" DIFFERENTIATION STRATEGIES ADOPTED BY MANUFACTURERS OF FAST MOVING CONSUMER GOODS IN NAIROBI "

BY

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DECLARATION

This management research is my original work and has not been presented for examination in any other university.

Signed .... Date...07/11/07.........

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This project has been submitted for examination with my approval as the University Supervisor

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DEDICATION

To God, the Giver of life and all wisdom.

To my dear wife Janet Mong'ina, my son David Moindi, My father Mr. Okong'o Oburi, my mother Mrs. Prisca Okong'o, my brothers :John, Nicholas ,Lazarus, Stephen and the late Isaac. My sisters: Mary, Joyce, and Rachel. My sister in-laws: Mercy, Ruth, Janet, and Dolphin.

To my lecturers who always lifted me whenever I fell and saw me through it all.

"Read not to contradict and confute, nor to believe and take for granted, nor to find talk and discourse, but to weigh and consider."

- Harold Bloom.

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ABSTRACT

The fast moving consumer goods manufacturers (FMCG) are faced with intensive competition. Despite the critical nature of the product differentiation process, very little is known about the differentiation strategies adopted by manufacturers of fast moving consumer goods. This study therefore, sought to determine the differentiation strategies adopted by manufacturers of fast moving consumer goods in Nairobi.

The study was a descriptive survey which studied seventy eight (78) companies in Nairobi. Data was collected using closed ended questionnaires and was self administered through drop and pick method (a form of mail questionnaire). Out of the seventy eight questionnaires distributed, fourty nine (49) questionnaires were collected. This translated to a response rate of 62.8% which was considered satisfactory for analysis. The data collected was analyzed using frequency distributions, percentages, mean scores and standard deviations. The findings showed that a combination of various differentiation strategies have been adopted to a larger extent in order to achieve a competitive advantage. Product strategies which had a mean score of 3.44 were adopted to a large extent followed by promotion, pricing and distribution strategies with mean score greater 3. Consequently, the differentiation strategies adopted by FMCG manufacturers had a standard deviation of 0.89. This also showed that there were no significant variations in their adoption. This leads to high customer retention levels, high customer loyalty, premium prices, greater market share and overall profitability.

There was a response rate of fourty nine (49) out of seventy eight (78) companies studied due to unavailability of respondents. Respondents' apprehension was very high and it was difficult to get the responsible senior officials to accept to be interviewed. They viewed the exercise with a lot of suspicion due to the stiff competition in the fast moving consumer goods industry. The researcher suggests that a similar research be conducted on the differentiation strategies adopted by manufacturers of fast moving consumer goods throughout the country. Subsequently, a study should be conducted to establish the relationship between differentiation strategies applied by manufacturers and the corresponding sales volume.

CHAPTER ONE
INTRODUCTION

1:1 Background

The implementation of structural adjustment programme (SAPs) according to Kibera (1998) has affected the what, where, who, when, how and why of marketing practices in Kenya. When faced with changing environments (Economic, political- legal, social-cultural, physical/ demographic, business/ technological and markets/ demand) like this, companies in both private and public sectors have no choice but to adopt different marketing strategies (among them is the differentiation of market offerings) if they are to survive. In order to survive in this competitive environment, organizations must formulate and implement appropriate marketing strategies (Kibera, 1998). Thus the Kenyan companies in the manufacturing business are expected to have adopted different marketing strategies including differentiation of marketing offerings in order to achieve a competitive advantage.

Differentiation strategy builds greater loyalty and repeat purchasing by considering customer needs and wants. It also creates more total sales with a concentrated marketing effort in selected areas. Concentrated or target marketing gains market position with specialized market segments. Target marketing of products or services reduces the cost of production, distribution, and promotion. With differentiation strategy, there is the risk of the market going sour or a competitor entering the same market (Nancy, 1983).

1.1.1 Differentiation strategy

Strategy is the direction and scope of an organisation over the long-term: which achieves advantage for the organisation through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations (Johnson and Scholes, 2006). Thus, differentiation is a strategy by which one firm attempts to distinguish its product from competitive brands offered to the same aggregate market (Sommers, 1999). Carpenter (1999) viewed differentiation as a competitive advantage which identifies a valuable, relevant, but overlooked dimension of a product.

Rightmer (2002) proposed differentiation as business strategy that brings value to your product and to your customer.

According to Porter (1996), competitive strategy is "about being different." He adds, "It means deliberately choosing a different set of activities to deliver a unique mix of value." In short, Porter argues that strategy is about competitive position, about differentiating yourself in the eyes of the customer, about adding value through a mix of activities different from those used by competitors. Kotler (1997), argues that market offering can be differentiated along five dimensions; namely: product, service, personnel, channel and image.

According to Porter (1985), Levitt (1980) and Kotler (1997), adoption of differentiation strategy allows the firms to command a premium price, enable them to sell more of their products at a given price or to gain equivalent benefits such as greater buyer loyalty during cyclical or seasonal downturns, facilitates achievements of superior performance if the premium price exceeds any added cost of being unique and enables firms to appeal to a broad group of buyers in the industry or to appeal to a subset of buyers with particular needs. Since buyers have different needs from one another, good positioning strategies should be used by manufacturers of products and services in order to satisfy consumer needs.

1.1.2 Manufacturers of Fast Moving Consumer Goods

Manufacturers of fast moving consumer goods (FMCGs) are the companies whose core business is to manufacture everyday goods. According to the Kenya Association of Manufacturers Directory (2006), there are forty-seven firms in Kenya. Some of the best known examples of Fast Moving Consumer Goods Excel are Reckitt Benckiser, Sara Lee, Nestlé, Unilever, Coca-Cola, Bidco, Cusson, BAT, Kuguru Food Complex, Colgate Pamolive and Excel Chemicals. Examples of FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, teeth cleaning products, shaving products and detergents, as well as other non-durables such as glassware, bulbs, batteries, paper products and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, packaged food products and drinks, although these are often categorized separately (Janet, 2006).

The benchmark system which is used to develop marketing and sales policies for Fast Moving Consumer Goods and Fresh products include: measuring consumer shopping and buying behaviour on a daily basis, explain consumer behaviour and category (consumer socio-demographical profiles, purchase frequency, heavy, medium and light buyers, brand shop loyalty, brand shop duplication, brand shop switching , new launch evaluation and interactive market share check-up model, promotion efficiency on base customers and new recruited buyers), brand and shop level, advise on business strengths, weaknesses, opportunities and threats (Janet, 2006).

1:2 Statement of the problem

Manufacturers of fast moving consumer goods in Kenya play a significant role in the Kenyan Economy. They are the major employers and contributors of the much needed revenue through paying taxes as reported by Kenya Revenue Authority (KRA). Despite this, firms in this sector face stiff competition. For example in 2004, there were fourty seven (47) firms in the industry. The numbers have since increased to one hundred and twenty (120) in 2007. Therefore, consumers have got a wider range of products to choose from, some of these products to consumers may not be different. An important way in which manufacturers of fast moving consumer goods may remain competitive and profitable is by adopting appropriate differentiation strategies. This will ensure that consumers are in a position to select brands that appeals to them and be able to distinguish one company's products from those of the other.

According to Porter (1996), differentiation is the only way in which companies can have a competitive advantage over the others. Differentiation strategy, allows the firms to command a premium price, enable them to sell more of their products at a given price or to gain equivalent benefits such as greater buyer loyalty during cyclical or seasonal downturns, facilitates achievements of superior performance if the premium price exceeds any added cost of being unique and enables firms to appeal to a broad group of buyers in the industry or to appeal to a subset of buyers with particular needs. Since buyers have different needs from one another, good positioning strategies should be used by manufacturers of products and services in order to satisfy consumer needs.

