reasonable prices.
- * To continue improving its products in terms of quality feature, style, fashion, etc.
- * To attain customers satisfaction and maintaining its leadership in the market, and,
- * To attain the highest sales volume among the top companies in Kenya, both in the domestic as well as in the foreign markets.

The responsibility for developing the overall marketing plans for the company lies with its Marketing Manager. He develops the final marketing plan for the company as a whole as well as finalises the marketing objectives and plans for its retail, wholesale, exports, contracts and merchandising depots. As such, the marketing plans and objectives here are finalised in consultation with the head above departments first separately for each department and then for the company as a whole. For the purpose of developing its marketing plans, the company has a formal marketing planning committee consisting of members from nearly all the departments.

Purpose of Marketing Planning:

The company stated that it has been preparing its marketing plans in a formal manner, and the following are the purpose sought to be achieved by it through marketing planning:-

- * Helping in production planning.
- * Aiding in planning finance.
- * Optimise profitable sales.

Frame Work of Marketing Planning:-

To achieve the above objectives and purposes the company develops one overall corporate marketing plan and separate plans for the divisions and sections as well as separate plans for its major products, sales plan, advertising plan, physical distribution plans, sales promotion plan, marketing research plan and pricing plan.

The company even develops detailed products plan spelling out all the important steps like the product concept, objective, major factor considered for setting up of the above objectives, identification of target markets in order of priority and their targets, marketing strategies to be followed for each target market, tactics to be adopted to implement each marketing strategy etc.

Additionally the company also develops its overall product-mix plans, training and development plans etc

The company develops both the short-term and long-term marketing plans of one year and three years duration respectively. Besides, the company also develops its seasonal plans and also makes a business calendar mentioning activities like the period of festivals, openings of the school etc. Thus the company prepares plans to market its products utility-wise in different areas according to the needs of every season in each area. For instance the company supplies to its customers more of fancy and fashionable shoes during the festival time, While around school opening it comes out with childrens study school shoes, etc.

Process of Marketing Planning:-

The process of preparing estimates for the future year starts from the company's own marketing information system under which the Retail Manager keeps sending to the company regularly data regarding sales done on an overall basis, on article, pair basis and the profits made by them as against their targets on a fortnightly, quarterly basis performance and the previous year performance respectively.

These reports as well as the other external published reports like footwear category reports, internal product development review etc are processed at the head office of the company with computer system.

Similarly reports relating to the other departments, sections and divisions of the company are regularly processed. The company stated that for initiating the task of marketing planning it followed a system of what is called as a "clue releaser" which indicates what will be likely achievements of each divisions of the company and also despatches the blank "prospect cards" to all the departments of its sales divisions, etc who suggest what they will achieve in the ensuing year. They also give their past performance figures, with necessary details and reasons for their estimates which are reviewed

by the respective departmental heads before they are all pieced together and placed before the Marketing Manager of the company.

The company further stated that in setting its long-range targets it does neither simply follow the results of the previous ten years of its working nor does it draw median of that data or project on the basis of what it did during the past ten years, though it supplies all these details to all its concerned executives based on value, pair, article, region wise etc.

The company explained this by stating that since each category did not give the company the same proportion of profit each time, it had to manipulate its products in such a way that it could achieve its total profit targets, which could not be possible by simply extrapolating the past.

The estimates so prepared are then compared with the company production and procurement capacity and accordingly, are modified.

The company prepares its long range estimates for the next three years both in pairs and values. The company sales divisions stated that it treated the factory as an outsider for their working. It places advance order with the factory as to what the sales division will need for the coming four months on articles and pair wise basis. After the price and specifications are determined an agreement to that effect is signed between the Factory Manager, the Sales Manager and the Managing Director. It thus becomes a commitment for the Factory Manager to supply that much and the sales manager to sell that much.

The sales division gives its utmost emphasis on quality. If any deviation in quality is detected by the quality controller or the salesmen or any other person, such goods are not accepted by the sales division. Such products are either destroyed or reduced to a suitable price and the resulting difference is paid by the factory to the sales division.

The process of preparing marketing plan in this company is thus initiated simultaneously both by the Marketing Manager as well as by the heads of its divisions and sections. The divisional and sectional marketing targets set by their respective heads are first examined by the Marketing Manager in the light of the economic, market and environmental factors and the necessary modifications are made in the targets as per needs of the company.

Next these targets are consolidated into company overall marketing targets. These targets after being intergrated into an overall marketing plan, are put before the Marketing Planning Committee and their approval along with the budget are then sent for the approval of the Managing Director of the company.

The marketing plan so approved by the Managing Director is then broken down division-wise, section-wise, article-wise, value-wise etc on a half yearly and quarterly basis.

Also from the overall plan, product mix plans, advertising and sales promotion plan and sales plans are evolved taking into consideration, besides the other aspects, the business calendar aspects which highlights the chief selling occasions and the type of product-promotion backing required for such seasons or occasions whichever case may be.

In short, the process of corporate marketing planning is initiated by the Marketing Manager. For preparing its long-range plans the company considers the economic, technological and societal factors and uses a mix of the statistical, grass roots and a jury of executives opinion methods for the developments of sales targets and marketing plans.

After the marketing plans are recieved from its different marketing divisions and sections, these, after moderation and inte gration, are put before the marketing planning committee, where after being approved these are consolidated into an overall marketing plan for the company as a whole. Later, all the opportunities and constraints are included in the plan and the finalised marketing plan is sent to the Managing Director for his approval. The plan so approved by the Managing Director is built around division-wise, pair-wise, value-wise, etc and there from the company derives a detailed marketing functional plan like the sales plans, product-mix plans, retail supply plan, sales promotion plan, marketing research plan, pricing plan etc.

Review of Marketing Plans:

The marketing plans are mentioned in the implementation process through the system of feed back of the company. The feed back system provides information relating to various aspects of sales and marketing to the company on weekly and fortnightly intervals. The marketing performance in this company is reviewed on a regular basis at the levels of its Managing Director, Marketing Manager and the divisional and departmental heads. The review and consequent updating is done on a quarterly basis as far as long-range plans are concerned and on a monthly basis in respect of short-term plans.

The company stated that in the past it had been revising its marketing plans to adopt to change taking place in the market and environmental levels. These changes arose owing to the fluctuations and shortages in the supplies of power, plant breakdown, labour problems and recession at the world level affecting adversely its export markets and targets and other local operations of the company.

Marketing Research:-

The company stated that during the preceding five years or so it had conducted marketing researches in areas like new product development, measurement of the effectiveness of its promotional campaigns, customer behaviour, pricing of products, sales forecasting, distribution channels etc. Though most of the researches were done by the company through its own staff, the help of the advertising agencies and management consultants was also taken by the company whenever and wherever it was found necessary.

Research and Developments:

The company has a full fledged research and development unit. The emphasis of this unit is minimising the production costs, improving quality standard, exploring new materials, designs and products developing and utilizing indigenous material and developing the product to suit the requirements of its foreign market. This unit also enjoyed the benefits of sharing R & D achievements of its associates abroad.

Marketing-Mix Strategy:

The company stated that in developing its marketing-mix strategy it gave "High" emphasis to pricing, service including after sales service, sales promotion, personal selling and product advertising. As against this it gave "good" emphasis to technical research and development, product planning and development and economic variables and "fair" emphasis to distribution planning.

PLANNING OF THE DIFFERENT ELEMENTS OF THE MARKETING-MIX.

Product-Mix Planning:

The company basically believes in manufacturing and marketing mass consumed footwear items. In support of this policy the company stated that about 70% of its products were made for mass markets and the remaining 30% were made available to the fashion conscious segment of the market.

The company determines its optimal product-mix by taking into consideration the important factors like its profitability, growth, stability, moveability of its products, production constraints and the early cash recovery objective with the aim of not tying its capital for a longer period.

The company is currently marketing numerous product line with a number of products in each product line. The company stated that its policy with regard to the shelf-life of its foot wear was no shoe should lie in the shop for more than six months period. In order to implement this policy effectively the company reviews its product-mix at each of its outlets once in every two months and accordingly categorizes its product into "A" "B" "C" etc categories which are based on their turn over at each outlet, and if need be, also makes arrangements for the transfer of certain slow moving items from one outlet to another where such a product has a quicker turn over. If still certain products are

not found to be moving well, it generally disposes them off by using various sales promotion methods at the consumer level.

New Products:

The company stated that with regard to the introduction of new products, it enjoyed the benefits of sharing information and Research and Development achievement of its collaborators abroad and as such was able to introduce successfully many new products from time to time.

The company stated that its "product Development cycle" consisted of one and a half months and two months (including the steps of idea generation, screening of ideas, business analysis and concept testing) and the company took about five month in total (from idea generation to full scale commercialization) for the introduction of its new product in the market.

The company is attempting to pursue a number of goals to be achieved through its new product policy. These goals, besides meeting the company objective of growth and increased profitability, comprise of utilizing the excess capacity in production and distribution, developing end-products, utilizing the firms own basic materials, off-setting obsolescence of product utilizing the material for a higher value use keeping the present product-line competitive, providing standardized products for the masses, developing substitutes for the import, reducing the cost of a given product, maintaining and improving the company position in the world market and taking fuller advantage of its special facilities and skills.

The responsibility for new product development programmes in this company lies with its product development committee. Besides the Product Development Manager, the other members of the committee are; the Managing Director of the company, Marketing Manager, Research and Development Manager and Merchandising Manager.

The company stated that it always tests-markets about 800 to 1200 pairs of its new product before launching them in the market. The duration of such test marketing generally ranges from 4 to 7 weeks.

The company stated that through the test marketing of its products, it aims to achieve the objective of improving its knowledge of potential sales and profitability, testing the acceptability of the product under typical marketing conditions, gaining its understanding regarding buyer behaviour and identifying and correcting any weakness in its marketing planning.

In order to enable itself to judge the effectiveness of its test marketing programmes the company analyses data relating to product shipment to test markets, volume sales and profits nature of sales and also conducts retails audits and researches using consumer panels.

Product Elimination:

The company stated that in order to achieve its product policy objective of not allowing its products to stay longer than 6months at an outlet as well as not to tie up its capital for long, it pruned its product-mix regularly.

The company has set up a formal periodic product review system and under this system it conducts its products audits every two months. The company stated that as well as owing to technological problems, material shortage, poor responses form the markets etc and product(s) were found not to be moving satisfactorily and profitable it then developed a product liquidation plan for such products. The company took steps like stopping production or procurement of such product(s) and clearing them through organising various sales promotion schemes.

The company eliminated a number of such products during the preceeding five years. However, the company did not disclose the average time it took to do so. Some of the factors that compelled the company to eliminate its weak product(s) included declining volume of their sales, falling rate of profit, increasing cost of production and marketing, appearance of a substitute that represented an improvement, and consumer dissatisfaction with the product.

Market Segmentation

The company is catering to the needs of almost all segments of the markets by developing and marketing suitable variations of its products adopted to the needs of the different market segments. However, its major emphasis has been on marketing its products in markets comprising of people ranging from lower class to upper-middle class customers. In identifying its target markets, the company has been using a multi-stage approach, that is firstly by segmenting its markets on geographic basis, Secondly, on a demographic basis and finally on the buyer behaviour basis.

The company follows different pricing policies and supplies different quality of products through different channels to meet the specific of its different market segments.

Price Planning

The company's overall philosophy regarding the pricing of its product is shoes for the millions must be priced at a maximum of days income for two pairs a year, as the people belonging to lower income - group at a developing country cannot spend more than just one percent of their annual income on shoes.

The company stated that its pricing objectives included the objectives of remaining a price leader and charging prices on the basis of value customers attached to a particular product. The company further stated that its pricing policy is oriented towards its costs plus a target amount of profit and is also based on the opportunity cost concept.

With regard to the price - fixation of its products, it may be mentioned here again that the marketing division of the company is organised on the basis of the profit centre concept and as such it buys its goods from its factory at a negotiated price. Further to fix the price of its products it considers the following factors, products worth to customers, customer capacity and competence to pay and the break-even concept.

Distribution Planning :

One of the chief strategies of the company's principal which the company has been following with regard to its distribution philosophy is to collect raw stock at source and deliver finished products direct to users. This facilitated higher income for the workmen and cheaper prices of shoes for the customers and eliminate all intermediary profits. The company as such believes in direct marketing. It explains its concept of direct marketing by stating. "Why can't we have a shoe at every place where there's a post office ?.... for people need shoes more than letters ."

As such to meet the needs of its customers the company reaches its urban and rural customers through a multiple of stockists, wholesalers etc. The distribution channels for its contracts are direct and it supplies to its foreign customers through its associates situated abroad.

Distributor and Dealer Selection :

The company in selecting its distributors and dealers for its products considers factors like their financial soundness, experience in retailing general and in shoe business in particular, location of the shop, potentials of the area and the soundness of the references given by the applicants.

To train and motivate its dealers, the company organises a detailed "dealer support programme" through which it trains and assists its dealers in selling better and achieving maximum customer satisfaction. Some of the aspects about which such training and assistance is given in these programmes includes, organising promotion through various form and media in rural areas, providing sign boards, and serving and assisting dealers regarding their shop layout, inventory, financial problems, display and merchandising schemes. The company also assists its distributors and dealers by informing them in advance about the business calendars, i.e. about the festivals and seasons approaching, requirements of each such season and how to plan for these seasons. The company expects its distributors to place order with about six to eight weeks in advance and the goods

against such orders are released by the company on an average from fortnightly to weekly basis.

The period of level of service was determined by the company on the basis of an analysis of the intake by the probable customer, supply schedule of competitors and dealers response to different levels of service as well as on the basis of its production procurement ability.

The company further stated that it provided trade discount to its channel members depending upon the nature of the product, in general, plus an incentive on the total turn over attained by its channel members, if their turnover exceeded a certain specified figure and the channel member also fulfilled the other requirement of the company. The company also announced its maximum retail and wholesale price in advance from time to time.

Total Distribution Concept :

The company stated that it has adopted a " total distribution concept" in its practice so far as the physical distribution of goods is concerned. The physical distribution function of the company included objectives like, maintaining regular supply of the products to customers, making its new products readily available to customers, optimising customer services, minimising its distribution costs and stimulating the demand for its products.

