

**A SURVEY OF THE KEY SUCCESS FACTORS FOR
HEAVY-DUTY CONSTRUCTION EQUIPMENT DEALERS
IN KENYA**

BY

MUTUKU, JOEL NZIOKI

**UNIVERSITY OF NAIROBI
JOEL NZIOKI LIBRARY**

**A MANAGEMENT RESEARCH PROJECT REPORT
SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTER OF
BUSINESS ADMINISTRATION, MBA, DEGREE**

SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

AUGUST, 2006

ABSTRACT

This researcher set out to survey the Key Success Factors for heavy-duty construction equipment dealers in Kenya and to establish their influence on the performance of the dealers. A descriptive research design was used and the population of interest comprised all the dealers duly appointed by heavy-duty equipment manufacturers to sell and service their brands in Kenya. Data were collected using semi-structured questionnaires, which were administered to the respondents by the researcher using personal interviews. The data were summarized in an Excel Spreadsheet and analyzed by the use of descriptive statistics including percentages, mean scores and standard deviation. Findings were presented in tables for discussion and interpretation.

The findings revealed that heavy-duty construction equipment dealers, being suppliers of capital goods, use marketing strategies that are relevant to the industry in order to succeed in the sector. The key success factors that the dealers considered being of very high importance included after sales service, company resources, strong product attributes and product availability. The findings also revealed that focusing on not more than two equipment brands is a key strategy that leads to success and the dealers who have a higher market share have been in business for more than thirty years, with two of them being more than fifty years old in Kenya. Dealer experience in the market therefore contributes greatly to their success.

The respondents exhibited a high level of knowledge of their market and customers, a great awareness of what every other dealer sells and their activities and awareness about trends in the market. Dealers also need to endeavor to ensure that their competencies are centered on these key factors for them to remain relevant and successful in the market, which is constantly changing. The researcher recommends that dealers in the heavy-duty construction equipment sector need to form an association, similar to the Kenya Motor Industry Association, KMI, which lobbies with the government for the interests of the new motor vehicle dealers in Kenya. The researcher had difficulties getting adequate responses from some of the targeted managers as they cited tight work schedules and hence could not give in depth interviews, which proved to be a limitation of the study.