Studies on differentiation by Kibiru (2004), Warucu, (2001), Muchira, (2005), Mukewa, (2005) and Willy, (2005), on chemical fertilizer importing firms, commercial banks, formal private security firms, hotel industry and micro finance institutions in Kenya respectively, have shown that companies differentiate their products in order to achieve a competitive advantage. While not ignoring findings from these studies, they may not apply to the fast moving consumer goods industry in Kenya, since, they are industry specific and differentiation strategies vary from industry to industry. However, it seems that there is no study that has looked at differentiation strategies adopted by Manufactures of Fast Moving Consumer Goods (FMCG) in Kenya. Thus, this study seeks to narrow the existing gap by answering the question: what are the differentiation strategies adopted by manufacturers of FMCG in Nairobi.

1.3 Objectives of the study

The objective of this study was to determine the differentiation strategies adopted by manufacturers of fast moving consumer goods (FMCG) in Nairobi.

1.4 Importance of the study

The results of this study will be useful to the following groups:

i. The manufacturers of FMCG will learn the best differentiation strategies that are more efficient in controlling a larger market share.

ii. The potential entrants in the FMCG manufacturing business will get to understand the differentiated marketing strategies used by the existing firms and thereby be empowered to make appropriate marketing decisions.

iii. The scholars and researchers will benefit from this research as it will be a rich source of reference and a basis of further studies since the business world is dynamic.

CHAPTER TWO

LITERATURE REVIEW

2.1 The concept of strategy

Strategy is a pattern in actions over time; for example, a company that regularly markets very expensive products is using a "high end" strategy. Mintzberg (1994) argues that strategy emerges over time as intentions collide with and accommodate a changing reality. Thus, one might start with a perspective and conclude that it calls for a certain position, which is to be achieved by way of a carefully crafted plan, with the eventual outcome and strategy reflected in a pattern evident in decisions and actions over time. This pattern in decisions and actions defines what Mintzberg called "realized" or emergent strategy.

Differentiation strategies entails strategies whereby a firm offers products or services to a number of market segments and develops separate marketing strategies for each. Marketing strategy is an action plan for influencing customer choices and obtaining a market share. The market strategy encompasses customer perception of the relationship between price and quality, that is, is the quality of the product or service worth the price? is the price too low for the quality the customer desires? Is the price higher than the customer's perception of quality? Remember, customer perception is the bottom line and thus, the market strategy should entice customers to buy the product or service. The market strategy also includes the distribution channels for the product, pricing and terms of sale, promotion and advertising plan, marketing budgets, inventory selection and management, visual merchandising, customer relations and an evaluation of the marketing strategy (Mintzberg, 1994). Market segmentation is dividing a larger market into submarkets based upon different needs or product preferences. A key factor in competitive success is focusing on little differences that give a marketing edge and are important to customers. Market segmentation matches consumer differences with potential or actual buying behavior. It may prove more profitable to develop smaller market segments into a target segment (Mintzberg, 1994).

Marketing opportunities increase when customer groups with varying needs and wants are recognized. Markets can be segmented or targeted on a variety of factors including age, gender, location, geographic factors, demographic characteristics, family life cycle, desire for relaxation or time pressures.

Segments or target markets should be accessible to the business and large enough to provide a solid customer base. A business must analyze the needs and wants of different market segments before determining its niche. One way to segment markets is by product or service benefit sought by the customer. What benefits are customers seeking? Quality? Low price? Convenience? Identify the benefits customers want and create the product or service to meet the need. Knowing customers needs and wants is basic to successful marketing (Nancy, 1983).

Markets can be divided by customer use of products or services, such as: nonusers, ex-users, potential users, first-time users and regular users of a product. Other markets may be segmented by usage rate. Are customers' light, medium or heavy users of the product or service? Heavy users may constitute a small portion of the market but a major percentage of sales volume. Each target group requires a separate marketing plan. One marketing effort will probably not cover all the bases. Potential users and regular users require different types of marketing efforts. The marketing plan provides information on what the market will be (retail, wholesale) and what specific customer groups will be targeted, what will be sold, where it will be sold, and how wide the area of distribution will be (Nancy, 1983).

According to Seggev (1982), Rossiter and Percy (1997) and Alden et al. (1999), since the ultimate objective of products'/services'/brands' (offerings') advertising emanate from positioning activities, the main concern in evaluating the effectiveness of offerings' positions in the market place ought to be the assessment of the degree to which desired positioning has been accomplished. The prevailing stance of several authors (Aaker, 1982; Alden et al., 1999; Batra et al., 1996; Fill, 1999; Ries and Trout, 1981) is that many advertisements today, have, as their explicit objective, the establishment, reinforcement or modification of the positioning of an offering in the consumer's mind. As Ray (1992) write "in a real sense, positioning analysis takes all the materials that have been developed about the situation and puts them together into the message idea."

Positioning is concerned with the attempt to modify the tangible characteristics and the intangible perceptions of a marketable offering in relation to the competition (Arnott, 1992, 1993). Positioning in a conceptual, strategic and operational nature is the management's attempt to modify the tangible characteristics and the intangible perceptions of a marketable offering in relation to the competition (Arnott, 1992). Arnott further defines positioning as a deliberate, proactive, iterative process of defining, measuring, modifying, and monitoring consumer perceptions of a marketable object. According to him, the application of positioning involves certain related activities, i.e. defining the dimensions of a particular perceptual space that adequately represents the target audience's perceptions; measuring objects locations within that space and modifying actual characteristics of the object and perceptions of the target audience via a marketing communications strategy. In other words, the process of positioning is iterative and requires deliberate and proactive involvement of the marketer.

According to Kotler (1997), differentiation of market offerings is the art of designing meaningful differences to distinguish company offering from those of competitors. He states that firms all over the world have used differentiation of market offerings to achieve a competitive edge. Thus, in developed countries product differentiation strategy is used by a variety of organizations including producers, fabricators, retailers, brokers, agents and merchants. Those who produce and / or deal in primary metals, grains, chemicals confectionery, plastics and money also follow the strategy (Levitt, 1980).

2.2 Differentiation strategies

Marketing is getting the right goods and services to the right people at the right place, the right price, and with the right promotion. It is a social managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of values with others (Kotler, 1997). According to Siyanga (1996) the general responsibilities of marketers be they in agricultural, consumer, or industrial marketing include development of an in- depth knowledge of their product, its strengths and weaknesses vis-à-vis competing products and substitutes. Equally important is the knowledge of price variations obtained in the market place for a similar range of products and distribution channels both those currently in use by the firm and by its competitors and those which have a potential for use. The way the marketing process is managed may decide opportunity for many companies especially those that offer generically undifferentiated products and services to escape the commodity trap (Levitt, 1997).

Table 1: Differentiation Strategies

Product	Services	Personnel	Channel	Image
Features Performance Conformance Durability Reliability Reparability Style Design	Ordering Ease Delivery Installation Training Customer Consulting Maintenance and repair Miscellaneous	Competence Courtesy Credibility Reliability Responsibility Communication	Coverage Expertise Performance	Symbol Written and audio visual media Atmosphere Events

Source: Kotler (1997), Marketing Management, Analysis, Planning, Implementation and Control, New Delhi, pp 36-56

Porter (1985) writing on differentiation as one of the generic strategies, stresses that firms must make policy choices about what activities to perform and how to perform them. He identifies nine 'drivers' of uniqueness for firms and these include:- product features and performance offered, service provided (e.g. credit, delivery or repair); intensity of an activity adopted (e.g. rate of advertising spending); content of an activity (e.g. the information provided in order processing);technology employed in performing an activity (e.g. precision of machine tools, computerization and order processing); quality of inputs procured for an activity; procedures governing the actions of personnel and activity (e.g. service procedures, nature of sales calls, frequency of inspection or sampling); skill and experience level of personnel employed n an activity and training provided; and information employed to control an activity (e.g. level of temperature, pressure and variables used to control a chemical reaction). A firm may use one or a combination of these variables to differentiate itself from the competition.

Writing on the same issue, Porter (1985) argues that firms view potential sources of differentiation too narrowly. He contends that they see differentiation in terms of physical product attributes or marketing practices rather than potentially arising anywhere in the value chain. Firms are also often different but not differentiated because they pursue different forms of uniqueness that buyers do not value.