Promotion Planning:

The company prepares a detailed promotional plan as a part of its total marketing plan. The company also identifies the goals to be achieved, the tasks needed to be performed to achieve these goals and the budget needed for the same. It determines its promotion Budget on the basis of the "objectives and task method". The Budget apportioned between the advertising and the sales promotion activities of the company, on the basis of ratio to sales, ratio to target and ratio to costs. The company was making use of the advertising, personal selling and sales promotion methods in an integrated manner to achieve its overall promotional objectives.

Advertising:

The following has been some of the advertising goals which the company has been trying to achieve during the last five years or so, viz, to create primary demand, to educate the customers, to support salesforce, enhancing its image of high quality footwear manufacturer, marketer, mass producer and being always the first to innovate styles, changing customers attitudes and reducing its other selling expenses.

Personal Selling:

For promoting the sales of its products directly, the company has a large field salesforce which is organised on both product as well as on the territorial basis. The general duties of its field sales force which was catering to its distributors and dealers were making sufficient number of calls on dealers and distributors and giving them optimum level of service, checking that dealers carried adequate stocks, provided good shelf exposure and co-operated in other sales promotion activities of the company, providing adequate dealer service and also customer service in case of bulk costumers, helping dealers in activities like inventory control, etc and helping dealers in organising their sales promotion activities.

It may be recalled here that the company has also developed a " Dealer support programme" which is mainly run by its field sales force to train and assist its dealers and distributors in performing their tasks. The company compensates its sales force, in general through a composite of fixed salary and commission schemes. Up to the top marketing executive that is the marketing manager every one gets a commission on sales, while the marketing manager gets a share in profits of the company in addition to the fixed salary.

Sales Promotion:

As is clear from the foregoing description, the company organises various sales promotion schemes to further integrate and achieve its promotional objectives from time to time. All this depends upon the nature of demand of particular products, at the levels of consumers, dealers and field sales force. Some of the sales promotion schemes used by the company at the customer level during the preceding 5 years were;- Offering free samples, providing product demonstrations, offering temporary price reductions, distributing free gifts with sales etc.

At the dealer-level, besides providing display and offer of prices and gifts, the company also offered cash discounts over and above the normal trade discounts linked with the achievements of their sales targets. For instance a wholesaler or distributor could get an extra cash discount eg 1½% on the total turnover if he fulfilled the following conditions;- during the period of 6 months if he had taken the delivery of minimum of 90% of the quantity mentioned both in pairs, value etc, during the first 6 fortnights of 6 months period if he had taken delivery from the company in all of a minimum of 80% of total mutually agreed quantities in pairs and shillings for the said 6 fortnights. In the event of credit facilities having been approved the total outstanding against credit no having exceeded the sanctioned credit amount at anytime and each credit invoice had been paid for with the prescribed time and in the event of documents giving of a night delivery of goods having been negotiated through the bank, such documents had been retired against payment within 18 days of invoice.

The company organised various contests during special occasions for example celebrating the year it was found at different levels for example quality contest at the production level units, courtesy contest, display contents and sell more contests of the retail, wholesale and agency.

The purpose of organizing the above contests as explained by the company was two fold. It helped the company to learn and recapitulate the founder's basic principles, the principles involving quality, service to customer, courtesy, efficiency and value team work. On the other hand, the greater alertness and intensive activity in the implementation of these principles at every sphere of their operation enabled them to have a lasting effect on their institutional image on all the people in general and customers in particular.

To manage its promotion function more effectively, the company has its own full fledged publicity department, which is well equipped both with the physical and human resources and is being looked after by a publicity officer working under the marketing manager of the company.

In addition to this the company has been taking the help of advertising agencies whenever and wherever needed especially for its activities like mediaplanning and measurement of the effectiveness of the promotional programmes.

Management Philosophy and Development of Marketing Personnel :

The company's seniors marketing executives are well experienced and suitably qualified and have attended a number of courses in the areas of marketing and general management. However only few of the company's executives had passed post-graduate degrees either in marketing or Business Management.

The company has also a well developed " training and Development programme " for training and developing its marketing personnel through in-company programmes as well as by sponsoring them to various course organised by other specialised institutes in Kenya. The company also stated that under its " Training and development programme " it sponsors the senior marketing executives to meet and participate in international conferences organised by its collaborators and other associates abroad. It added that every year young men working in various organisations of its collaborators from all over the world meet in various conferences and interchange ideas and methods. Though such elaborate training programmes are free exchange of personnel which it organizes between companies from time to time, the company seeks to update and educate its young managers

to become, leaders of tomorrow. However, the company stated that none of its executives participated in teaching in management institutions for it failed to have adequate time.

Top Management Philosophy;

The top management philosophy of the company is marketing-oriented which was defined by it in the following terms:-

"Improving and stream lining its production process being innovative and manufacturing high quality shoes to meet the customers needs adequately."

Societal Aspects;

Some of the Societal aspects which the company look into consideration while planning its marketing function were helping the country through import substitution, increasing its exports, providing technical and marketing assistance to small scale shoe makers, intensive distribution of its high quality products at relatively cheaper prices and consumer protection against adulteration, poor quality etc

Relative Position Vis-a -Vis the Public Sector Unit;

The company in its thinking had an advantageous position vis-a-vis its counterpart in the public sector in respect of matters like market leadership, use of latest technology, high brand loyalty and a dedicated team of professional managers. As against this, the company thought that the public sector unit suffered from the disadvantages of low productivity, inferior technology, poor quality of its products inflexibility because of specialized production units which could mainly be used for manufacturing products needed for defence and allied purposes.

Further, notwithstanding the fact that the public sector unit enjoyed governmental preferential treatment both with regard to price as well as supply of its products to government and its related organisations, its own relative position remained superior. The company further felt that not only government gave preferential treatment of the public sector company but also imposed restraints on the level of production capacity at which its units could work thereby doubly putting the private sector unit at a disadvantageous position.

Conclusion;

The overall conclusion which emerges from this case study of the private sector company is that the marketing planning function is carried out with a high degree of sophistication. Some of the significant indicators which may be highlighted in this context relate to the existence of well formulated corporate and marketing objectives, integration of marketing objectives with corporate objectives, the performance of the marketing planning tasks according to well laid out systematic policies and procedures, integrated approach towards marketing information system, participative approach by involving even the lowest functionaries in the development of the marketing plans including sales forecasts, and the integration of plans of different marketing levels with the interest of society.

The company not only prepared overall marketing plan but it also developed detailed marketing plans in respect to each element of marketing mix. A particular mention may be made here of the detailed marketing plan which this company developed for its major products. The company also did not neglect the professional development of its marketing executives rather it followed a planned approach so far as their development was concerned. It would probably not be too much to mention here that this company is one of those companies in Kenya which really are marketing-oriented and towards this and it manages its marketing planning in really sophisticated manner.

A Comparative Study of the Undertakings in the Two Sectors :

The above discussion fully points out the overall superiority of the private sector company over its counterpart in the public sector. The private sector company scored over the public sector company in respect of almost all the elements relating to marketing planning sophistication index used for this purpose. Their relative scores were 0.71 in the case of private sector company and 0.53 in the case of public sector company. The two clearly confirm that there existed overall and significant difference between the performance of these two companies so far as the management of their marketing planning function was concerned.

MARKETING PLANNING IN TELEVISION SETS UNDERTAKINGS: A STUDY OF PUBLIC SECTOR UNDERTAKING

Growth or rather development of any product or idea in one way or the other has to have its origin. In case of developing an idea a times tends to be absolutely difficult. And in normal circumstance idea generation is as a result of a crisis either facing an organisation, an individual or society as a whole. With this well comprehended by us, we may be justified here to state quite vividly, that the Kenyan government has not yet realised the need to involve itself in the field of T.V. manufacturing or be in a way involved in the importation of television sets.

Simply this is to say that the importation of T.V. sets in the country has been left to the private sector. This carries the shape of being monopolised by the private sector in form of a trade. Clearly stating here that in Kenya no single company has yet come up to be the pioneer of manufacturing the television sets, both in public and private sector.

Here it may be well understood that the major factors attributed to this kind of atmosphere as regards T.V manufacturing in the country are:

Lack of Adequate Technology:

For the development in the country to surface it is quite necessary to have a firm foundation in technology front. Kenya has been lacking of up to date technology and highly sophisticated techniques in the field of production and marketing. This fact is well illustrated by the slow growth of training institutions in the country - this covers the increase of universities, colleges, polytechnics, secondary schools etc.

Political Interference:

The public sector constitutes an important segment of the Kenyan market and more attention should be paid toward this segment. Just like in most developing economies the Kenyan public sector is confronted with several problems. The problems include political interference and the sectors obligations to provide for higher social costs. In order to make the public sector to be more responsive and accountable certain steps have to be effected. One such step is the establishment of better systems of material management. In order to achieve profitability, inflated inventories will have to be brought down and norms fixed for the consumption of raw materials. The public enterprises to be run efficiently, the choice activity in decision-making should be essentially left to management team who are wedded to the enterprise and who are appointed for a reasonably long period to be able to give evidence of their competence and foresight in attaining commercial viability along with the social optimum for the nation. Those with knowledge and experience should be in charge of public enterprises, which is not the case as per the present situation - this do hinder the public sector to have future vision of venturing in different areas namely the T.V. manufacturing.

The government should only lay down the policy and experts allowed to carry out with efficiency and integrity. Those in charge of management should be far-sighted, efficient and mature enough to evolve and pursue policies which keep costs under control and make investments which are not only viable in themselves but contribute resources for further growth oriented investment. It is quite shocking that, currently public sector undertakings in Kenya are not working up to the installed capacity and other costs of production and services are high. The managers and workers of these undertakings should therefore ensure utilisation of full installed capacity, fair distribution of goods and efficient management of resources. They should combine efficiency and integrity. It is the national virtue of loyalty to the nation, devotion to the welfare of the people and consensus for making any sacrifices that are necessary to raise the standard of development as well as maximum utility of the available resources. These stated factors in one way or the other

have been acting as blocks to develop public sector in various fronts like T.V. manufacturing.

Protected Economy:

Policy turnabouts and corruption have sharply undermined investor confidence in Kenya and hampered economic growth, economists and business leaders say. Economists said confidence in Kenya's management of reform had waned in the last decade because of inconsistency and unpredictability in the political system.

"The reluctance of the government to take prompt action on cases of corruption has dampened the investment climate. In that investors who may be interested to have joint ventures with the Kenyan government could not be pulled. Existing investors either hold on to current investment or cut back, the Institute of Economic Affairs, a private think tank, said in a statement issued on Sunday the 9th of May 1994, in the Asian Age News paper.

"Political patronage in economic decision-making and unending politically instigated ethnic strife have adversely affected the sanctity of property rights which is one of the crucial conditions for the creation of an attractive investment climate" it added.

President Daniel Arap Moi who admits policy failure in public, conceded at an investors conference that ended in Nairobi on Saturday that Kenya had experienced previous economic management problems. "There is a feeling among investors that government tended to enforce the regulatory framework and laws selectively in what amounts to corruption." President Arap Moi said.¹

Mr. Musalia Mudavadi minister for finance is seen as the leader to implement economic reforms which we are quite optimistic that he will bring reforms to attract foreign investors. And may be by chance one of the investors may see the potential Kenya has in the T.V. manufacturing areas.

It has been quite prevalent such that these international investors and donors have urged Kenya to win and keep business confidence to attract investment and to free the private sector to sustain growth." The government need to work towards a consistent framework of values and the private sector will respond to ensure steady sustainable growth" said Mr. Udayan Wagle, sub saharan African department manager for the International Finance Corporation. Delegates from the International Monetary Fund and the World Bank said international investor confidence in Kenya had been eroded by poor economic management and rising corruption.

These are some of the factors which can be held responsible for public sector not even involving itself in trade (importation) of T.V. if not manufacturing the T.V. sets within the country. But as the economic reforms are being facilitated it is highly expected that the public sector will enter into T.V. manufacturing soon and also in other areas which had been purely been left in the hands of the private sector.

MARKETING PLANNING IN TELEVISION SETS UNDERTAKINGS : A STUDY OF PRIVATE SECTOR UNDERTAKING .

In Kenya there has never been any well established undertaking to manufacture T.V. sets, this is in both public sector and in the private sector. Though, in the private sector some organisation have been established not at a very large scale as it may be stated. With such an atmosphere in the T.V. industry in the country the only well organised organisation deserve to be given priority for the study. Therefore, in the case studies one of the organisation in the private sector was taken to represent the private sector. This organisation was established back in 1970's and began its operations not in trail manner but it simply imported T.V. sets from the foreign countries. This private company does not manufacture T.V.s but simply imports them and sells in the Kenyan market. The company being one of the early starter of importing T.Vs it has become one of the pioneering T.V. sets units in the country which import T.Vs. Its initial importation was composed of black and white T.Vs and it used to import about 30,000 sets per year and as the society became enlightened the number

increased. Further, under its expansion programme the unit also added its imported items the popular domestic entertainment electronics like radios, phonographs, calculators etc.

The company has been running into rough weather from the start. This has been so because of one or the other factor like changes in technology, increasing competition from new entrants, changes in the value of Kenyan shilling.

Market Structure

The market structure for Television sets consists non of the manufacturers in either sector viz public sector or private. But it is only the private sector which does the importation of T.V sets. In terms of numbers, there are more than 15 trading organisations importing television sets. Except for a few companies which sell their sets in several towns, most of the companies are operating at local markets, that is in one town. The television market is quite competitive and therefore companies often use a variety of sales promotional methods to increase the sale of their sets.

This trading company is in the large scale private sector and its operating at a national level. This means the company has opened a number of branches all over the country. An intensive competition is currently experienced by this company from small and medium importers of television sets all from the private sector. It was stated that the company has a 25% share of the market at the national level and it is ranked among the top 3 television sets importing companies in Kenya.

Market Organisation:

The company's marketing activities are being looked after by its marketing manager who is based at Nairobi and reports to the general manager of the company. General manager of the company works under a director who is incharge of the unit.

The marketing manager has under him sales manager who looks after the sales activities of the unit in Nairobi. There are three sales executives looking after the sales activities in different towns in different parts of the country. There is also a publicity officer in the company. The sales personnel besides performing their normal duties also look after-sales-service arrangements for the company products.

Corporate and Marketing Objectives:

The company has spelt out in writing its corporate objectives. It has also integrated its marketing objectives with its corporate objectives. The following are the objectives which have been spelt out by the company:

1. To maintain its sales volume among the top 3 companies in the television set business.
2. To attain customer satisfaction.
3. To optimise return on investment.
4. To market high quality T.Vs and other domestic entertainment electronics of varied price range.
5. To stabilise the position of the company in the rapidly changing market environment.

Responsibility of Planning:

The responsibility for preparing the corporate plans for the company lies with the director incharge of the company. He is assisted by the general manager of the unit and a committee of members representing areas of finance, personnel and marketing. The responsibility for preparing the marketing plans lies with the marketing manager of the unit, who prepares the plan with the help of the sales manager working under him. The company stated that it has been developing its marketing plans in a formal manner since mid of 1980's.

Purpose of Marketing Planning:

The specific purpose for which the company has been preparing its marketing plans include among other things helping it to take sound marketing decision, integrating different marketing

functions, aiding in planning finances and also in co-ordinating the activities of its different departments.

To achieve the above purposes, the company makes one marketing plan for the unit as a whole as well as separate marketing plans each of its markets, the details depending upon the strengths and potentials of each such market.

The company stated that it has been developing short term marketing plans of one year duration, because it found that the market situation in its case was changing very fast. However, it also develops separate marketing plans for promoting its products in different seasons.

Information System:

The changing economic and market conditions play a very important role in the planning of the marketing function especially in the case of companies dealing in consumer durable goods. The accuracy of its forecasts depends upon the accuracy of inputs used and its ability to envisage future changes. For this purpose, the company stated that it keeps on scanning the data available from the various publications like Census reports, sample survey reports etc. as well as the data collected through its own market researches. The company is also collecting data relating to its competitors activities and about the strengths and weaknesses of its products through its sales personnel, marketing intelligence, customer survey etc.

The company has also developed a system under which it keeps on receiving information on a regular basis relating to its competitors as well as relating to its own performance from the various market through its sales executives. This information enables the company to guide its field staff so that they could plan their marketing programmes appropriately.

Marketing Research

The company stated that during the preceding 5 years or so it had conducted marketing researches in areas like sales forecasting and market share measurement. For the purpose of planning and execution of its marketing programmes and conducting of marketing researches the company has been utilizing the services of the professional and experts like consultants and advertising agencies.

Process of Marketing Planning

The process of marketing planning in this company is initiated by the marketing manager and moves both upwards as well as downwards before the plan is actually finalised. The process of planning on being initiated by the marketing manager providing overall guidelines and basic inputs regarding economic environmental and technological changes relating to the development of marketing plans this activates the planning work at its branches. When the plans from the branches are over they are sent to the head office along with budgets. The branches arrive at their sales targets based on past years achievement plus coming years expectations keeping in mind the overall territorial potential, the general economic outlook, the competitive positions and the overall company's objectives. The branches have also to justify their sales targets so set out with necessary expectations.

These targets are first examined by the marketing manager in the light of economic, market and environmental factors and the necessary modification are made in the target in consultation with the sales manager. Next these branch targets are consolidated into the company's sales targets and detailed out according to the size and values. These targets after being integrated into an overall plan are sent for approval of the General manager of the unit who present these targets in the annual meeting of the top management committee. The committee comprise of General manager, Director-Incharge, the management accountant and the marketing manager.

The top management committee then reviews these targets in the light of the present marketing achievements of the company, its major competitors, likely economic scene, availability of imported

components other constraints and the financial objectives of the company. After these targets are so approved the necessary marketing budget including the promotion budget is prepared and got approved by the top management committee. The marketing plan so approved by the top management committee is then broken down territory-wise, value-wise on a quarterly basis and is distributed to the concerned executives in the marketing and is distributed to the concerned executives in the marketing and other departments for necessary action. The company also develops separate sales promotion plans keeping in view the seasonality factors involved in the sale of such products handle by the unit.

Review of Marketing Plans.

The marketing plans are monitored quite regularly in the implementation process through the feedback the company receives from its branches. The performance against the targets is reviewed on a quarterly basis and more frequently in the case of contingent situations. This exercise takes place in the quarterly management committee which are mainly held for this purpose. Some of the variables that necessitated such a revision in its plans were changes in the governments policy relating to the importation of television sets and other essential components etc, the prevailing uncertainty in the economic outlook, credit squeeze and the subsequent financial constraints on the company. In the opinion of the company these factors were also responsible for the non preparation of long range marketing plans in the country.

Use of Models

It was stated that it was trying to make its market planning system more sophisticated by using marketing models wherever possible. The company pointed out that for pricing purposes has been trying to make use of an adopted pricing model.

Research and Development

Since this company's products are manufactured from outside the country there is no need to have Research and Development facilities. Research and Development of these products handled by this company is carried by the manufacturer abroad.

Marketing—Mix Strategy

The company stated that in developing its marketing mix strategy it gave high emphasis to product sales promotion, advertising and after sales service. As against this it gave good emphasis to pricing, economic variables and distribution.

MARKETING PLANNING FOR THE DIFFERENT ELEMENTS OF THE MARKETING MIX

Product-Mix Planning :

The company has been making the required adjustments in its product mix as and when warranted by the environment. Some of the factors necessitating such periodical changes have been the changing requirements of the markets and competitive activity. In determining optimal product mix the following are some of the factors which are taken into consideration by it like increased profitability, need to stabilise its position in the competitive market etc.

Price Planning :

The company has been facing an intense competition. Due to this it has necessitated changes in its marketing objectives including changes in the pricing objectives. Currently the objectives of its pricing policy are to fix prices of its products in a manner as would enable it have quick

sales and profit objective. It was found that on different occasions it reduced its prices to suit the requirements of the market. The pricing policy used by the company thus was mainly demand oriented. For determining a suitable demand-oriented price the company made use of the price model which is adopted to suit its needs.

Distribution planning :

So far as the planning of the distribution function is concerned the company has over period of time been able to develop a suitable number of branches. These branches enable it to reach its customers efficiently in all its market. In addition the company carry all the promotional programmes from the head office Nairobi.

Frequency of Supplies :

At the moment the company is supplying its products to its branches on a fortnightly basis. In arriving at the frequency the factors that were taken into account by the company were the probable responses of the customers and competitors to the different frequencies of supplies that could be adopted by the company. The above approach showed the extent to which the company was customer-oriented.

Promotion Planning

This company happened to be among the first companies in this field and due to this the company had to create both primary as well as special demand for its products. The company's promotion planning has been increasing of late due to the competition hence its budget also go up. The company has been using a scientific approach in determining its promotion budget. It has been using "objective and task method" for this purpose the company has been determining suitable promotional mixes and has been using the tools of advertising, personal selling and sales promotion in an integrated manner in the context of various goals that it has been trying to pursue from time to time.

Advertising:

The company did some advertising during the last five years. And some of the advertising goals the company sought were: encouraging quick sales with a view to expedite stock turnover, changing customer attitudes, and meeting competitive challenges posed by the competitors.

Personal Selling:

The company's salesforce organisation structure was based on territorial basis. The sales force was used by the unit to attain the following:-

- (i) To provide adequate customer services
- (ii) To educate the customers etc.

Salary basis was the method used for the compensation of the field sales force by the company.

Sales Promotion

The objectives sought to be achieved by the company through its Sales promotional efforts have related to motivating the customers. At this customer level some of the methods that have been used by the company consisted of distribution of gifts, organising of demonstration of its products, making premium offers, and giving of price incentives. In order to do an effective job in the promotional field the company had been using the services of marketing consultants.

Management Philosophy and Development of Marketing Personnel :

The company had as many as 3 executives looking after its marketing function two out of whom were holders of bachelors degree with management training background. In order to develop

as well as to keep its executives up to date, the company had been regularly sending these people to attend specialised courses being offered by different institutions and organisations in the country. An idea about the regularity with which the company had been sending its executives to attend these courses could be had from the fact that on an average each executive was sponsored to participate in such programmes at least once in a year.

Top Management Philosophy

The top management philosophy of the company was marketing oriented which was defined as "to provide the service and products which the customers expect to get". The company followed an integrated approach in the planning of its marketing function. The company in its part thought that the main contribution which it was making to the national economy was creating more employment.

Conclusion

The conclusion which emerges from the above case history is that marketing planning function in the company is not being managed in a satisfactory manner. This being so notwithstanding the fact that the executives of the company are fully conscious of the importance of this function. Whatever planning exists at present is mainly at the marketing manager's level. One element of the marketing mix which the company is trying to manage in a sophisticated manner is in respect of its determining a suitable pricing policy for its products. As stated earlier the company has been making use of a sophisticated model to determine its prices. Another element of the marketing mix which the company has been using with advantage is in relation to its decision in the area of promotional mix. Here, however, the approach has been more to sell its products than to market its product. This is borne out by the fact that the emphasis of the company had been more on selling its products rather than with regard to product performance and after-sales-services.

A significant conclusion which emerges from the above case history and which need to be highlighted is that whatever planning had existed in this company had been of a short term nature and also had been of an adhoc character. This is so because the company had been most of the time trying to react to emerging competitive challenges rather than trying to foresee them and prepare in advance suitable strategies to meet such challenges. The company being only engaged in importation of T.Vs but not manufacturing them it cannot be fully going in to long term planning approaches so far as the management of the marketing planning function was concerned. The introduction of an adequate information system and a more systematized planning should challenges and develop suitable responses to meet such ordinarily help the company to predict the environmental challenges.

MARKETING PLANNING IN PHARMACEUTICAL UNDERTAKINGS :- A STUDY OF PUBLIC SECTOR UNDERTAKING

The public sector company in the field of pharmaceuticals to which this study relates was set up in 1974. It is the leading pharmaceutical manufacturing plant in East and Central Africa and is a glaring example of third world countries can operate in the business field. The company manufactures medicines in various dosage form such as tablets, capsules, syrups, injectable, ointments etc all of which are both for local and export markets. The company also manufactures license drugs for reputable international companies such as Beecham, Marek Sharp and Dhome, Abbot Biochemie. The plant is also capable of manufacturing veterinary products cosmetics, and other lines of human drugs. The basic objectives for setting up this company was to work out a system whereby essential drugs could be provided to the Kenyan masses on one hand and on the other hand, to reduce dependence on imported pharmaceuticals as well as to develop indigenous skills required in this vital sector.

The present position is that the company is producing about 35% of Kenya's bulk production of essential basic drugs and antibiotics at this plant located at Nairobi. It is also making surgical instruments

The overall philosophy of the company is to price its products, especially household remedies in such a manner that they are within the reach of an ordinary person. In support of the above philosophy, the company stated that it was producing bulk drugs intermediates, formulations, capsule antibiotics on a large scale to serve the needs of millions of people in this country.

With the taking up of manufacture of formulation on an increasing scale the company also is trying side by side to increase the sale of its formulations through intermediate buyers and traders. The company thought that its entry in this market besides making pharmaceuticals available to consumers at reasonable prices, would also help the company improve its image amongst the public.

It may not be out of place to reiterate here the increasing role which the government wants the public sector undertaking to play in the production of drugs and pharmaceuticals for use by the masses of our people at reasonable prices. To meet the above objective, plans are under way to expand the company. The present range of its existing product-mix includes following: vitamins, sulphurs, analgesics, antimicrobials, anti-pyretics, anthelmintics anti-tubercular, anti-filarials, tranquilizers, hypnotics, anti-convulsants, diuretics and other broad and narrow spectrum and anti-fungal antibiotics.

Market Structure :

Through observation it is quite apparent that the scene of drugs and pharmaceutical industry in Kenya is highly dominated by a large number of foreign and collaborated companies and a few of Kenyan companies in both sectors, that is private and public sectors. This company operates in a market which might be mistaken to be competitive market structure whereas in reality the market structure may vividly be described as oligopolistic. Coupled with same benefits of captive markets and purchase preferences with the public sector units have made this company a monopolist in certain drugs and markets. In other words it has a monopoly in the governmental markets and is facing a very tough competition in the trade market.

Corporate Planning

The company prepares five yearly corporate plans in a formal manner. The company has buttoned down all its corporate objectives broadly as to attain country's self-sufficiency objective in the production of essential bulk drugs and life saving anti-biotics, thus shaking off dependence on imports and providing medicines to masses at a reasonable prices. Additionally, the company

stated other corporate objectives relating to the aspect like optimising return on investment, to remain a leader in the industry and to have continuous growth of sales of at least the pace of the industry to enable the firm to maintain its market share.

The ultimate responsibility for developing the corporate plans for the company is that of the general manager. With this he constituted a committee with representatives from different departments.

Marketing Organisation

The marketing division which is responsible for the entire marketing functions of the company is headed by the marketing manager, who reports directly to the general manager of the company. The marketing manager has under him a marketing operation manager, a marketing research manager, the distribution manager etc. The marketing operation manager has under him regional managers who are assisted by front line supervisors and medical representatives.

At the head office the marketing operations manager has to look after different cells, cell for government business, liaison, trade business, product group and complaints. The marketing research manager is assisted by a senior sales promotion executive who besides looking after the promotion function for the company's products also assists in the preparation of the marketing plans. Needless to state, all these executives are assisted by a number of staff members in their task.

Marketing objectives :

The company's marketing objectives emanates from its corporate objectives. These objectives relates to, making its basic drugs and other formulation to masses at a reasonable price, increasing its relative market share, continuing its efforts towards improving the quality of its existing and addition of new products and product lines, improving and strengthening company's long range profit outlook, to develop and maintain product leadership, entering new markets in order to increase its trade sales, marketing effectively its o.t.c. (cover the counter) products and attaining customer/consumers satisfaction.

Responsibility for Market Planning :

The responsibility for developing the marketing plans lies with the Marketing Manager of the Company. The marketing manager in his part is assisted by different executives. For the finalization of the marketing plans, the company has formed a Marketing Planning Committee and its members come from different sections in the company mainly from the marketing department.