Porter argues further that differentiators also frequently pay insufficient attention to the cost of differentiation once achieved. Companies must therefore identify the industry they are in and come up with specific ways of differentiating products to obtain a competitive advantage. They should also realize that successful differentiation strategies grow out of the coordinated actions of all parts of the firm, not just the marketing department. Thus according to Porter (1985) a firm only differentiates itself from its competitors when it provides something unique that is valuable to buyers beyond simply offering a low price.

2.2.1 Product differentiation strategies

A product is anything that can be offered to a market to satisfy a need or a want. It is almost always a combination of tangible and intangible features. A customer attaches value to a product in proportion to its perceived ability to help solve problems or meet his needs (Levitts, 1980). This therefore means that the product is the total package of benefits the customer receives when he buys the product. Differentiation of physical products takes place along a continuum where at one extreme there are highly standardized products that allow little variation. Examples include fertilizer, steel, and aspirin to mention just a few. On the other extreme are products capable of high differentiation such as automobiles, commercial buildings and furniture. However, between the two extremes genuine variations are possible (Kotler, 1997). Thus in some cases simple proclamation that one's product does better than others may make the whole difference. In all cases products can be offered with varying features, with high, low, average or superior performance quality, conformance quality and durability.

There is some empirical evidence to the effect that differentiating products can lead to increased benefits for the firm. For instance a study by design Innovation Group in Great Britain for three years surveying 221 products found that there was 41% sales increase by companies that differentiated through design (Kotler, 1997). At the same time Levitt

(1980), confirms that the list of highly differentiated consumer products that not long ago were sold as undifferentiated or minimally differentiated commodities is long and include; coffee, soap, flour, beer, and salt here in Kenya the Mumias Sugar Company has reentry embarked on branding strategy for its sugar. Product strategies deal with the basic decisions on product and product planning i.e. how the firms' product or services compare with the competition (Kotler, 2003). This strategy looks at product standardization Vs. Product modification; Product positioning, market segmentation, product adoption, branding and packing. It is with the product in mind that marketers are constantly seeking better or more superior products to present to the consumer (Kotler, 2003).

According to Kaplan (1997), companies adopting new-product strategy are better able to sustain competitive pressures on their existing products and make headway. The new product strategy is split into three: - Product improvement/modification which is the introduction of a new version or improved model of the product is one of the strategies. Usually this is achieved by adding new features, changing process requirement, and altering product ingredients. When a company introduces a product which is already in the market but new to the company, it is a following product imitation strategy. The product innovation strategy includes introducing a new product to replace an existing one in order to satisfy a need in an entirely different way or to provide a new approach to satisfy an existing or a latent need.

Product positioning strategy refers to placing a brand in a part of the market where it will have a favorable reception compared to competing product (Kaplan, 1997). The product should be matched with that segment of the market where it is most likely to succeed. The positioning strategy can either be single brand or multiple brand strategy. Repositioning among new users requires that the product be presented with a different twist to the people who have not been favorably inclined towards it. Repositioning for new uses requires searching for latent uses of the product (Kaplan, 1997).

According to Kotler (2003), most marketers treat packaging and labeling as an element of product strategy. Packaging involves a description of the packaging strategy. Kotler further explains that the package should embody elements such as size, shape, materials, color, text and brand mark. The packaging elements must be harmonized with decisions on pricing, advertising and other marketing strategies. According to O'Shaughnessy (1992), the packaging strategy should encompass the following: - Protection; to protect against dirt, damage, mishandling and deterioration. Promotion; attractive packaging increases product appeal and can differentiate a product from competitive makes. Visibility; a striking package can draw attention to itself in store or anywhere. Provision of information; packaging provides information on the contents instructions on use and information required by law (O'Shaughnessy, 1992).

Product advantage and the proficiency in launch tactics are related positively to new product performance, which itself is related positively to organizational performance (Langerak et al, 2004). The story of the market positioning and launch of the New Panda, perfectly illustrates how car companies such as Fiat, innovate and design in line with customer expectations to secure a market share for each model. The new Panda hopes to appeal to the small car segment and the initial first car buyer segment while also appealing to families who wish to acquire a second car, or to those using their car in urban or city areas. However, there is a marketing challenge at the centre of targeting these segments. This car interests distinct and different groups of car buyers so there is a need for careful product positioning in the mind of the consumer (Langerak et al, 2004).

2.2.2 Promotion differentiation strategies

The Promotion strategies seek to explore the promotion policy that would govern the organization such as personal selling, and publicity, advertising and sales promotion (Kotler, 2003). There is no right promotion mix for all situations. The promotion mix for your company should be designed to accomplish the overall organization objectives. The specific mix depends on a number of factors, including the promotion budget available, the nature of the product, market size and location, distribution channels, stage of product in its life cycle, the target audience, and nature of the competitive situation (Proctor, 2000). The promotion strategy in its most basic form is the controlled distribution of communication designed to sell your product or service. In order to accomplish this, the promotion strategy encompasses every marketing tool utilized in the communication effort. According to O'Shaughnessy (1992), there are three basic promotional strategies; Push, Pull or Push-Pull. A company that follows a push strategy is generally sales oriented, trying to push the product through the distribution channel, relying on the middle men in the channel; to market the product to the end user. A company that follows a pull strategy goes directly to end user to promote sales, putting pressure on the middlemen to support the company's' channel objectives.

A push-pull strategy involves doing some blend on a relatively equal basis. Typical promotion mixes between advertising and personal selling of manufactures, varies based on the industry and product. Manufacturers of well branded consumer goods with established distribution channels may spend 90% of their budgets on advertising and sales promotion (pull strategy) and only 10% on personal selling (push strategy). However, manufacturers with industrial goods or smaller consumer products companies may spend 90% on personal selling (push strategy) and 10% on advertising (pull strategy). A high growth consumer products company that is expanding geographically or an established deciding on the right promotional mix should be rational, fact-based decision (O'Shaughnessy, 1992).

A company can use the Promotion Expenditure Strategy which is the amount that a company may spend on its total promotional effort (Kaplan, 1997). This is influenced by a complex set of circumstances. Various approaches may be used: The marginal approach where the expenditure of each ingredient of promotion should made as marginal revenue is equal to marginal cost. The breakdown approach where the expenditure on the promotion must be justified by sales. The return on investment a[approach is where the promotion expenditure is justified by the benefits which will be derived over the year. The competitive parity approach assumes that the promotion expenditure is directly related to market share and the build up method where the decision on promotion expenditure is made in the context of the total marketing mix (Kaplan, 1997). Kaplan further explains that advertising strategy encompasses the media selection strategy and the advertising copy strategy. Advertising is any paid form of "mass selling" or communication with large numbers of potential customers at the same time.

O'Shaughnessy (1992), states that a good advertising strategy must cover the target audience, the goals, a message strategy having the message appeal and positioning as well as the message format and the media plan which encompasses media, media options and vehicle mix, the reach and frequency and the scheduling. This involves looking at the advertising budget, creative message(s), and at least the first quarter's media schedule.

Positioning is the process of creating the right perception of the product in the minds of likely customers. Specifically, this means defining the relationship of the product to its competition and communicating the core attributes that make it stand out (Holmes, 2004).

Sales promotion refers to specific activities (such as point-of-purchase displays, brochures, coupons), which can generate a specific purchase behavior. Sales promotions establish the strategies used to support the sales message. This includes a description of collateral marketing material as well as a schedule of planned promotional activities such as special sales, coupons, contexts, and premium awards (Proctor, 2000). According to O'Shaughnessy (1992), sales promotions are divided into two categories; Consumer promotions and Trade promotions. O'Shaughnessy explains that one of the most effective consumer promotion program is sampling. It is the quickest way to attract consumers for distinctive new products. For trade promotions quality discounts would guarantee a company shelf space allocation for a new product.

Public relations or publicity; is any free from "mass selling". All of these methods try to inform, persuade and remind the target audience about your product or service. According to Advanced Marketing Association (2002), publicity is the most cost effective way to launch a company latest new product regardless of whether it is in the local, regional or international market. With publicity, a product can be introduced to thousands and even millions of people overnight and gain valuable marketing research in the process. International Marketing association (IMA) defines publicity as mass communication with potential customers through the media. Publicity is a process, which a company's new product transforms marketing into an editorial format or news. A complete account of the publicity strategy including a list of media that will be approached as well as a schedule of planned events.