Purpose of Marketing Planning :

The company has been preparing its marketing plan in the formal manner since 1986. The following are the purposes sought to be achieved by it through its marketing planning, viz. taking sound marketing decisions, providing a basis for corporate planning in a more broad direction, helping in planning its production and distribution planning, co-ordinating efforts of its various departments and integrating different marketing functions.

Planning Horizon

The company prepares both short term and long term marketing planning of one year and two years for the case of short term and five years duration in case of long term plans. The company develops seasonal plans.

The seasonal plans are prepared on the basis of the periodic check-ups which the company conducts to determine the requirements of its specific medicines in specific quantities for specific purposes at certain time periods. The seasonal plans covers 6 months that is January-June and July-December each year.

The company also mentioned that besides preparing an overall marketing plans for the

company as a whole, it also developed separate product, sales plan, advertising plan, physical distribution, sales promotion plan, marketing research plan and market plan based on the type of customer to be served by the company.

Marketing Information System :

The company has a statistical cell under its marketing research manager. This statistical cell performs the task of collecting and analysing business related information on a regular basis. The company has developed a system of collecting information about its own working, under which the statistical cell keeps receiving information relating to its marketing and other relating activities on product, market and regional basis at regular intervals. Besides collecting the information relating to its own working, the company also collects and analyses information relating to the working of its competitors through various sources. The most highly used sources to gather this information includes published report about the industry, conducting marketing research, contacting the doctors, chemists, advertising agencies and marketing intelligence system. The company examines the implications of the changes taking place in the environment and as such keeps on collecting and analysing information relating to changes taking place at environmental levels through various national and international publications.

Marketing Research :

As stated above, the company has also been conducting marketing researches from time to time in a scientific manner. Some of the areas in which it conducted such researches during the preceding five years where:- sales forecasting, market share measurements, new product development including test marketing, testing the colour, taste and palatability of its products and measuring the effectiveness of its sales promotional activities. Though most of the researches were conducted by the company through its own staff, the help of outside agencies like the management consultants and advertising agencies was also taken whenever and wherever it was found necessary. The company took assistance from these agencies in areas like advertising message and media selection, and consumers protection activities marketing researches have been to enable it to get to right feedback and thus to know precisely its strengths and weaknesses vis-a-vis its competitors in the private sector

Process Of Marketing Planning :

The process of marketing planning is initiated by the marketing manager. The process on being initiated by the marketing manager moves on to the senior sales promotion executive who work with other functionaries to develop the marketing plan keeping the marketing objectives before them, these executives obtain the relevant data from the statistical cell relating to their own and competitors working as well as about the changes likely to take place at the environmental level. The information collected through marketing researches as well as relating to its production capabilities is also considered at this stage. Thus, the task relating to making marketing forecasts is initiated for, which the company makes use of a mix of the statistical approach, jury of executive opinion and grassroot methods. At this level the marketing operations manager is also consulted for his target relating to the various marketing zones of the company on the time period, product and consumer-basis.

In addition to this, for developing long-term plans the company also examines in detail the implications of the changes taking place at the economic, technological and public policy levels. For instance, the company considers opportunities for growth, expected sales, its market share objective, competitive market share, its product-mix, product-lines and quantity of each product required, its plans regarding addition of new products and products lines, average growth of the company in the past, industry forecast, its production capabilities and the constraints, government policy, availability of imported materials etc.

Similarly for developing the short-term plans it places major emphasis on its company's past year performance improvements that have been taking place in its strengths and opportunities, availability of inputs, production constraints if any, products obsolescence levels, launching of new products in the market, promotion back up to be provided etc.

Thus the rough draft of the marketing plan document acquires the shape which is then placed before the marketing planning committee. The committee then examines the draft from both the marketing as well as the other functional objectives view points and after making the required modifications approves the plan which along with the estimated budget is then placed before the managing Director together with the corporate planning committee to approve it.

After receiving the approval of the managing Director together with the corporate planning committee, the marketing plan is then broken down on time period, product, zonal and market basis. In addition the company also develops separate new product plans, sales promotion plans etc. The plans are then distributed to the concerned executives at the head office and at the regional office of the company.

Review of Marketing Plans :

The marketing performance of the company is reviewed on a regular basis through the company's internal information system. The performance is reviewed on fortnightly or monthly intervals so far as technological problems, material scarcity, poor responses from the markets etc any product(s) were found to be not moving satisfactorily and profitably if then developed a product liquidation plan for such product(s). The product liquidation plan is given due to discussion between marketing Director. After their approval and agreement it is placed before the Board of directors likewise it is discussed keeping in view the company corporate objectives, the effect to the customer/consumers suppliers of the raw materials, company's long-run profitability, the existing customer/consumers and other relevant issues. At this stage the product is eliminated from the company's product line and simultaneously ceases production activities of the product. In case of huge stock of the same product remaining, the company clears it through organising various sales Promotion schemes.

A number of products have been eliminated by the company but unfortunately the company declined to disclose the period it took to eliminate these products. Although it was fair enough to be frank to state that the period for these 3 products was not equal in case of these products but depended upon the nature of the product and market conditions.

The elimination of these production the part of this company was due to the following factors. These were, declining volume of their sales, falling rate of profits, operating difficulties created by the government, consumer dissatisfaction with the product and appearance of a substitute that represented an improvement.

Market Segmentation :

Depending on the nature of the product and the market served by the company, market segmentation had to be done in a manner that each segment of the total market is well satisfied. With this in view the company followed a multi-stage approach for segmenting its market. In the out set of the operation the company segmented the market on geographic basis, secondly, on demographic basis and finally on buyer behaviour or credit terms basis.

Pricing strategies and policies adopted by the company at which these products were sold at and channels used to distribute the products differed too. One reason for such differentiation in prices was that quality, lifestyle, tastes, preferences etc of different customer groups also differed.

Price Planning :

The price objectives followed by the company are to fix prices at a level which would enable it to achieve its profit objective without jeopardizing the sales volume. The competitive pricing

policies, demand of the products and the cost involved are considered for this purpose. A substantial attention however, is given by the company to non-price factors in promoting its products. The company stated that the methods and techniques used by it in the price fixation included short term plans are concerned and on quarterly intervals so far as long-term plans are concerned.

The company stated that it faced many difficulties in the past so far as its marketing performance was concerned and thus had to revise its marketing plans many times. Some of the factors which the company identifies as responsible for revision in its plans during the period are : aggressive competition activities like quotation of lower prices in tenders, aggressive promotional efforts thus defeating the company's promotional strategies etc, delayed arrival of imported raw materials, plant breakdown problems, problems relating to unstable quality of its products, product obsolescence, improper timing of the launch of its new products, financial constraints etc.

Research and Development :

The company through its research and development has been conducting researches in the fields of, product development formulation, promotional mat development, metabolic diseases, psychotherapeutic agents, anti-infective agents and was also pursuing the following activities;

- *Developing better and high yielding strains for antibiotics.
- *Developing new formulations.
- *Harvesting of latest techniques in biological engineering and technology.
- *Developing technology for new products.
- *Evolving and updating the technology.
- *Import substitution by producing local substitutes.
- *Attempting to attain highest standards in production and quality.

As a result of its research and development efforts, the company stated that it has been able to make significant improvements in the activity levels of its antibiotics producing strains of micro-organism. Also it has been able to successfully substitute the imported raw material by developing indigenous ones. Further as a result of collaborative work done with other institutions, it has been able to develop its performance to a greater degree.

The company further enuciated that in its research and development efforts major attention was being paid to the development of technology for new as well as known drugs. In most cases, laboratory scale work having been successfully carried out, top priority had been given for the completion of projects at the pilot plant scale so as to keep the technologies in readiness for being harnessed at normal product-scale consequently, it has been possible to step up the pilot plant yield very considerably. Through its R and D efforts, the company was also planning to diversify in new areas like pesticides, agro-chemicals and other vital chemicals.

Marketing-Mix Strategy :

The company stated that in developing its marketing-mix strategy it gave "High" emphasis to product advertising and personal selling, "good" emphasis to product planning and development, distribution planning, service including after sales service and economic variables. As against this, it gave "fair" emphasis to technical R and D, pricing and sales promotion.

PLANNING OF THE DIFFERENT ELEMENTS OF THE MARKETING MIX.

Product-Mix Planning :

The company's product-mix has been undergoing a change depending upon many factors, for instance in the initial stages of the formation of the company its product mix was mainly dependent upon the plants ability to produce. However, as the production got stabilised and market position become clear, the company started putting its efforts to systematically plan its product-mix, but even then the company was confined to meeting the requirements of the institutional

markets for a long time. Now, as the company has decided to increase its share in the trade market its product-mix was again undergoing a change.

The company stated that it determined its product-mix on the basis of the company's objectives of growth, profitability and stability.

New Products :

To meet the above objectives the company introduced a number of new products in the market during the preceding five years. These new products as mentioned by the company are comprised of a new group of products, new dosage form of existing products, and the products that were complementary to existing product range. The company explained that the motives behind introduction of new products (besides profitability and growth) have been the development of new technology need of the market and completing the product group line.

The company stated that it collected information and generated ideas about new products, through various sources, viz, new manufacturing range of drugs adopted by the company, changes taking place in the market owing to various factors like increasing tension in the city life etc, scanning international horizon, to find out new developments taking place and could be adopted in our economy possibilities of new product-mix through their own R&D efforts, information received through various sources like, W.H.O. (World Health Organisation) and market feed back through its medical representatives and medical practitioner. After generating new ideas and making preliminary screening of them the company conducted detailed tests and researches on them and studied their marketing profits, and only then a product passed through its long vigorous procedure successfully, it was developed and introduced in the market with adequate promotion support.

The company took an average of 1-2 years duration to introduce new products in the market. The company stated that the market response to some of the formulation had been very heartening though these formulations faced stiff competition from other companies. The company was also planning to introduce many new formulations, which would not only improve its sales but would also cater to the needs of the public.

As far as elimination of slow moving products is concerned the company stated that it did not prune any product or product line in the preceding five years.

Market Segmentation :

The company stated that so far as its basic drugs were concerned it followed the policy of undifferentiated marketing in general and only differentiated in terms of price to meet the supply of requirements of its industrial market. However, as far as the sale of its O.T.C. products was concerned it was segmenting its market geographical, buyer behaviour and on usage situation (therapeutic basis).

Price Planning :

Within the various constraints and controls imposed by the government of Kenya regarding the pricing of drugs and pharmaceuticals, the company stated that whenever the provisions allowed it attempted to determine the prices of its products in a systematic manner by taking into consideration a number of factors. The company further stated that its pricing objectives were to fix such prices of its products which enable the company to realise a reasonable return on investments, maintain relative parity with the competitors, to remain a price leader and to promote the complete product line of the company under its overall philosophy of "making its products available to masses at a reasonable low price."

The pricing policy followed by it was mainly cost oriented and competition oriented too. The company explained its pricing practices by stating that in general it fixed the prices of its products on the basis of the cost of various inputs plus allowing a return on investment of a certain percentage (not disclosed) in case of bulk drugs plus a reasonable mark-up over the ex-factory cost in the case

of formulation.

When asked about what constituted a reasonable mark-up, the company stated that although the scheme of pricing opted by it for formulations provided for a maximum mark-up of 65% of cost, the government has allowed it only a lower mark-up in order to provide the benefit of lower price to the customers. Similarly, in respect of pricing of bulk drugs which are produced by the company a system of "pooled" price was followed which was fixed by the government by adopting the weighted average index.

The company also gave greater weightage to the non-price factors so far as its trade sales and sales of O.T.C. products were concerned.

Distribution Planning :

In order to achieve the objectives of making its products available to masses at a reasonable price, the company makes use of both the direct and indirect channels of distribution. The direct channels of distribution are used by it for making supplies against tenders, for meeting bulk orders and for exports.

Depending upon the nature of the products the indirect channels are used to make its products available at the retail chemist levels either directly or through wholesalers. Similarly, with regard to its surgical products and other instruments, the company has appointed a number of sole selling throughout the company.

Selection of Channel Members

The company in selecting channel members for its products considers factors like competitive channel arrangements, selective market coverage, objective channel regulation needs, customer expectation regarding its product availability and storage services expected to be performed by the channel members.

Physical Distribution :

The physical distribution objective of the company related to regular supplies of products to customers, effecting stronger patronage by offering more than competitors in the way of service and minimising distribution costs.

The company supplied its products to various channel members on an average of a fortnightly to a monthly basis. The periodicity and quantity of supplier, the company stated was determined on the basis of production availability, as well as on the probable intake of customers and the competitors supplies levels.

Promotion Planning

The company uses a mix of personal selling, sales promotion and advertising, in that order for promoting its products. It determines its promotion budget on the basis of "objectives and task method" and finalises it with the funds that it could afford for these purposes. The company makes use of the various promotools in an integrated manner.

Advertising :

Some of the advertising goals pursued by the company during the preceding five years or so were :

- * To create customer awareness
- * To create primary demand
- * To counteract competitive activity.
- * To create primary demand for its products
- * Improving and enhancing the company's image and

- * Assisting its medical representatives in the performance of their task

The company stated that in its advertising campaigns it always considers factors like the dominant desire of the users and doctors as well as on the strengths of the product.

Personal Selling :

The company has both territorial and product structured field sales force. The company utilizes its sales force for the following purposes :

- * To make sufficient number of calls on doctors and giving optimum level of service to them.
- * Educating doctors/customers by explaining the technical aspects of the products.
- * Checking that the hospitals and retailers carry adequate stocks and the retailer co-operated with the company in its sales promotion activities.
- * Spending adequate portion of sales forces time in convincing and pursuing new accounts, and.
- * Helping dealers in the sales promotional activities.

The company motivates its sales force through various incentive schemes which are mainly based upon the sales performance of its sales force.

Sales promotion :

The company makes use of the various sales promotion methods as a basic tool for promoting its products. In order to perform this function well, the company has a practice of developing a product profile based on the chemistry of the product, characteristics of the competitive products and the opinion of the doctors and the customers. Some of the objectives sought to be achieved through its sales promotion activities are :

- * Attracting more and more doctors and customers to the company's products.
- * Meeting competitive activities.
- * Motivating dealers to stock and sell larger stocks.
- * To off-set seasonal fluctuations in sales, and
- * To reinforce personal selling and advertising objectives.

To achieve the above objectives, the company makes use of its various sales promotional activities at the level of doctors, customers, dealers and sales force. Some of the sales promotional methods used by the company in connection with these objectives have been distribution of free samples, organising demonstration of some of its products by participating in scientific and medical exhibitions, providing display materials as well as detailed literature on its products, temporary price reduction, organising and participating in medical conferences, seminars etc, distribution gifts articles, offer of cash discount upto 15%, offer of additional incentives to dealers and institutional buyers, organising of sales contests for its field salesforce etc.

To organize its promotion fuction more effectively the company has been taking the help of advertising agencies besides its own staff in managing functions, like preparing product-write-ups , developing slogans, copy writing, media planning and even packaging designs.

In short, the various elements of the promotional mix are planned in an integrated manner by the company in the context of its overall promotional goals. Further, to achieve these goals the company makes use of a number of methods like screening of scientific films for doctors, distribution of free samples, organising of medical conferences and seminars, distribution of literature and write-ups relating to its products both in person and by mail, designing attractive packages, training and motivating its sales force and dealers continuously.

Management Philosophy and Development of Marketing Personnel

The company's marketing executives are well experienced in the marketing of pharmaceuticals and possessed basic requisite qualifications, however it was stated that the marketing manager possessed various management courses. The company has however a well developed programme for training and developing its executives through in company training programmes as well as by sponsoring them to various executive development courses, seminars conferences organised by other specialised institutions both in Kenya and abroad.

The company explained that the frequency of sponsoring these executives was not programmed but it was based on need of the company.

Top Management Philosophy :

When asked about the top management philosophy of the company it was stated that the company was marketing -oriented as spelt out below:

"It is the company's endeavour to make available all medicines to every one in need wherever he or she is and strive to meet their need satisfactorily as a society"

Societal Aspects :

When asked about the societal aspects which the company took into consideration in planning its marketing function it was mentioned by the company that it took into consideration the following societal aspects while planning its marketing function ;viz: achieving self sufficiency in drugs and medicines ,developing indigenous know-how, developing import substitution, intensive distribution of its products, protection of consumers against poor quality and high prices ,providing employment opportunities and great accent on exports and earning foreign exchange for the economy.

Relative Position Vis-a-vis the Private Sector Unit :

The public sector company was of the opinion that its competitor in the private sector had certain advantages like collaboration with a world reputed pharmaceutical company, use of international brand name, availability of R&D benefits both of its parent company and its associates longer experience, flexibility in management, professional management of the marketing function ,the benefit of a more experienced team of managers and use of a larger promotion budget which made its functioning more efficient.

As against this the public sector company also enjoyed certain advantages which were not available to its counterpart in the private sector. These were relative case obtaining financial help from the government ,preferential treatment in the purchases of its products by the government through its institutions, favoured treatment in the import and allocation of foreign exchange in this regard.

some of the disadvantages which were mentioned by the company from which functioning suffered were slowness in decision making, greater conflicts between its production and finance department etc. The company, however added that it was trying its best to meet these problems and also to minimize to the extent possible their diverse influence on its functioning.

Conclusion :

The continuous growth in the sales market share and profitability of the company amidst increasing competition especially from the multinational companies operating in this country, is broadly indicative of the success which the company has been able to achieve within a period of about a decade and a half. The company has not only been able to strengthen its position but has also started posing a threat both to multinational and the other private sector companies operating in Kenya.

In terms of "marketing planning sophistication index" the company was found to have achieved an overall "high" level of sophistication were clarity in formulation of corporate and marketing objectives, integrated use of Marketing Information System, proper planning of the marketing -mix, consistent efforts to harmonize its goals with the needs of the society etc.

Notwithstanding this, there still remains a need to improve its functioning in marketing planning field especially in respect of matters like development of systematic frame work for marketing planning including the process involved, use of sophisticated marketing models for marketing planning purposes and the continous preferential development of its executives.

MARKETING PLANNING IN PHARMACEUTICAL UNDERTAKINGS : **A STUDY OF PRIVATE SECTOR UNDERTAKING:**

This case study relates to a pharmaceutical company in the private sector. The company was established in Kenya to compete with other 20 pharmaceutical companies operating in the same field. This company is a member of world famous pharmaceutical group. According to the available figures the 21 pharmaceutical manufactures in Kenya, 12 have 50 percent or more Kenyan share holding.²

Apart from the profit motive, the groups investment policy appears to have been guided by the desire to preserve and extend the overseas markets by establishing ventures abroad. The group also aims at making an optimum use of the technology available with it , and one of the planks in its policy is to meet the growing need of chemical products in developing countries.

Among the African countries the group has substantial interest in several countries, Kenya included. It has a well developed network of sales organisation for the marketing of its products in developing countries. Its research and development facilities have enabled it to export its technology to foreign countries. The reputation of the group brand has proved very useful in its marketing strategy and it tries to exploit fully the reputation earned by its international brand name in all the areas where its products are marketed.

The company operates in Kenya through its head office, which is located at Nairobi and also it has branches located in different parts of the country.

Marketing organisation :

The overall incharge of the marketing function in the company is called Marketing Manager who is assisted by functionaries like manager marketing services, sales manager etc. The functionaries are in turn assisted by a team of executives with designations like public relations and advertising manager, marketing distribution manager, new product manager, exports manager and other personnel working in its different marketing divisions.

Market Structure :

The scene of drugs and pharmaceutical industry in Kenya is highly dominated by a large number of foreign and foreign collaborated companies and a few Kenyan companies both in the private companies categories mostly with foreign collaboration and a few public companies. Though this market on the whole looks to be quite competitive in reality, its market structure is one that can be described as oligopolistic this company being a multinational company and enjoying the benefits of the present company's research and development efforts and a popular brand name also holds a substantial share of the market in respect of some of its products.

However, ever since, there has been a shift in the government of Kenya thinking towards developing this industry more through Kenyan companies belonging both to the public as well as to the private sectors. The market structure of this industry has been undergoing a change, although there haven't been any reservation of areas of growth in this industry mainly for Kenyan companies. Like wise no canalization of imported drugs and materials through and public sector undertakings, but the market is becoming more and more competitive steadily. As such, this company is presently

facing tough competition both from other multinational companies operating in Kenya, public and private sector companies.

Corporate planning :

The company develops its corporate plans in a formal manner and it stated that it was pursuing the following objectives presently:

- * to attain customer satisfaction through high quality of drugs and other medicines.
- * to improve and strengthen company's long-range profit outlook, so as to provide resources for investment.
- * to increase the market share by making products for a wide range of diseases and making them available throughout the country, hence to remain a leader in the industry.
- * to provide a productive and satisfying work environment for employees.

The ultimate responsibility for developing the corporate plan for the company is that of the company's committee planning. However, the company failed to disclose the composition of the committee.

Marketing objectives :

As far as the marketing objectives of the company were concerned, the company had already integrated these with its corporate objectives and these related to

- * to attain customer satisfaction.
- * to increase the relative market share.
- * to improve and strengthen company's long range profit outlook.

Responsibilities of Marketing Planning :

The ultimate responsibility for marketing planning as well as for the entire company's marketing performance is of the marketing manager of the company who is assisted by a team of functionaries from different divisions of the company. The marketing manager also shoulders the responsibility of coordinating the marketing planning function. The assistance given to the manager by the other functionaries for the performance of diverse functions include collection, formulation and analysis of data, preparation of forecasts, formulation of plans etc. for finalising its plans the company has a formal marketing planning committee headed by the marketing manager. The other members of the committee were not disclosed by the company.

Purpose of Marketing Planning

The company stated that it has been preparing its formal marketing plans since 1970, and the following have been some of the purposes sought to be achieved by it through marketing planning.

- * providing sound marketing decisions,
- * co-ordinating efforts of different departments,
- * providing a basis for broad directional corporate planning.

Planning Horizon :

The company prepares both short term and long term marketing plans. The duration of its short term plans is for one year, and of its long term plans is five years besides making an overall marketing plan for the company as a whole and separate plans for its marketing divisions. The company also prepares detailed functional plans like product-mix plan, sales plan, sales promotion plan and market plan.

Information System :

The company has established a marketing information system, which is looked after by its

marketing services manager. Under this system the company keeps on collecting and analysing information relating to its external environment, competitors working, its own working and also analyses other pertinent information relating to its working. Through the same system the company receives information on a regular basis about the performance of its products from its divisions, branches and dealers.

Besides collecting information relating to its own working through the internal sources the company also uses the information and reports published by various institutions like the parent company's reports, world health organisation, other international bulletins and the reports of the marketing research groups etc. The company also examines in detail the implications of the environmental factors, namely, economic and public policy. Particularly being a multinational company operating in Kenya gives these factors due weightage in developing and finalising its marketing plans.

For processing and analysing the information for the purposes of marketing planning and decision making the company also makes use of computer services on which its international information system is based.

Marketing Research :

The company stated that during the preceding five years or so it has conducted marketing researches in areas like social research, pricing of the products, market segmentation and physical distribution of goods. Most of the researches were done by the company through its own staff. The company stated that it never at any stage utilised the services of the advertising agencies and management consultants. This could be attributed to the fact that the company is well managed with highly skilled manpower (or) the company associate these agencies with galore faults and chances of disclosing company information to its competitors.

Process of Marketing Planning :

The process of marketing planning is initiated by the division head who asks the branches to furnish to the head office their sales potential and marketing plans for the future period. The branches are asked to prepare marketing plans relating to what possible they could achieve irrespective of any restrictions or constraints. This is done by the regional sales force. As such the branches based on the data collected by them through their own regional sales force as well as from the head office draw up their plans in a detailed manner both aggregatively and product-wise and send them to the division head.

At the head office the data received from the various departments is screened and computed on all-Kenya basis. There after the head office moderates this plan in the light of various constraints which it desires to achieve in the future given period and set targets which are both feasible and realistic. In doing this the head office examines the implications particularly of the changes taking place in the economic level, technological and public policy factors. It also gives the weightage to the various implications of the government of Kenya policy particularly regarding the role of multinational companies operating in Kenya, its import policies, licensing policies, pricing formulae etc. To all these factors is added the companies marketing objectives of increasing the relative market share, attaining customer satisfaction etc.

The draft marketing plan so formulated by division head with the assistance of the regional sales force is then put before marketing planning committee and on its adoption over there is sent to the marketing head of the company, who after pursuing it sends it to the corporate planning committee. This overall marketing plan, on the other hand is the detailed out on product, branch and period basis. For the purpose of getting sales target to each branch, the company conducts a product-wise screening exercise in order to match the production availability of inputs and marketing capabilities possessed by each of these branches.

As such, feasible targets are set for each of these branch which could be different from what

the branches had set earlier to the head office. On finalization, the product-wise and branch-wise targets thus becomes commitments for the branches and if at the end of the period say a year, a branch has not been able to achieve its targets, it is made answerable to explain the reasons for the same. Along with the preparation of product-wise and branch-wise plans, the head-office also develops in details the sales plans and sales promotion plans and the budget required to accomplish these plans these plans are then distributed to the concerned executive of the company.

Use of Models :

Performing the task related to the preparation of the marketing plans, The company makes use of a marketing planning model to enable it to carry out its task smoothly. The company also started making use of sophisticated models for decision making purposes in areas, like product management. These models were developed by the company to suit different situations.

Review of Marketing plans :

So far as the short-term plans are concerned the company reviews the on product-wise , branch wise and market segment-wise on monthly basis in this connection, the company further stated that if there were abnormal changes in the environment or other related factors, such marketing plans were revised by it generally in quarterly meetings and if need be even at shorter intervals. The long term plans are reviewed and revised by it on an annual basis. The company identified a number of internal and external factors that were responsible for the revision of its marketing plans during the preceding 5 years. Some of the external factors related to, government regarding multinational companies in Kenya, import policy, drugs (price control) , uncertain economic outlook etc. While the internal factors included delaying new product development, again owing to delays in procurement of raw materials and licenses.

In this connection, the company also observed regretfully that these were the factors that discouraged companies in Kenya from developing their marketing plans on long-term basis proving sometimes even fatal to such attempts.

Research and Development :

The pharmaceutical industry is subject to a high rate of technological and product obsolescence. This is also because it is a science-based industry and thus necessarily dependent upon continuous research activity aiming at discovering new drugs and new therapeutic uses for existing drugs, improving process technologies, developing new products etc. It is said that this industry has the reflections of a high degree of product obsolescence in the sense that only one out of the 10 drugs in use today was known to medicine 30 years ago.

Unfortunately, research in this industry has many risks and uncertainties. The high rate of obsolescence makes pharmaceutical research a costly pursuit. It is estimated that if costs a medium of ksh 40 million to set up a basic research laboratory and not less than ksh 800,000 a year to run it effectively. In this regard, the company being a member of a world-wide group thus enjoys the benefits of the research and development achievements of its parent and other member companies.

As stated earlier, the group has also established a centre in Kenya. The company stated that through its research and development centre it was attempting to achieve the following objectives, clinical trials, developing new drugs, new therapeutic used and various other multipurpose medicine. However, the company did not disclose the amount spent in this activity in the last five years or so on both the capital and revenue expenditure.

Marketing-Mix Strategy :

The company stated that in developing its marketing mix strategy "high" emphasis was given to personal selling, sales promotion and service including after sales service activities. As against this it gave "good" emphasis to pricing and product planning and development.

PLANNING OF THE DIFFERENT ELEMENTS OF THE MARKETING MIX

Product Mix Planning :

The company determines its product mix in the home market on the basis of the companies objectives of profitability and stability of its operations and in the foreign markets on the basis of growth. To achieve the above objectives the company introduced many new formulations and drugs in the market during the last 5 years.

With regard to the time which it took the company in introducing new products in Kenya, the company observed that being a multinational company introducing new products for it was very lengthy, time consuming and cumbersome process. As it involved complying with too many governmental formalities and awaiting for a long time to get approvals for the same. As such the company stated that it took many a times 2 to 2½ years just to commercially launch a product.

It was stated that a similarly longer period was required even for introducing adaptations of products developed by its parent company in the Kenyan market.