According to Sachs (2003), a winning public relations strategy and plan is key. It Captures attention by educating pundits, opinion leaders and editors. These are the people who will be carrying the flag. Once these people are won over, credibility and acceptance from the market place is gained. This makes the selling process far easier, maximizing the chances of hitting the goals (Sachs, 2003). Above all, there must be a clear and consistent marketing message that reflects the company's overall positioning strategy. Editorial coverage of new product marketing launches can take many forms, but the most profitable type usually occurs in print media such as newspapers and magazines. Print publicity has a "shelf life", - the printed word can reach and convert readers into buyers for weeks, months and even years after publication. Conversely, two minutes of radio or television editorial coverage – once it has aired – disappears for ever with its power to reach and convert the listening or viewing audience into buyers (AMA, 2002).

Personal selling involves direct face-to-face relationships between the sellers and potential customers. Personal sales is an outline of the sales strategy including pricing procedures, returns and adjustment rules, sales presentation methods, lead generation, customer service policies, salesperson compensation and sales person market responsibilities. The sales force creates the goodwill and secure a market base for current and future operations (O'Shaughnessy, 1992). Brand strategy will vary with whether the brand is a functional brand that relies heavily on product and price features, an image brand which rely on advertising creativity and a high advertising expenditure or an experiential brand where the consumer encounters people and places with these brands (Kotler, 2003). What name to give the product should be determined only after there is a clear sense of the target market and have developed a positioning strategy (Holmes, 2004).

According to Kotler (2003), these promotion strategies are complementary to each other and should be integrated to maximize the company's results. The same message may be interpreted differently based on the source of the message in terms of trustworthiness and credibility. The right blends or mix of these promotion tools will vary based on the industry, customer, product and the company objectives (Kotler, 2003). The pricing strategy supports the pricing decision (Kotler, 2003): is the price competitive in the markets being considered? There are various pricing strategies that can be considered i.e. Dual pricing, Market-differentiated pricing, Skimming. The type of strategy used will depend upon several factors; these include the type of product, the product range, economic circumstances and competition (Kotler, 2003).

2.2.3 Pricing differentiation strategies

Market skimming is charging a high price to maximize profits on each item sold. "Skimming" refers to setting initially high prices, and slowly lowering them over time to maximize profits at every price sensitive layer in the market. As initial sales slow down and/or as competitors threaten to introduce similar products, the price is lowered just enough to make it worthwhile for the next segment to buy (Hutt, 1998).

Market penetration is object to gaining market share; the product needs to be priced lower than the market leader to attract customers. "Penetration" involves setting a low initial price to enter the market quickly and deeply to attract a large number of buyers and win a large market share. The resulting high sales volume often means lower costs, as the company moves quickly down the production experience curve, allowing a further reduction in price. Several conditions favor setting a low price: the market should be highly price sensitive so that a low price produces more market growth; production and distribution costs must fall as sales volume increases; the low price should serve as a barrier to entry for competitors otherwise the price advantage may be only temporary (Hutt, 1998). A good recent example is Virgin cola, which is priced around 10% lower than the two leading brands allowing it to gain market share. Gross Profit Margins using penetration pricing are relatively low, but the objective is a high level of sales allowing a good Net Profit to be made. This pricing strategy can help establish brand loyalty and keep new competition out of the market place. But if the price is set too low, customers may take view that the product is low quality and therefore brand image can suffer (Kotler, 2003).

Going rate pricing is applicable for many small businesses that are accepting the current market pricing structure. When this is the only option, there is a strong element of being a price taker. They must sell their goods or services at the price consumers are used to paying. Normally as new entrants to the market, the price charged will have to be well below that of the market leader (Kotler, 2003).

Table 2: Other Pricing Strategies for New Products

P/Q	**Higher Price**	**Lower Price**
Higher Quality	Premium Strategy	Good Value Strategy
Lower Quality	Overcharging Strategy	Economy Strategy

Source: Marketing through the media: Peeling the orange, http://tolearn.net/marketing/pricem.htm August 2nd, 2004, pp 15-23

A company that plans to develop a "me-too" product faces a positioning problem. It must decide where to position the product vs. its competition in terms of quality and price. The table above shows four possible positioning strategies: Premium strategy, Good value strategy, Economy strategy and Overcharging strategy. The first three strategies can be employed alone, or in combination (as with a product line that attempts to satisfy several buyer segments at one time). A premium strategy involves producing a high quality product and charging the highest price. At the other end of the price quality spectrum, an economy strategy means producing a lower quality product but charging a low price. These strategies can co-exist as long as there are at least two buyer groups that can be segmented. According to Kotler (2003), the good value strategy is a way to attack the premium price, i.e. "we have high quality, but a lower price." If true and if the quality sensitive segment believes the good value price, they will sensibly buy the product and save money unless the premium product offers more status or "badge value" (snob appeal).

With overcharging, the company overprices its product in relation to its quality. In the long run, customers will likely feel "taken," complain to others about it, and will stop buying the product. Thus, this strategy should be avoided (Ammon, 2002). Why do some products fail and others succeed? From an economic standpoint two conditions must be met for new product success. The first is that the product must deliver a better price-to-value proposition to targeted consumers than the competition. This can be achieved either by providing more benefits for a given price than the competition or by providing the same benefits as the competition at a lower price (Jones, 2002).

2.2.4 Service differentiation strategies

Apart from differentiating the physical product, a firm can differentiate through services offered. When the physical product cannot easily be differentiated, the key to competitive success often lies in adding more value to services and improving quality (Kotler 1997). Kotler, further identifies the main service differentiation as ordering ease, delivering, installation, customer training, customer consulting, maintenance and repair (where applicable). Levitt (1980) on the other hand, refers to this as the expected product. This he argues, is what the customer considers absolutely essential in the company and may include; delivery, payment terms, support effort, and new ideas. A company should therefore help the customer get information and transact with it more efficiently and at the same time take care on how well the product or service is delivered to the customer in terms of speed, accuracy and care. Buyers will often choose the supplier with better reputation for one time delivery. This explains why many companies are trying to establish competitive advantage by being more efficient.

Most companies are striving to become turbo masters by learning the art of cycle-time compression and speed marketing. Turbo marketing is being applied in the four areas of innovation, manufacturing, logistics and retailing. A firm may also differentiate its offering by extending training to the customers' employees on how to properly and efficiently use the product. At the same time it may offer customer consulting services in regard to data information systems and advisory services, which could be offered for free or at a price to buyers (Kotler, 1997).

2.2.5 Personnel differentiation strategies

Companies can gain a strong competitive advantage through hiring and training better people than their competitors. According to Kotler (1997), better trained personnel exhibit six characteristics, namely: Competence (skills and knowledge), Courtesy (friendly, respected and considerate), Credibility (trust worthy), Reliability (consistency and accuracy), Responsiveness and good communication skills – the employees make an effort to understand the customer and communicate clearly. Thus, a firm with personnel exhibiting the above listed characteristics will attract more customers than its competitors.

2.2.6 Distribution differentiation strategies

Companies can achieve differential edge through the way they shape their distribution channels, average expertise and performance. According to Kotler (1997), there is empirical evidence of companies that have made success through either excelling in having more locations, high quality, direct marketing channels or just using the phone. The distribution strategy supports the following decision: whether to distribute directly to the consumer or indirectly through middlemen; whether to adopt single or multiple channels of distribution; how long the channel of distribution should be; the types of intermediaries to use; the number of distributors to use at each level; which intermediaries to use (Proctor, 2000).

Distribution strategy would consider the choice of distribution system in which, some of the most critical decisions in successful product introduction, involve choosing the right route to market and positioning the product in the market. The choice among direct sales, commission agents and distributors, directly affect the ability to control pricing, product service and promotion, trade regulation issues around pricing, exclusivity and customer restrictions. Distribution includes the entire process of moving the product from the factory to the end user (Kotler, 2003). The type of distribution network you choose will depend upon the industry and the size of the market. A good way to make your decision is to analyze your competitors to determine the channels they are using, and then decide whether to use the same type of channel or an alternative that may provide you with a strategic advantage (Holmes, 2004).

2.2.7 Image differentiation strategies

The corporate image is equally important, even when competition offers the same because buyers may respond differently to institutional image and/or brand image. Writing on how firms can differentiate their offerings through distribution channels, Porter (1985) demonstrates how linkages with channels can lead to uniqueness. His, he argues, can be achieved through training channels in selling and other business practices, having joint selling efforts with channels or subsidizing for channel investments in personnel, facilities and performance of additional activities.

2.2.8 Market differentiation strategies

Marketing strategies deal with the prospects of markets to be served (Norton, 1997). One of the strategies is market scope strategy; this constitutes segmenting the market and then deciding which segment should be selected. Segmentation can be done on the basis of demographic factors i.e. age, income, sex, socio-economic factors i.e. social class, stage in the family life cycle; geographic factors; psychological factors i.e. life-style, personality traits, consumer patterns i.e. heavy, moderate and light users and brand loyalty patterns. According to Holmes (2004) segmentation is the process by which the field of potential customers is narrowed down to those most likely to buy the product.

The market can be divided into segments based on such factors as age, sex, race, geographic location, household income, spending patterns and education. Unless a new product category is being created, there should be information available on what types of people are heavy users of a similar product. By using segmentation techniques, a company should be able to identify a core group of likely customers plus a number of secondary targets. Research should play a part in every area of product development and marketing. It will help you effectively segment the market, position your product, test creative strategy and schedule the rollout (Holmes, 2004).

According to Kaplan (1997), once segments have been formed a decision on which segment should be made based on single market strategy in which the concentration is on a single segment, multi-market strategy in which several viable markets are chosen or total market strategy in which the entire spectrum of the market is taken targeting all the segments. A single market strategy is used if the company is seeking a niche market. A multi- market strategy can be executed in one of two ways; either by selling different products to different segments or by distributing the same product to a number of segments. The total market strategy can be highly risky on one hand but highly rewarding on the other in terms of achieving growth and market share (Kaplan, 1997).

Another strategy is Market Entry Strategy (Kaplan, 1997) which refers to the timing of entering the market and there are three options from which a company can choose. First in the market, be among the early entrants or to be laggard. According to Kotler (2003), in launching a new product, market entry timing (when) is critical. A company may choose first entry, parallel entry or late entry into the market depending on the industry activities. According to this market entry strategy; these firms that use the First Entry strategy, usually enjoys the first mover advantages of locking up distributors and customers and gaining reputation leadership. For the Parallel Entry strategy, a firm, strategize her entry into the market to coincide with that of the competitor's entry. Firms using Late Entry strategy may delay the launch until after the competitor has entered. The competitor will have born the cost educating the market (Kotler, 2003).

Most new products earn half their sales and profits far earlier in their product life cycle than company leaders realize. After an early window of opportunity, new products are often smothered by copycat competitors rushing to market, waning media and analyst attention, sales channel apathy, price pressures and purchasers unable to distinguish the product through all the competitive clutter. With the correct launch, new and innovative products have great advantages early in their life cycle – competition is light, media and analyst interest is heavy, sales channel enthusiasm is passionate and buyers are energized by the novelty of the products promised solutions. In today's "speed of thought" mentality, getting your product to market first is critical to the company's sales and profit success (Sachs, 2003).

Holmes (2004) states that a few lucky products succeed despite poor launch strategies and that a new product launch is mostly to succeed if proper groundwork is done. Kotler (2003) further explains that other timing considerations for a new product launch should be looked at; i.e. if a new product replaces an older product, the company might delay the introduction until the old product stock is drawn down. The new product may be seasonal hence the company may delay until the right season arrives. According to Kaplan, (1997), Market Geographic Strategy (Where) has been used as a strategy to achieve growth, reduce independence on a small geographic base, use national geographic media, utilize excess capacity and guard against competitive inroads. The geographic strategies that a company can use are local market strategy, regional market strategy, national market strategy and international market strategy (Kaplan, 1997). The company must decide where to launch the new product i.e. single location, a region, several regions, the national market or international market (Kotler, 2003).

According to Hutt (1998), geographic concentration has some important implication. Firms can concentrate their marketing efforts in areas of high potential and make effective use of a full time personal sales force. Secondly distribution centers in large volume areas can ensure rapid delivery to a large portion of customers and finally, firms may not be able to tie their sales people to specific geographic areas (Hutt, 1998). According to Kotler (2003), the company size is another factor, i.e. small companies will select an attractive city, put on a blitz campaign and then enter other cities, one at a time. He further explains that when choosing a rollout the major criteria are market potential, company's local reputation, cost of filling the pipeline, cost of communication media, influence of area on other areas and competitive penetration.

The Market commitment strategy is another market strategy that companies use. It refers to the degree of involvement that a company seeks in a particular market (Kaplan, 1997). The commitment to a market may be categorized as strong, average or light. The strong commitment strategy requires that a company plan to operate in the market optimally by realizing economies of scale in promotion, distribution and manufacturing. If a company has a stable interest in the market, it must stress the maintenance of the status quo and this leads it to make only an average commitment to the market. A company may make a Light commitment in a market if it has a passing interest especially if the market is stagnant or has a limited potential. Kotler (2003) argues that the best prospect groups should be targeted and these often have characteristic such as being early adopters, heavy users, opinion leaders and they could be used at low cost.

The aim of these strategies is to generate strong sales as soon as possible to attract further prospects. According to Sachs (2003), the company needs to determine the people it will need to influence. What critical audiences will the company nee to influence internally and externally? Research:- with a new product, the two main research goals are to find out:- who is likely to buy the product; what must tell this potential customer about the product in order to make the sale. Research is key, because without it the company is flying blind. It should never be seen as a process of confirming the companies' "good judgment" but as a means of getting at the truth. This can work both ways: - A company may find that their product is not viable, or may discover markets for it that they never imagined.

Kotler (2003) asserts that the company must develop an action plan for introducing the new product into the rollout markets. Sachs (2003) explains the objectives and success measurement must be set up front. Gather and analyze market intelligence, assess current situation and then determine what the launch should accomplish within the market, company and with prospects, analysts and editors and then gain consensus so all stakeholders are invested in the plan (Sachs, 2003). Developing a formal and comprehensive integrated Product Launch Plan is important. This plan should guarantee sales integration, involve all critical organizations, establish accountability with actions and timeliness and ensure alignment, consensus and success. The Product Launch Plan should address the following 12 critical components: - structure and organize resources for success, Define launch objectives, Gather intelligence, Develop launch strategy, action plan, budget and timeline, Craft a supportive PR strategy and plan, Effectively position the product, Ensure product readiness, Guarantee sales channel readiness, Create critical marketing and sales tools, Develop new product programs, Track, monitor and report on execution, and measure performance (Sachs, 2003).

2.3 Summary of the literature review

Kotler (1997), argues that market offerings can be differentiated along five dimensions; namely: - product, service, personnel, channel and image. He further argues that, there are nine 'drivers' of uniqueness for firms and these include:- product features and performance offered, service provided (e.g. credit, delivery or repair); intensity of an activity adopted (e.g. rate of advertising spending); content of an activity (e.g. the information provided in order processing);technology employed in performing an activity (e.g. precision of machine tools, computerization and order processing); quality of inputs procured for an activity; procedures governing the actions of personnel and activity (e.g. service procedures, nature of sales calls, frequency of inspection or sampling); skill and experience, level of personnel employed in an activity and training provided; and information employed to control an activity (e.g. level of temperature, pressure and variables used o control a chemical reaction). A firm may use one or a combination of these variables to differentiate itself from the competition (see Appendix 3).