As such for introducing a new product the company was required to plan far ahead for a long time involvement in new product development regarding getting license, import capacity utilization, price approval etc. The company was quite sure about the longer time required in this regard as it resulted in not only increasing its marketing risks but also deprived the company of suitable rewards. It was because of this and other increasing constraints stated that it decided to stabilise its operations in its growth on exports.

Product Pruning :

The company also keeps on pruning its existing product mix and tries to identify the slow moving items. The slow moving products were also given the necessary boost for their sales by organising certain sales promotion schemes and if need be were eliminated also.

As far the duration taken by the company to decide on eliminating these products it was stated that it ranged between 1 to 1½ years. The company stated that it has discontinued one of its products mainly because of their declining volume of sales and appearance of improved substitute.

Market Segmentation :

The company makes use of the geographical and buyer behaviour bases for segmenting its markets and also follows different pricing policies and supplies different types of products to suit the specific needs of its different market segments.

Price Planning :

The pricing of the drugs have continued to remain under same form of control of the government. Within the various constraints and controls imposed by the government of Kenya regarding the pricing of its drugs and pharmaceuticals. The company stated that the pricing objectives followed by it related to remaining a price leader with regard to some of its drugs maintaining relative parity with competitors prices for other drugs and also promoting its entire product line.

Besides the price, greater weightage was however being given by the company to non-price factors promoting its products.

Depending upon the nature and market of its products the company followed a combination of cost oriented and competition oriented pricing policies. The company used the historical method of pricing technique for the purposes of fixing the prices of its products whenever it was possible.

Distribution Planning :

The company makes use of both the direct and indirect channels of distribution. The direct

channels are used for making supplies to departmental governmental stores and other large institutional buyers. Indirect channels using wholesalers and retailers are used for selling its products to other customers.

Selection of Channel Members :-

While selecting its channel members the company considers the factors of services to be performed e.g. transit, the availability of storage space with them, customer expectation, objective of intensive market coverage and matching its channel arrangements with that of competitors.

Physical Distribution Objectives :-

The physical distribution objective of the company include objective like ensuring ready availability of its new products to retailers/ chemists and customers to synchronize with its launching in the market effecting stronger patronage by offering more than the competitors in the way of service and to maintain regular supply of products to customers.

Promotion Planning :-

The company is carrying its promotional activities in an intensive manner and has been attempting to achieve its promotional goals by using the various elements of the promotion mix in an integrated manner viz. by conveying information, re-educating the medical professionals through direct call of its medical representatives and supporting these calls through direct mailing and by releasing advertisements in the medical and other journals and also through its sales promotional activities.

The company determines its promotional budget by following objectives and task method, and also affordable method in some cases whenever it was possible. Further in its promotion mix it gives greater emphasis to personal selling supported by sales promotion methods and followed by advertising in general.

Advertising :-

The following are some of the goals which the company is presently trying to accomplish through its advertising efforts.

- * Creating customer awareness
- * Conveying latest information (educating) to the medical professionals
- * Supporting sales force
- * Enhancing company image
- * Changing doctors attitudes towards its medicines and drugs and
- * Assisting its medical representatives in their task of pre and post meeting with members of the medical profession.

Personal Selling :-

The company has both territorial and product structured field sales force. The company is utilizing its sales force for the following purposes.

- * Making sufficient number of calls on doctors giving them an optimum level of service.
- * Spending adequate portion of their time for increasing its market both by pursuing the sale of new products and also by opening new accounts
- * Educating the doctors and chemists by explaining the technicals aspect of the products.
- * Checking that chemists and institutions carry adequate stocks.
- * Helping dealers in sales promotion activities for its O T C (Over the counter) products.

The company compensates its sales force through its fixed salary system as well as through

various Liberal incentive scheme.

Sales Promotion :-

The company also makes use of the various sales promotion methods at the level of medical professionals, dealers and the field sales force to achieve its total promotional objectives. The company gives a higher level of emphasis to sales promotion activities as these have been found to be more helpful to the company in getting calls for its medical representatives and increasing the rate of recommendation of its products among doctors.

Some of the sales promotion methods used by the company for achieving its sales promotion objectives have been :- explaining and demonstrating the working of their products, organizing medical conferences, mailing catalogues, brochures, journals and other lectures and distributing gifts items like table diaries, pen stand etc. At the field sales level it organizes various sales contest to motivate its sales force to sell more.

Management Philosophy and Development of Marketing Personnel

The company employ a good number of marketing executives looking after its marketing activities at its head office and at different branches. Though nearly all these executives possessed requisite basic qualifications and relevant experience, only two possessed Ph.D including the marketing manager. Others possessed qualification like diploma in business management etc.

However, all these executives have attended a number of specialised courses in the area of marketing management. The company's policy being helping its executives to keep themselves up to date for which it sponsored its executives to participate in the various executive development programmes and conferences which are organised from time to time. However the company declined to disclose the frequency with which each executives is sponsored for such courses. It also sponsors its top executives for various managements courses organised by the reputed institutions abroad.

Top Management Philosophy :-

When asked about the top management philosophy followed by the top management of the company it was stated that the company was "marketing oriented". The marketing orientation was defined by the company as satisfying customers needs that is the attempt to meet their needs to help fight diseases and epidemics and thus improving the quality and longevity of the life of people in Kenya.

Societal Aspect :-

In this context the company mentioned that being a multinational the very reason of its entry into this country inter alia was to make the country self sufficient in the field of drugs and medicines. As such it stated that it has been working in this direction through liberating the country from imports earning foreign exchange through general exports, and through consumer protection by providing good quality medicines and drugs. Thus improving the quality of life of a great portion of the human race.

Relative Position Vis-a-Vis the Public Sector Unit :

When asked to comment on its relative position vis-a-vis the public sector unit the response of this company was that the public sector unit was placed in an advantageous position in the sense that it had support from the government encouraging the development and growth of the drugs and pharmaceuticals industry in the public sector. This preferential position which the unit in the public sector enjoyed was in addition to the overall approach of the government to give a preferential treatment to public sectors unit in general absence of production capacity constraints, allocation of imports etc.

Notwithstanding this the company stated that it was placed in a better position because of foreign

collaboration which resulted in the production of better quality products, superior research and development facilities resulting in better pay off, strong brand loyalty, superior distribution network and an experienced and effective team of professional marketers.

In order to compensate for some of the disadvantages in the domestic market which the company was facing for reasons already stated earlier the company has started exploring the foreign markets for the exports of its products.

The overall feeling of the company was that it would take quite sometime for the public sector unit before it could be able to pose a real challenge to its supremacy in the Kenyan market.

The company was naturally unhappy over some of the discriminatory acts of the government of Kenya against multinational operating in the country. It also was critical of the policy of the government of Kenya with regard to foreign exchange allocation and licensing procedures as it often resulted in undue delays and reduced supplies of materials needed by the company.

Conclusion :-

The overall conclusion which emerges with regard to marketing planning obtained in the company is that the company had an efficient system of marketing planning operating in its organisation. To highlight its efficient functioning in this respect the following were some of the specific steps which the company was taking in this corporate and marketing objectives, designing of suitable organizational structure for developing its marketing plans, developing and use of an integrated marketing information system, as well as of sophisticated models for the process of marketing planning. The company was also developing separate marketing plans in respect of each element of the marketing mix. It also followed an enlightened policy towards the development of its managerial personnel.

There was however, a few weak points which the company should do well to improve. These were in relation to its corporate and marketing objectives which needed to be spelt out in a more precise manner. Also as far as its social responsibility towards the people of this country was concerned it was found that the company had not yet taken any concrete steps in this direction.

A Comparative Study of the Undertakings in the Two Sectors

Notwithstanding some of the differences highlighted above in the functioning of the two companies in this field, the overall picture that emerges appears to be more or less the same. So far as their functioning in the field of marketing planning is concerned. The relative strengths of the companies engaged in the two sectors may be broadly summarized.

The private sector company had its strengths in areas like existence of suitable organised arrangements and use of sophisticated model for marketing planning purposes. As against this the strength of the public sector company lay in the more precise formulation of its corporate and marketing objectives and their synchronization.

The above conclusion is also borne out by the scores attained by these companies on the "marketing planning sophistication Index". These scores were as under 0.70 in the case of the public sector company and 0.75 in the case of the private sector.

Since both the companies fall in the same category that is the companies having "high" level of sophistication, the difference being only marginal, it may be concluded that the difference is more of degree than kind if clearly observed.

MARKETING PLANNING IN TEXTILE UNDERTAKINGS : A STUDY OF PUBLIC UNDERTAKING

The corresponding public sector company in this field was established in 1965. It was set up with the aim of clothing the people with modern clothes. The principle objectives of the company are to manufacture and market all types of textile products ranging from cotton fabrics for special purposes and other cotton and natural fibres clothes, ready made for children men and ladies and other clothwear and garments. The company operates through a sales net work of retail shops and wholesalers all over the country. It is among the major supplier of textile products to some of the government institutions. Its production facilities are located at industrial area at Nairobi.

The company has an R & D unit, at first, it puts pronounced emphasis on result oriented activity which calls for high quality products. The unit is equipped with modern facilities and well qualified man power with both physical and mind dexterity.

Market Structure :

The market structure of the textile industry in Kenya consists of manufacturers in all sectors viz: public sector and private sector. The private sector consists of large sized companies and medium to small scale companies. In terms of number there is more than 15 companies from the both sectors. Most of these companies are operating on regional basis except few operating at national level.

Though the company entered the textile market at a time when there was an intensive competition in the market yet it could make a place among the top leading companies for itself because of the superiority of its products quality being based on advanced technology.

Organisation of the Marketing Function

The managerial functions of finance personnel and general administration in this company are performed in a centralised manner at the head office while the remaining function of management are widely decentralised to facilitate smooth operation of the entire company.

As such the marketing activities relating to this company are decentralised with the textile division. The division is headed by a senior executive designated as marketing manager at the head office. Though in terms of the organizational hierarchy the marketing manager works under the Managing Director. He is assisted by the sales officers at the head office and branch sales officers. The various marketing functions like marketing planning, sales forecasting, budgeting, pricing, distribution, advertising and sales promotion, general sales administration and co-ordinating activities with branches are performed at the head office. As such the responsibility for marketing planning lies with the marketing manager of the company.

Corporate and Marketing Objectives :

The company has drawn up its corporate plan covering 5 years duration which envisages vigorous growth of the company in terms of its production turnover. The Modus operandi of the company in preparing its last five year plan has been on the following lines; At first the existing data was used by it for making projections of demand during this period. Then the company worked out the demand for the same period which it will supply to the government and allied markets.

The company has spelt out its corporate objectives in writing both in financial and non financial terms. These included the following; to make sure that the company optimises the return on investments, to have a continuous growth of sales of at least the pace of the industry, to enable the firm to maintain its market share, to have growth in earnings to provide resources for investment, to stabilise the position of the company in the context of rapidly changing environment, to create and

provide employment to the citizens.

As far as the overall marketing objectives of the company are concerned, it was found that the company has already integrated with the corporate objectives stated above. The following were the additional marketing objectives which the company was trying to achieve. these are; to market at profit products of maximum value to customers both current and potential, to improve and strengthen company's long range profit outlook, to attain customer satisfaction.

The ultimate responsibility for developing the corporate plan for the company is that of the managing Director. For this purpose the managing Director has constituted a committee consisting of the marketing manager, the production manager, personnel manager, financial manager and others. A provision also exists for consulting the area representatives from different places all over the covered market regions in the country.

Responsibility of Marketing Planning :

The responsibility for co-ordinating the marketing planning function in the company was that of the marketing manager. Assistance from the manager is also offered to him. The functions of the marketing department at the head office have been isolated to be; making decisions in areas like fixation of prices, distribution planning, appointment policies etc. The marketing manager who heads the whole department reports directly to the managing director of the company. The marketing manager given what appears to be a good and well formulated marketing plan, tests it against criteria such as fairness, cost and simplicity. If the marketing plan passes these tests he finally investigates the chance of achieving implementation.

Specific Purpose for Marketing planning

The company stated that it had been preparing its marketing plans in a systematic and formal manner since 1965 and after explored possible reasons for this purpose, the company isolated the following as being relevant :

- (I) Integrating different marketing functions.
- (II) Helping in production planning.
- (III) Aiding in planning finances.
- (IV) Providing sound marketing decisions.
- (V) To help in planning and controlling the whole organisation.

Lets leapfrog for a moment to touch the area of planning duration to state that the company prepares both short range and long range plans at one year and five years period respectively. However, the company did not disclose the months when the planning activity commences and ends.

Information System :

The company explained that it has a statistical cell at its head office which performs the task of collecting and analysing business related data on a regular basis. A statistical clerk performs this tasks and reports directly to the marketing manager. The marketing manager keeps on receiving information relating to the sales and financial aspects in particular.

The data collected not only relates to the working of the company but also for the competitors working position. The company, uses secondary sources of information such as dealers, advertising agencies, through interviewing the customers, industry survey, marketing intelligence etc.

The implications of the environmental factors is well examined in the process of developing its marketing plan. Factors like economic, technological, social are given weightage.

Marketing Research :

The degree at which marketing research is carried by this company on specific areas varies. These areas included sales forecast, product pricing, market share measurement, distribution

channels and physical distribution. Though most of the researches were done by the company through its staff, the help of outside agencies was taken whenever and wherever necessary. The areas on which such assistance was taken covered advertising message, media selection and consumer promotion activities.

Application of Marketing Models :

The company stated that it has been using marketing models in the process of its marketing planning process. Some of the areas where these models were applied were product planning and pricing of the company products. These models at times used to be developed by the company or adopted.

Marketing Planning Process :

The process of marketing planning is initiated from above, that is at the level of company's marketing manager. It passes through the marketing planning committee up to the branch manager. The Branch manager in charge at the sales for a particular region prepares a draft marketing plan, keeping in mind the corporate and marketing objectives of the company. All the branch manager reports are sent to the head office where the marketing manager consolidates all of them into one marketing plan. In fact the marketing manager of the company does most of the job relating to the marketing planning. The marketing manager usually consults the corporate targets, unit target, past achievements, environmental factors and the important information relating to the company business, its competitors working position is taken into account too. At this stage the marketing manager makes all the necessary amendments and modifications.

The next phase of the planning process is that, the draft marketing plan is placed before the Managing Director of the company for his approval. After his approval the draft plan is given due discussion by the managing director and the marketing planning committee of the company, where it is finally approved.

The approved marketing plan is broken down on unit-wise, period-wise, marketing function-wise bases in details. The company also enunciated that it also prepares seasonal marketing plans. Mainly, the period covered is the holiday and non-holiday months of the year that is December to January early and February to November respectively.

Review and Updating of Marketing Plans :

The marketing performance in this company is reviewed regularly at the levels of the marketing manager in conjunction with the Managing Director of the company. The review and subsequent updating is done on a quarterly basis in the case of the company's long range, while one month duration has been suggested to be the appropriate period for reviewing the short range marketing plans. The company state that weekly meetings are held to monitor weekly performance for the week ended and the targets and goals for the starting week. Mainly these meetings (weekly) are held on Monday in the morning session.

The company identified a number of external and internal factors that were found to be responsible for the revision of the plans at different period. External isolated relevant factors for these were : erratic supply of raw materials, competition, uncertain economic outlook, power failure problems, changes in government policy etc. Internal factors were : the plant operation problems, for instance plant break down etc, financial constraints etc.

Research and Development facilities

The research and development unit in the company was established right in the beginning of the company and upto this moment the company has made rich investments in it. Through the R & D unit the company is also making an endeavour to manufacture better quality products and try to discover better usage of indigenous materials. The company has its R & D facilities at the head

office situated at Nairobi where all tests are carried.

Market Mix Strategy :

The company stated that in developing its marketing strategy "High" emphasis was given to technical research and development, product planning and development, distribution and personal selling of the company's products. As against this, the company gave "Fair" to "Good" emphasis to product pricing, sales promotion, and economic variables, "Little" emphasis was given to product advertising and service including after sales service.

PLANNING OF THE DIFFERENT ELEMENTS OF THE MARKETING MIX :

Product Mix Planning

The company stated that it determined its product mix on the basis of growth and profitability. To achieve these objectives several products were introduced in the market in the last preceding five years. The major reasons behind the introduction of these products were to meet the demand of a particular market segment, to improve the utilization of the plant capacity and to keep on supplying the society with different products at a low margins of profits.

The company pruned some of the unprofitable and slow moving products. The elimination of this products used to be effected after a detailed and lengthy discussion was held between the marketing planning committee and board of directors.

Price planning :

The company's pricing objectives which formed part of its corporate objectives were to price its products on the basis of cost of production competition, adequate return on the investment, and at times at the demand in the market. The pricing objectives of the company included the following: to maintain relative parity with the competitors prices, to promote the product line, to prevent the price inflating, to try and maintain the prices of the products at a stable level for as long as possible and to charge prices in consonance with the market conditions.

With a sole purpose to introduce the new products in the market and at the same time pose competition to the competitors and ultimately benefiting the consumer, the company followed penetration pricing policy. Like wise, non-price factors were highly emphasized by the company for promoting its products. The company made use of market research methods, break-even analysis and pricing models in fixing prices of its products. The competitive pricing policies were also considered in taking the final decision.

Distribution Planning:

The planning in relation to distribution function at the head office is limited to the advising its units with regard to the channels of distribution to be used as well as the logistics arrangements that should be adopted. It also assists the units in determination of the dealers commission together with the incentives to be offered.

The company makes use of both direct and indirect channels of distribution. The direct channels are mainly being used for providing supplies to institutional and protected or contracted markets and the governmental institutions and the allied markets. Indirect channels using the dealers and wholesalers are being used for selling its products to final customers in most cases.

The company in selecting a distributor or dealer for its products considered the following factors : Service to be performed by channel members, the availability of storage space with the dealer or wholesalers, competitive channel arrangements, the distribution costs and its intensive market coverage objective.

Physical Distribution Objectives:

The physical distribution objectives of the company included objectives like, to ensure ready availability of its new products to the customers, to synchronize with its launching in the market, to cut prices through successfully reducing physical distribution costs, to try to effect stronger patronage by offering more than competitors in the way of service, to provide quick and regular supply of the products to its customers and to optimise customer service and to minimise distribution costs.

The company supplied its products to the wholesalers and dealers on both cash terms and on credit basis with laid down terms. The potential of the market and the performance of the dealers are mainly used by the company as the criteria to determine the quantities to be supplied to them in any given period.

Distribution Commission and Incentives :

As far as distribution commission and incentives was concerned, the company did not disclose how much it gave them. Although bigger incentives was, however, given where the quantity sold by the channel member was on the higher side, transport rebates, quantity discounts was also adopted by the company as a way of encouraging them to make big orders and at the same time keep large stocks with themselves.

Promotion Planning :

The company uses a mix of personal selling, advertising and sales promotion methods for promoting its products. In its promotion campaigns the company lays more emphasis that the customers should be educated enough regarding what they should look for before buying the product. The company's efforts, however, have been quite modest in this regard as against its competitors it uses the "objectives and task method" for determining its promotion budget.

Advertising :

Some of the important advertising goals pursued by the company during the preceding 5 years related to creation of awareness, to create primary demand, to counteract competitive activity, to solicit trade patronage, to reduce selling expenses, to try and encourage immediate sales of the company products, to reach inaccessible customers, to educate the customers, to support salesforce, and to try not to loose identity with the public.

Personal Selling :

For promoting the sales of its products the company has also a field sales force attached to various areas. The company utilizes its sales force for the following purposes; to make sufficient number of calls on customers, giving optimum level of satisfaction to customers, to spend adequate portion of salesforce's time in pursuing new accounts, to check that the retailers and wholesalers carry adequate stocks, provide good shelf exposure enthusiastically and cooperate in other sales promotional activities, to provide adequate customer service and to educate dealers, wholesalers and end users about the special qualities of the products.

Sales Promotion :

The company uses sales promotion with personal selling and advertising as an element of promotional mix. In simple terms these various elements of the promotional mix are planned in an integrated manner in the context of the overall promotional goals of the company. Some of the objectives sought to be achieved include the following; to increase the product rate of use among existing users, to meet the competitive challenges etc.

The commonly sales promotion methods used by the company in this connection include free

gifts, participation in trade fairs etc.

Management Philosophy and Development of Marketing Personnel :

The marketing staff of this company were found to have possessed professional qualifications and wide experience. However, the company was still sponsoring its marketing executives for participation in various seminars, conferences and executives development programmes being organized by various institutions and organisations in Kenya.

Top Management Philosophy :

The top management philosophy of the company was sales oriented and the company stated that it was attempting to become marketing oriented. It also explained that it took into consideration various societal aspects while planning its marketing function. Some of the societal aspects considered by the company in the planning of its marketing function were; import substitution, increase in exports of its products, providing employment, protecting consumers against poor quality products, the company has also been assisting organisations such as childrens home, disabled peoples organisation etc.

Relative Position Vis a Vis the Private Sector Unit :

In the opinion of the company, its counterpart in the private sector had the advantages of greater flexibility, largest promotional budget, liberal incentives for sales and service personnel and manning of the marketing function by professionally qualified persons. The reasons for the popularity of its products and consequent increase of its market share were explained by it mainly in terms of its superior technology as also the credibility it has built up in the field of textile industry over a period of time. The company further observed that if a public sector company could produce quality products at reasonable prices it would not experience much problem in marketing its products as was the experience of this company in the public sector.

Conclusion :

The above case study leads us to the conclusion that the marketing planning function in this company is not being managed in a really systematic manner. Whatever the planning exists at present is mainly continued at the level of the company's senior sales executives. The company has however, succeeded in planning its elements of the marketing mix; viz: product mix-planning, price planning, distribution planning and promotion planning in a systematic manner. The company has also succeeded to a fair degree in harmonizing its goals with the societal needs. Some of the areas in which it has failed to do well relate to failure to streamline its planning arrangements and process, etc.

MARKETING PLANNING IN TEXTILE UNDERTAKINGS :

A STUDY OF PRIVATE SECTOR UNDERTAKING :

This case study relates to a textile company in the private sector. The company was established in Kenya in 1967 to compete with both units in the private sector and public sector. This company is a successfully established firm manufacturing textile products. A part from the profit motive, the group investment policy seems to have been lead by the desire to preserve and extend overseas markets by establishing ventures abroad. The groups aims at making optimum use of technology available with it. One of its ambitions is to meet the ever increasing demand for textile product in the developing countries. It has been found that the company has considerable interest in numerous countries in Africa, Kenya inclusive.

The company has a wealth of well developed network of sales organisation for the marketing of its products in the LD cs and Des (Least Developing Countries and developing countries). The

company has been able to export its technology to the foreign countries. The reputation of the group brand has proved very useful in the marketing strategy and it tries to exploit fully the reputation earned by its international brand name in all the areas where its products are marketed.

The company has a government recognised R & D unit which was started right in the beginning of the company. This unit puts pronounced emphasis on result oriented activity, implying the development of high and better quality products, better technology, better process and that quality travels well. The company's products are well upto the world standards of quality.

Market Structure :

The company is operating in a market where it faces intensive competition in nearly all the products from both public companies and private sector companies as well, although the company enjoys an established brand name, have a substantial market share among the organised sector companies. In some of the products the company is considered as the market leader.

Organisation of Marketing Function :

The marketing function at the corporate level is looked after by the Marketing Director of the company who reports to the Managing Director. The company seems to have followed mixed Marketing organisation. The marketing Director is assisted by a group of managers. These include the sales manager, marketing research manager, customer service manager and the sales supervisors and salesmen. The sales supervisor reports to the sale manager directly. The company has branch managers and under them are the sales supervisors and salesmen. The branch manager reports to the Marketing Director directly about all the relevant information pertaining to his region.

The Marketing Director of the company has the ultimate responsibility of formulating the marketing plans, co-ordinating and organising market activities also implementing and follow up of the marketing plans.

The tasks of identifying consumers, collection of relevant quantitative and qualitative data about them, their analysis and interpretation, and development of consumer profile etc are looked after by the marketing research manager.

Corporate Planning :

The corporate objectives sought to be pursued by the company consisted of optimising return on investments, survival, growth, profits, customer satisfaction, market leadership. The company developed a system of formulating its overall corporate plan in an integrated manner for the purpose of accomplishing the corporate objectives stated above.

The responsibility for such planning is entrusted to the Managing Director of the company who is assisted by committee planning of the Functional Directors. These includes the Finance director, Marketing Director and Commercial Director. Other members include the Marketing Research Manager, Sales manager and Customer Service Manager. The committee is headed by chairman from the finance department. The total number usually meets regularly to discuss the important issues tailored to the improvement of marketing performance as a whole. Further, to ensure coordination in the day-to-day operations of the company at the corporate planning level, the company management has adequately delegated the authority to various heads of different departments of the company.

Marketing Objectives :

For the purpose of planning effectively and in a comprehensive manner, the company could not avoid setting marketing objectives, and has been attempting to achieve them through its well co-ordinated marketing activities. The company pinned down all marketing objectives in terms of qualitative and quantitative terms to give them formal teeth. At the outset of setting the marketing objectives the company stated the following objectives; to develop and maintain a product

leadership, to market both current and potential, to improve and strengthen **company** long range profit outlook, to attain customer / consumer satisfaction, to gain volume profitability not only sales, to try to participate in the foreign markets, to make use of distribution channels that serve the company need and distribute to cover all the markets.

Planning Horizon :

The company prepares both short term and long range marketing plans. **The** duration varies from one year to five years for short term and long range respectively. Besides making an overall marketing plan for the entire company and separate plans for its marketing divisions, the company also prepares well detailed functional plans, namely; sales plan, product mix plan, sales promotion plan and market plan.

Responsibility of Marketing :

The sole responsibility for co-ordinating marketing planning in this **company** and the entire company's marketing performance is of the Marketing Director. The Marketing Director of the company is assisted by a number of functionaries who comprise the marketing planning committee. The assistance given to him comes in the form of collection of data, formulation and analysis of data, preparation of sales forecasts (demand forecasts), formulation of plans etc. **The** marketing planning committee finalises the marketing plans.

It was stated by the company that the purposes for which it made marketing plans were mainly to decide to attain its marketing targets, integrating different marketing functions, providing sound marketing decisions, aiding in planning finances, providing a basis for broad **directional** corporate planning etc.

Like wise, the company specified the period since it started making formal marketing plans although it was not sure of the exact period, but it was around the beginning of the company i.e 1967.

Frame Work Of Marketing Planning :

The marketing plans are prepared by the company both at aggregate level as well as for each branch. The marketing plan at the aggregate level is used for taking policy decisions on issues like advertising policies, personal selling etc. The company marketing plan is drawn up by the marketing department on the basis of information received from the branches which are directly in touch with the market. After this the marketing plan is approved by the Marketing Director together with the marketing committee. After this the steps required to be taken to achieve the goals, the inputs to be used for this purpose as well as the efforts to be made by specific functionaries and the time period when they are to be taken are planned for.

Information System :

A well established information system department has been set up, which is looked after by its marketing research manager. Under this department the company keeps on collecting and analysing information relating to its external environment, competitors working position, its working position and also analyses other pertinent information relevant to its operations. **The** same department receives information on a regular basis about the performance of its products from its branches and dealers.

Besides collecting information relating to its own working through the internal sources of information, the company also uses the information and reports published by various institutions like the parent company's reports, other international magazines, reports of the marketing research groups etc.

The company also examines in detail the implication of the environmental factors, such as economic, technological, cultural, societal and public policy and due weightage is given to them in

formulating marketing plans. For the purpose of marketing planning and decision making, the company makes use of computers.

Marketing Research :

The company was found to have been conducting marketing researches from time to time in a scientific manner. Some of the areas in which it conducted such researches during the preceding five years included the following; consumer behaviour, sales forecasting, new product development, pricing of the company products, international marketing, market segmentation etc. Though most of the researches were conducted by the company through its own staff, the help of outside agencies like the advertising agencies were also taken, whenever and wherever it qualified to be necessary. The assistance was sought in areas like advertising message and media selection. One of the reasons as it was stated by the company for conducting marketing researches was to enable the company in getting the right feedback and exactly know its strengths and weaknesses as compared to its competitors in both sectors i.e private and public sector.