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Research design

This study was a descriptive survey which intended to establish the differentiation strategies adopted by manufacturers of Fast Moving Consumer Goods (FMCG) in Nairobi. Quee (1999) had suggested that descriptive survey is appropriate when the purpose of study is centered on providing accurate, statistically reliable data on how much, how many and how often. According to Donald and Pamela (1998), a descriptive study is concerned with finding out; who, what, which and how of a phenomenon which is the concern of the proposed study. Through this design, the study was to capture unique characteristics of specific companies. Ominde (2006) and Kibiru (2004) successfully adopted this design in a related study.

3.2 Population

The population of interest in this study constituted all Fast Moving Consumer Goods Manufacturing companies in Nairobi. This was because of time limitation and availability of resources. According to the Kenya Association of Manufacturers Directory of (2007), there were one hundred and twenty (120) firms in Kenya (see appendix 4). Out of these, 78 of them were based in Nairobi. Given the small number of firms, a census study was conducted.

3.3 Data collection method

Primary data was collected using a semi-structured questionnaire. The questionnaire was divided into two sections. Section A, consisted of general information questions on the companies. Section B was seeking information on the extent to which manufacturers of FMCG have adopted the differentiation strategies. One respondent from each firm, that is, the marketing manager or equivalent was interviewed. Drop and pick later method which is a form of mail questionnaire was used to collect data. Follow- up was made via personal visits, telephone calls, and e- mails to facilitate responses.

3.4 Operationalizing differentiation strategies

The dimensions of differentiation strategies as used by manufacturers of Fast Moving Consumer Goods in Nairobi in order to manage the demand of their products are given in appendix 3. Five point Likert Scale was used to measure the extent to which these strategies have been applied by the companies. Open- ended questions was used to establish the challenges faced by manufacturers in managing demand for their products. Fast Moving Consumer Goods, can be differentiated along five dimensions; namely: - product, service, personnel, channel and image (see appendix 3).

3.5 Data analysis

Descriptive statistics was used to analyze the data. Section A of the questionnaire was analyzed using frequency distributions and percentages. Section B of the questionnaire was analyzed using mean scores and standard deviations. Differentiation strategies adopted by manufacturers of fast moving consumer goods were analyzed using frequency distribution tables.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter contains findings of the study together with their interpretations. The questionnaire was divided into two sections. Section A collected data on company profile while section B collected data on the differentiation strategies adopted by manufacturers of fast moving consumer goods in Nairobi. Seventy eight (78) out of one hundred and twenty fast moving consumer goods manufacturers in Kenya constituted the population of (see appendix 4) study. Fourty nine questionnaires were filed and returned. This represented response rate of 62.8%. This response rate was acceptable and compared well with previous studies like that of Wanjoga (2002) 82% and Safari (2003) 51%.

4.2 Demographic Profiles of Research Firms

This encompasses information on how long the firms have been in the manufacturing business, ownership of the manufacturing business categories of products manufactured and the rate at which fast moving consumer goods are sold.

4.2.1 Ownership of the Manufacturing Firm

The researcher wanted to determine the nature of ownership of fast moving consumer goods manufacturing firms in Nairobi.

Table 3: Organization Ownership

Ownership	Frequency	Percentage
Foreign	11	22.4
Local	30	61.2
Local and foreign	8	16.3
Total	**49**	**100**

Source: Research Data

The ownership of the organization gives us an indication of practices of the firms depending on operations. For instance, foreign and local firms tend to operate on a global level whereas local firms tend to operate locally. Thus according to the findings, most of the fast moving consumer goods manufacturing firms in Nairobi are locally owned and they constitute 61.2% of the entire population in Nairobi as shown in Table 3 above.

4.2.2 Categories of products manufactured

The researcher wanted to establish the categories of products that dominate fast moving consumer goods industry.

Table 4: Categories of products manufactured

Product	Frequency	Percentage
Batteries	13	26.5
Beverages	14	28.6
Chemicals	11	22.4
Confectionery	9	18.4
Foods	16	32.7
Health care	13	26.5
Household	14	28.6
Hygiene	12	24.5
Stationary	11	22.4
Tobacco	10	20.4

Source: Research Data

According to the findings, food products are commonly produced by manufacturers of FMCG, followed by beverages and household products respectively as shown in Table 4 above. 32.7% of the manufacturers produced food products, 28.6% produced beverages and 28.6% also produced household products. This indicates the categories of products manufactured by various manufacturing firms. This further helps us to know whether the companies produce a single or multiple FMCG products which further helps to measure its performance as more products help in spreading risks.

4.2.3 The rate at which consumer goods are sold

The researcher sought to establish how long it takes an organization to sell the fast moving consumer goods.

Table 5: The rate at which consumer goods are sold

Time (period in months)	Frequency	Percentage
Below one month	6	12.2
1-2 months	12	24.5
3-4 months	19	38.8
Over 4 months	12	24.5
Total	**49**	**100**

Source: Research Data

The findings showed that most fast moving consumer goods manufactured were sold within 3-4 months as shown in table 5. 38.8% of the FMCG manufacturers sold their products within 3-4 months, while those selling between 1-2 months and over 4 months had a percentage of 24.5%. 12% of the manufacturers sold their products below one month. Due to the nature of fast moving consumer goods, more effort should be put into promotional activities so that goods are sold as fast as possible to avoid damages.

4.3 Differentiation Strategies

In this section, differentiation strategies analyzed include product, price, promotion and distribution strategies. A Likert scale of 1-5 (Where 5=Very Large Extent and 1= Not applicable), was used to determine the extent to which the differentiation strategies were adopted by manufacturers of fast moving consumer goods. The mean scores more rated in the following manner less than 1= Not applicable, 1-2 = to a small extent 2-3 moderate extent, 3-4= a large extent and 4-5 = a very large extent. Standard deviation of less than one (<1) means that there were no significant variations in the data collected and vice versa.

4.3.1 Product Strategies

In this section the product strategies analyzed are product positioning, product repositioning, new product strategy and packaging strategy. The information was analyzed using distribution tables, mean scores and standard deviations.

Table 6: Product Strategies

Differentiation strategies	Mean	Standard Deviation
Introducing a brand to meet specific needs of a given market segment	3.63	0.93
Introducing multiple brands to meet unique needs of different customers	3.23	0.83
Introducing a product to people who have not been using it before	3.35	0.80
Introducing a product which is being used for purposes not originally intended.	3.41	0.73
Revitalizing a product through having several product assortments	3.45	0.96
Adding new ingredients to a product	3.49	0.92
Having continuous development of new products	3.49	0.79
Providing a package that is easier to handle	3.45	0.77
Using a package that is friendly to the environment	3.53	0.92
Providing a packaging material that is reusable	3.47	0.84
Modifying the package according to customers needs.	3.39	0.91
Average mean score/standard deviation	**3.45**	**0.86**

Source: Research Data

According to the findings, introducing a brand to meet specific needs of a given market segment, using a package that is friendly to the environment, adding new ingredients to a product and having continuous development of new product, were strategies adopted by manufacturers of fast moving consumer goods to a large extent as compared with others among product strategies. These strategies have mean score of greater than 3.0 as shown in Table 6 above. Since the standard deviation is less than one, then it means that the product strategies were adopted in a relatively similar way by manufacturers of fast moving consumer goods.

4.3.2 Pricing Strategies

In this the researcher wanted to find out the extent to which pricing strategies influenced the customers' buying behaviour. In this study, penetration strategy and the going rate strategy were considered.

Table 7: Pricing Strategies

Differentiation strategies	Mean	Standard Deviation
Entering the market with a low initial price	3.29	0.71
Including incentives when entering the market with the current competitor price	3.41	1.02
Average mean score/standard deviation	**3.35**	**0.87**

Source: Research Data

Pricing strategies of giving incentives when entering the market with the current competitor price and entering the market with a low initial price are adopted to a large extent these strategies have a mean score of greater 3.0. There were no significant variations according to the respondents of entering the market with a low initial price strategy which has a standard deviation less than one (<1). Including incentives when entering the market with the current competitor prices has significant variations as it has a standard deviation greater than one (>1). Thus, these strategies were adopted by manufacturers of fast moving consumer goods to a larger extent in order to achieve a competitive advantage.