Marketing Planning Process :

The company has adopted a formal marketing planning process as it has been mentioned earlier from around 1967. For its formal and systematic marketing planning process the company has adopted a five year period which is normally the case with most of the companies in Kenya. For implementing the long range plans, short term plans are prepared in the form of annual budgets. Both long term and short term marketing plans are closely inter linked. This has been done to integrate the company's long term activities with the actual operations. Thus, the long range marketing plans are taken on rolling concept basis whereby it is subject to review and modifications during the budget exercise whenever necessary. Thus this system provides both basic documents and guidelines for the company to follow but at the same time provides adequate flexibility.

In this case the company stated that the marketing planning process is initiated by the Marketing Director at the head office. The whole exercise begins with an appraisal of the recent environmental factors like the economic, technology, social etc. From this appraisal, broad generalisation and assumption along with the corporate objectives and other major directions are issued to all people concerned with the planning process. The people include the branch managers, the marketing research manager, the sales manager and customer service manager of the company.

On the basis of these documents, various divisions particularly the marketing research subdivision in each branch carry SWOT (strengths, weaknesses, opportunities and threats) analysis for their specific areas. This analysis is done for the budget period (annual coverage) as well as for the succeeding four years.

The branch manager formulates the branch budget and projections with the assistance of the sales supervisor and salesmen, and successively presented to the Marketing Director at the Head office. The Marketing Director after due discussion and modification whenever necessary with the branch managers do agree on the targets set. When the branch budgets are agreed upon, the Marketing Director calls the marketing planning committee for their approval, then after their approval the marketing plan is placed before the Managing Director for his final approval. After this it forms the charter of operations and action plans for the marketing department and also for the other departments to follow in the financial year in the plan period.

Use Of Marketing Models :

For the purpose of managing the marketing planning function in a systematic manner and effectively, the company stated that it had adopted marketing models for taking decisions. Areas covered by this company were pricing (pricing models) and promotion (promotion models). The company explained that these models were developed by the company executives to suit different

circumstances and situations prevailing in the company.

Marketing Mix Strategy :

In order to know the degree of emphasis the company placed on different elements of the marketing mix in devising its marketing strategy, the company was asked to state the level of emphasis which it placed on various elements of the marketing mix. This was on a four point scale indicating degrees like, "Little" "Fair" "Good" and "High" emphasis to product planning. "Good" emphasis was given to three variables of these included product distribution planning, product advertising and personal selling. As against this, "fair" and "little" emphasis was given to sales promotion, economic variables and service including after-sales service.

PLANNING OF THE DIFFERENT ELEMENTS OF THE MARKETING MIX

Product planning :

The company keeps on making the required adjustments, products modifications and adaptation in its product-mix. The prime considerations are the profitability on the sales volume and growth on sales. As part of this vital marketing-mix element the company keeps on introducing new products. Recently, the company has introduced new product which took the company 1 to 1½ years idea generation to commercialisation of the product.

The company stated that with regard to the introduction of new products it enjoyed the benefits of sharing information, and research and development achievements of its collaborators and associated abroad. As such the company was able to introduce with immense success many new products in the market both local and foreign without any failure.

The constant introduction of new products on the part of this company has not been without any directed goals for its achievement. Besides the company's objectives of growth and augmented profitability others were utilization of the excess capacity in production, offsetting obsolescence of products, utilizing the material for high value use, maintaining and improving the company's position in the foreign markets and taking the advantage of its special facilities and skills.

New products are tested in the market before being fully launched. This activity is done through the stockists and dealers of the company's products. The duration taken ranges from 2-6 months. Through this activity the company stands a good chance to receive quite valuable information which may be was not possible for it to receive through its marketing research or in case the survey was not done adequately. Relevant information include attaining data and information on potential sales and profitability, acceptability of the product under typical marketing conditions, consumer behaviour, identifying and correcting any weakness in the marketing planning.

Indicators mainly used by the company to assess the effectiveness of the test marketing included the following constant analysis of data and information relating to product shipment to test markets, volume of sales and profits, nature of sales and also conducts retail and stockist audits. The other highly and appreciated technique in this respect is the utilization of the consumer panels.

Product Pruning :

A formal periodic product review system has been set up by the company. Through this system product audit is frequently conducted and if as a result of this product audit as well as owing to other factors like the break-even analysis, as and when the circumstances permitted, others included historical method of pricing for some products. Specific models were developed by the company for this purpose. The company stated that it tried to pass on the benefits of decreased cost, say on account of ingredients to its customers. It has been also stated by the company that it invariably tried to cut down on costs by increasing its efficiency and also by improving the technology whenever possible through transfer and adaptation of appropriate technology. High pricing strategies for some products termed as luxuries and also indicating high quality products has been adopted by this

company, just to play with psychology of the customer. Hence pricing as a communicating factor, creates the image of the company.

Distribution Planning :

So far as planning of the distribution function is concerned, the company has over a period of time been able to develop a situation net work of dealers. This effort has enabled the company to reach its customers efficiently in all its markets. The dealers earn commission and other suitable incentives are also given to the dealers on the basis of quarterly and annual sales performance.

The company stated that it kept on monitoring the distribution system so that it can achieve its channels objectives. Some of these objectives were to have wider and intensive market coverage, to keep distribution cost etc.

Dealer Selection :

With the view to have intensive market coverage the company selects its dealers on the basis of the availability of storage space. Other factors were service to be performed by channel members, both to the company as well as to the consumers/customers for instance providing publicity support to the company's products, display facilities, after sales service arrangement etc. Financial capabilities of the dealers, market coverage objectives of the company, customer expectations with regard to products and channels regulation needs.

The physical distribution objectives as stated by the company was to ensure regular supply of the products to the customers/consumers, to make new products readily available to retailers and customers, to effect stronger patronage by offering more than competitors in the way of service, to cut prices through successfully reducing of physical distribution costs, to optimise customer services. For this purpose the policy followed by the company was to distribute its products to all markets hence adopting intensive distribution policy.

The channels of distribution adopted by the company were both direct and indirect. In case of direct the company sold directly to governmental market, and institutions like schools, companies etc. For the indirect channel the company sold its products to the trade market. The company stated that at times it hires private lorries to distribute the products to the dealers and wholesalers.

Frequency Of Supplies :

Currently, the company is supplying its products to the dealers on a fortnightly basis. In arriving at this frequency the factors that were taken into account by the company were, the probable responses of dealers, consumers and competitors to the different frequencies of supplies that could be adopted by the company. This policy was, however not rigid in as much as the company varied this frequency to suit the needs of the particular dealers at particular points of time. The above approach indicated the extent to which the company was customer oriented.

Promotion Planning :

Being the pioneers in this field, the company had to create both primary as well as special demand for its luxury products. Its promotion thrust has all along been aggressive as is borne out by the extent of expenditure that it has been incurring on its promotional function. In percentage terms the company stated that such expenditure has been an average about (2-3½ %) of its net sales.

The company has been using a scientific approach in determining its promotion budget on the basis of objectives and task method and supplemented by the application of affordable method i.e. the availability of the funds with the company. Other factors, are also looked into for instance the previous budgets, the degree of the competitors promotion effort, the advertising goals and also the stage of the product in its life cycle.

The promotion mix expenditure on advertising, personal selling and sales promotion is decided on an arbitrary manner.

Advertising :

Some of the important advertising goals pursued by the company during the preceding 5 year were: to create customer awareness, to reduce selling expenses, to reach inaccessible customers, to counteract competitive activity, to support the salesforce, not to loose identity with the public, to encourage immediate sales, to maintain its image as the leading company in the industry etc. The company added that these goals are strictly followed.

The advertising message is designed by the advertising agencies, who select the advertising media too. Still the company stated that it had the sole mandate to reject or accept the advertising message and media selected.

The effectiveness of the advertising in this company is determined through the sales volume. In the advertising activity the company stated that it made use of both electronic and print media. Incase of electronic media, radio and TV was used, while in the case of print media the company used magazines such as Parents, Truelove, Executive, consumer digest, Viva, Finance, Trade and Industry etc. However, the company stated that depending on customer target it was in a position to alter the media used from time to time.

Personal Selling :

The company has territorial structured salesforce. Salesmen were utilized by the company mainly for managing its accounts, collection and analysis of functions performed by the company. Salesmen were to check that the retailers carried adequate stocks, made sufficient number of calls on customers giving optimum level of satisfaction to customers, to co-ordinate the company and the market, and to create demand for the company products.

The sales team (sales force) amount to 14 in number, the company explained that all these salesmen are well experienced and well versed with salesmanship.

The sales force is usually recruited from the university graduates and other youngmen who have acquired marketing knowledge and related courses from the leading professional institutions in the country. The first prioity was given to those with marketing qualifications. However, the company provides on the job training for the qualified applicants with no experience. The company clearly stated that the recruitment policy of the company was a flexible one.

Among the qualities and requirements the salesman is expected by the company to posses are : the physical attributes (health, appearance, voice, dress etc.); the social qualities (courtesy, refinement, good-mannered, open mindedness, patience, ability to meet and move with the public); human qualities (maturity, tactfulness, straight forwadness, loyalty); character qualities (honesty, reliability etc.), knowledge of self, knowledge of the technique of selling, knowledge of the product, knowledge of the customers etc.

For the salesforce motivation in this company it was explained that the company used straight line salary plus commission, and at times spread rewards are offered to the salesmen who achieve their sales targets successfully. It was realised by the company management that other salesmen were indirectly motivated, in that they invariably increase their effort.

The company stated that it adopted different control techniques over the salesmen. These include, personal contact done by sales manager at the branch and also the marketing director goes through these branches, since the company is fairly large, correspondence between the salesmen and the branch manager, reports are submitted to the sales department daily, weekly and even monthly on a prescribed form, reports and salesman record performance is prepared in the sales office on the basis of reports recieved from him. This report as it was stated by the company gives an idea as to the number of old customers lost, number of repeated orders etc, sales quotas, sales territories.

Sales Promotion :

The sales promotion activities were carried on by the company both at the dealers and at the

customers level. At the dealers level the company adopted schemes like special displays and shows, dealer contests, dealer premiums on the purchases made and offer free gifts etc. At the customer's level the company used various schemes of sales promotion such as coupons (a chit of stated value), free gifts, cash discount, temporary price reduction, display in stores.

The following were the objectives which the company kept in view through its various sales promotional activities, viz, to meet competitive challenges, to induce dealers to keep large stocks and to sell a lot of it, to induce opinion leader, to recommend the company's products, to increase the product rate of use among the existing users etc.

Management Philosophy and Development of Marketing Personnel. :

The company's marketing executives at the top level are well qualified and experienced. To illustrate this the Marketing Director has attended a number of marketing programmes locally and internationally. About 90% of the marketing personnel have acquired bachelors degree and other professional courses, approximately 50% of these people had post graduate qualifications, such as M.B.As (Masters in Business Administration), MAs, MSCs in textile and technology.

Besides these in order to keep themselves up-to-date, the executives keep on attending relevant courses organised by different institutions in Kenya and abroad from time to time. The company has also established development programmes for its personnel within the company.

Frequency of determining their sponsorship rate depended on the need of the company and availability of funds and also the availability of time and personnel suitable for the course.

The company stated that its top marketing executives mainly the Marketing Director participated in teaching management courses at the universities and in other management institutions in the country. This activity was done occasionally.

Top Management Philosophy :

The company uses the marketing-mix approach in the planning and implementation of its marketing programmes. The philosophy of top management is marketing-orientation. The company gave the following definition :

"Ours is to arrange all the activities of the company to the tune of the prevailing internal and external environment and make sure that the company has satisfied the needs of customers through proper market integration."

Societal Aspects :

As far as the marketing concept being applied by the company to meet its social obligations the company stated that it utilized it in areas, like; earning foreign exchange for the nation, import substitution, providing employment to the masses, personnel development and training, regular and equitable distribution of its quality products, adulteration etc.

Relative Position Vis-a -Vis the Public Sector Unit :

On the opinion of the company it felt that it was the market leader, but stated that the public company was placed in an advantageous position in the sense that it had support from the government, it enjoyed governmental preferential treatment in regard to the supply of some materials and also in the allocation of foreign exchange.

The company in its thinking had an advantageous position vis-a-vis its counterpart in the public sector in respect of matters like use of latest technology, high brand loyalty and a dedicated team of professional managers. As against this, the company thought that the public sector unit suffered from the disadvantages of inferior technology, poor quality of its products, low process of decision making etc.

A review of the performance of the marketing planning function in the above company, when judged in the context of the factors studied for evaluating the management of marketing planning function reveals high degree of sophistication, so far as the management of this function is concerned. Some of the significant indicators in this direction are the performance of marketing function as per laid out policies, application of models, existence of plans at different marketing levels.

Further, the company was found to be having a positive attitude towards the development of its marketing personnel. Since the company had started the planning of its marketing function in 1967, it had succeeded in developing a comprehensive system as far as short-term and long-range planning was concerned.

With a view to gain an insight into the level of sophistication of marketing planning by this company, it was found that the company scored over 0.90 and fell in the top category of companies having a "high" level of sophistication of marketing planning function.

A COMPARATIVE STUDY OF THE UNDERTAKINGS IN THE TWO SECTORS :

A comparison of the above two companies, one from the private sector and the other from the public sector does not reveal the existence of any clear cut superiority of one company over the other, so far as the management of the marketing function is concerned. Some degree of sophistication has however, been achieved by these companies so far as the planning of the individual elements of the marketing-mix was concerned. But the public sector company scored over its counterpart in the private sector in respect of its social responsibility which was operationalized to a greater extent in this case.

When these two companies were compared on the basis of the marketing planning sophistication index it was found that a marginal difference of 0.18 existed between the performance of the two companies. The actual ratings were 0.73 in the case of the private sector company and 0.55 in the case of public sector company.

Notes and References

1. The Asian age Newspapers Business Age International and corporate News, May 9, 1994.
2. Kenya Export News, October, 1983, Vol. 35, No. 348. Published by Kenya External Trade Authority, Ministry of Commerce, Nairobi, PP.17.