4.3.3 Promotion Strategies

Promotion strategies were studied in order to establish the extent to which they influence customers' buying behaviour.

Table 8: Promotion Strategies

Differentiation strategies	**Mean**	**Standard Deviation**
Providing credit terms of service to customers	3.35	0.90
Giving cash and quantity discounts to customers	3.37	0.86
Going directly to the end user to promote sales through trade fares and exhibitions	3.52	0.65
Promoting sales through providing samples and gifts indiscriminately.	3.59	0.79
Providing delivery services to customers	3.34	1.03
Providing advisory services to customers	3.46	0.92
Selecting the advertising media that reaches many customers	3.45	0.77
Using a simple and clear adverting message	3.42	0.78
Selling and promoting standardized products	3.12	0.81
Providing customer-made products to all customers	3.45	0.65
Using loyalty programs to promote products	3.43	0.87
Sponsoring activities and events through a given brand(s)	3.37	1.03
Motivating the sales force through yearly bonuses based on performance	3.10	0.98
Having a strong sales team to sell products to customers	3.23	0.95
Average mean score/standard deviation	**3.37**	**0.86**

Source: Research Data

Promotion strategies adopted to a large extent include; promoting sales through providing samples and gifts indiscriminately, providing advisory services to customers, selecting the advertising media that reaches many customers and providing customer-made products to all customers. Providing advisory services to customers, providing delivery services to customers and motivating the sales force through yearly bonuses based on performance, strategies with standard deviations greater than one (<1) implies that there were significant variations with the respondents' adoption of the strategy.

4.3.4 Distribution Strategies

In this section, the extent to which distribution strategies were adopted by manufacturers of FMCG was analyzed. Intensive, selective, exclusive, channel structure and market geographic strategy is some of the distribution strategies analyzed.

Table 9: Distribution Strategies

Differentiation strategies	Mean	Standard Deviation
Making the product available at all possible retail outlets	3.38	1.07
Ensuring that several but not all retail outlets are selected to distribute the product	3.24	0.85
Ensuring that a particular retailer serves a given area and is granted sole rights to distribute the product	3.31	0.94
Ensuring that no intermediaries are employed to distribute goods	3.22	1.05
Providing promotional facilities to retailers, wholesalers and agents or brokers who distribute goods	3.17	1.02
Distributing products locally	3.49	1.02
Average mean score/standard deviation	**3.30**	**0.99**

Source: Research Data

Distributing products locally and ensuring that the product is available at all possible retail outlets, strategies with mean scores greater than 3.0, were adopted to a larger extent. Ensuring that several but not all retail outlets are selected to distribute the product, ensuring that no intermediaries are employed to distribute the products, providing promotional facilities to retailers, wholesalers and agents who distribute goods and distributing products locally, had significant variations in terms of adoption from one company to another.

4.3.5 Overall adoption of differentiation strategies

This study measures the extent and variations in the adoption of differentiation strategies by manufacturers of fast moving consumer goods. Product, pricing, promotion and distribution strategies are considered to establish the extent to which they have been adopted by manufacturers of FMCG.

Table 10: Overall adoption of differentiation strategies

Differentiation Strategy	Mean	Standard Deviation
Product strategy	3.44	0.86
Price Strategy	3.35	0.86
Promotion Strategy	3.37	0.86
Distribution Strategy	3.30	0.99
Average mean score/standard deviation	**3.36**	**0.89**

Source: Research Data

The research findings showed that the differentiation strategies adopted by manufacturers of fast moving consumer goods had an average greater than 3.0. This implies that the strategies were adopted to a large extent by manufacturers in order to achieve a competitive advantage. Product strategies which had a mean score greater than 3.0 were adapted to a large extent followed by promotion, pricing and distribution strategies with mean scores greater than 3.0. Consequently, the differentiation strategies adopted by FMCG manufacturers had a standard deviation of 0.89. This also showed that there were no significant variations in their adoption by manufacturers of FMCG.

CHAPTER FIVE
DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study is aimed at determining the differentiation strategies adopted by manufacturers of fast moving consumer goods in Nairobi. Data was collected by self administered questionnaire through drop and pick method which is a form of mail questionnaire. Data was collected from fourty nine (49) out of seventy eight (78) respondents which constitute response rate of 62.8%. The research laid emphasis on the key differentiation strategies which are product strategies, pricing strategies, promotion strategies, marketing strategies and distribution strategies. In this chapter, discussion of the analyzed data, conclusion, and recommendations are presented.

5.2 Discussion

The objective of the study was to research on the differentiation strategies adopted by fast moving consumer goods manufacturers in Nairobi. In order to achieve this objective, data was collected from fourty nine (49) out of seventy eight (78) which constitute 62.8% of the population of manufacturers of fast moving consumer goods in Nairobi. A questionnaire based on the literature and prior knowledge of the industry together with discussions with key players was used as the instrument of data collection. The data on the differentiation strategies adopted by manufacturers of fast moving consumer goods was analyzed by computing relevant descriptive statistics. Section A of the questionnaire was analyzed using frequency distributions and percentages while Section B of the questionnaire was analyzed using mean scores and standard deviations. Differentiation strategies adopted by manufacturers of fast moving consumer goods were analyzed using frequency distribution tables.

Most of the manufacturers of fast moving consumer goods use differentiation strategies in order to achieve their varied objectives. Some of the differentiation strategies are product strategies, pricing strategies, promotion strategies, marketing strategies and distribution strategies. Product differentiation strategies involve product positioning, product repositioning, new product development and packaging strategies. The mean scores and the standard deviations were used to analyze the data. According to the findings, introducing a brand to meet specific needs of a given market segment had a mean score of 3.63 and was preferred to be the best product strategy. Using a package that is friendly to the environment, adding new ingredients to the product, having continuous development of new products, revitalizing a product through having several product assortments and providing a package that is easier to handle with mean scores greater 3.0, were found to be among the best product strategies.

Product strategy looks at product standardization Vs. Product modification; Product positioning, market segmentation, product adoption, branding and packing. It is with the product in mind that marketers are constantly seeking better or more superior products to present to the consumer (Kotler, 2003). Manufacturers of FMCG use differentiation strategies; product positioning, product repositioning, new product strategy and packaging strategies in order to achieve a competitive advantage. According to the findings, most manufacturers of fast moving consumer goods used product differentiation strategies: Introducing a brand to meet specific needs of a given market segment, using a package that is friendly to the environment, adding new ingredients to a product and having continuous development of new products were the best applied strategies with the mean score greater than 3.0. Since the standard deviation is less than one as shown in table 6 above, then it means that the product strategies were applied in a relatively similar way by all manufacturers. These strategies influenced customers' buying behaviour to a larger extent.

Including incentives when entering the market with the current competitor price influenced customers' buying behaviour more as compared to entering the market with a low initial price. This is because, with a low initial price, customers' associate it with inferior products. Entering the market with a low initial price had a standard deviation of less than one (<1) which means that the strategy was applied by manufacturers in a relatively similar way. Including incentives when entering the market with the current competitor prices, which had a standard deviation of greater than one (>1), implies that the strategy was used in varied ways from one manufacturer to another. These strategies influenced customers' buying behaviour to a larger extent. Market penetration is object to gaining market share. "Penetration" involves setting a low initial price to enter the market quickly and deeply to attract a large number of buyers and win a large market share. The resulting high sales volume often means lower costs, as the company moves quickly down the production experience curve, allowing a further reduction in price (Hutt, 1998).

According to O'Shaughnessy (1992), there are three basic promotional strategies; Push, Pull or Push-Pull. A company that follows a push strategy is generally sales oriented, trying to push the product through the distribution channel, relying on the middle men in the channel; to market the product to the end user. A company that follows a pull strategy goes directly to end user to promote sales, putting pressure on the middlemen to support the company's' channel objectives. From the research findings, promotional strategies like providing samples and gifts indiscriminately, a strategy that had a mean of 3.59, influenced customers' buying behaviour to a larger extent as compared to the others. Other strategies that influenced customer to a larger extent include; providing advisory services to customers, selecting the advertising media that reaches many customers and providing customer-made products to all customers. Providing advisory services to customers, providing delivery services to customers and motivating the sales force through yearly bonuses based on performance, strategies with standard deviations of 1.03 implied that the strategies usage, varied from one company to another.

According to Proctor, (2000), distribution strategy supports the following decision: whether to distribute directly to the consumer or indirectly through middlemen; whether to adopt single or multiple channels of distribution; how long the channel of distribution should be; the types of intermediaries to use; the number of distributors to use at each level; which intermediaries to use. Distributing products locally and ensuring that the product is available at all possible retail outlets, strategies with mean scores of greater than 3.0, were adopted to a larger extent. Ensuring that several but not all retail outlets are selected to distribute the product, ensuring that no intermediaries are employed to distribute the products, providing promotional facilities to retailers, wholesalers and agents who distribute goods and distributing products locally, varied in their application from one company to another. This is because; the strategies have a standard deviation greater than one (>1).

5.3 Conclusion

From the research findings as presented in chapter four, manufacturers of first moving consumer goods have adopted differentiation strategies in order to have a competitive advantage. This is evidenced by the revelation that differentiation strategies have been adopted to a larger extent according to the researcher's findings. Promoting sales through providing samples and gifts indiscriminately emerged as the most important strategy followed by others such as: using a package that is friendly to the environment, going directly to the end user to promote sales through trade fares and exhibitions, having continuous development of new products, adding new ingredients to a product, providing a packaging material that is reusable, providing advisory services to customers, selecting the advertising media that reaches many customers, providing a package that is easier to handle and providing customer-made products to all customers. If this is accomplished, it may in turn influence high customer retention levels, high customer loyalty, premium prices, greater market share and overall profitability (Kotler, 1997).

5.4 Recommendations

From the research findings, organizations in the fast moving consumer goods industry should concentrate their efforts in several differentiation strategies. Manufacturers of FMCG should study the needs of customers so as to tailor their products to satisfy the needs in question. In ensuring a competitive edge, FMCG companies should combine the differentiation strategies that are very important in the industry and which cannot be easily copied by the competitors. For instance, FMCG companies should adopt the following strategies; introducing multiple brands to meet unique needs of different customers, selling and promoting standardized products, selling and promoting standardized products. This is because differentiation of market offerings is the art of designing meaningful differences to distinguish company offering from those of competitors (Kotler, 1997). If this is accomplished, it may in turn influence high customer retention levels, high customer loyalty, premium prices, greater market share and overall profitability.

5.5 Limitations of the study

This study covered all manufacturers of fast moving consumer goods in Nairobi and some of the limitations are as follows; there was a response rate of fourty nine (49) out of seventy eight (78) companies studied, due to unavailability of respondents, and respondents' apprehension was very high and it was difficult to get the responsible senior officials to accept to be interviewed. They viewed the exercise with a lot of suspicion due to the stiff competition in the fast moving consumer goods industry.

5.6 Suggestions for Future Research

There is an opportunity for a similar research to be conducted on the differentiation strategies adopted by manufacturers of fast moving consumer goods throughout the country. A study should be conducted to establish the relationship between differentiation strategies applied by these manufacturers of fast moving consumer goods and the corresponding sales volume this will help marketers to tailor their strategies to suit the right product with the right consumers in order to achieve the overall organizational goals.

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APPENDICES

Appendix 1: Letter of Introduction

Jeremiah Oburi Okong'o
P.O Box 22636-00100
Nairobi.

Dear respondent

I am undertaking a descriptive survey of differentiation strategies adopted by manufacturers of fast moving consumer goods (FMCG) in Nairobi. The population of interest in this study consists of all FMCG manufacturing companies within Nairobi (your company is one of them).

This study is being carried out for a management project paper as a requirement in partial fulfillment for the award of a degree of Master of Business Administration (MBA), School of Business, University Of Nairobi.

The information required is needed for academic purpose and will be treated in strict confidence. A copy of the Research project will be available to the organization upon request. Your assistance in facilitating the same will be highly appreciated.
Thank you.

Yours faithfully,

Jeremiah Okong'o

Appendix 2: Research Questionnaire

Section A

Instructions:

Answer all questions appropriately in the spaces provided after every question

1 Name of the company...

2 Headquarters of the organization ....town

3. Year of establishment...

4. How long has your company been in the fast moving consumer goods industry in Kenya ....year.

5. Type of ownership of the organization :

   Foreign ( )   Local ( )   Both local and Foreign ( )

6. What are the categories of product(s) your company deals with?

a) Batteries ( )

b) Beverages ( )

c) Chemicals ( )

d) Confectionery ( )

e) Foods ( )

f) Health care ( )

g) Household ( )

h) Hygiene ( )

i) Stationary ( )

j) Tobacco ( )

k) Other (specify)

7. How long does it take your organization to sell the manufactured consumer goods?

   Below one month ( )

   1- 2 months ( )

   3- 4 months ( )

   Over 4 months ( )

Section B

Fast Moving Consumer Goods manufacturers are faced with a challenge of trying to be distinct from other similar products of the competitors. Using a scale of 1-5, indicate the extent to which the following differentiation strategies have been adopted by your organization. (Where 5=Very Large Extent and 1= Not applicable).

N0.	Differentiation strategies	5	4	3	2	1
8	Introducing a brand to meet specific needs of a given market segment					
9	Introducing multiple brands to meet unique needs of different customers					
10	Introducing a product to people who have not been using it before					
11	Introducing a product which is being used for purposes not originally intended.					
12	Revitalizing a product through having several product assortments					
13	Adding new ingredients to a product					
14	Having continuous development of new products					
15	Providing a package that is easier to handle					
16	Using a package that is friendly to the environment					
17	Providing a packaging material that is reusable					
18	Modifying the package according to customers needs.					
19	Entering the market with a low initial price					
20	Including incentives when entering the market with the current competitor price					
21	Providing credit terms of service to customers					
22	Giving cash and quantity discounts to customers					
23	Going directly to the end user to promote sales through trade fares and exhibitions					
24	Promoting sales through providing samples and gifts					

	indiscriminately.					
25	Providing delivery services to customers					
26	Providing advisory services to customers					
27	Selecting the advertising media that reaches many customers					
28	Using a simple and clear adverting message					
29	Selling and promoting standardized products					
30	Providing customer-made products to all customers					
31	Using loyalty programs to promote products					
32	Sponsoring activities and events through a given brand(s)					
33	Motivating the sales force through yearly bonuses based on performance					
34	Having a strong sales team to sell products to customers					
35	Making the product available at all possible retail outlets					
36	Ensuring that several but not all retail outlets are selected to distribute the product					
37	Ensuring that a particular retailer serves a given area and is granted sole rights to distribute the product					
38	Ensuring that no intermediaries are employed to distribute goods					
39	providing promotional facilities to retailers, wholesalers and agents or brokers who distribute goods					
40	Distributing products locally					

Thank you very much for your time and cooperation.

APPENDIX 3: Operationalizing differentiation strategies

Dimensions of Differentiation Strategies	Expanded Dimension	Variables	Relevant Questions
Product Strategies	Product positioning strategy	• Introducing a brand to meet specific needs of a given market segment	8
		• Introducing multiple brands to meet unique needs of different customers	9
	Product Repositioning strategy	• Introducing a product to people who have not been using it before	10
		• Introducing a product which is being used for purposes not originally intended.	11
	New product strategy	• Revitalizing a product through having several product assortments	12
		• Adding new ingredients to a product	13
		• Having continuous development of new products	14
	Packaging	• Providing a package that is easier to handle	15
		• Using a package that is friendly to the environment	16
		• Providing a packaging material that is reusable	17
		• Modifying the package	18

		according to customers needs.	
Pricing	Penetration	• Entering the market with a low initial price	19
	Going rate	• Including incentives when entering the market with the current competitor price	20
Promotion strategies	Push strategies	• Providing credit to customers	21
		• Giving cash and quantity discounts to customers	22
	Pull strategy	• Going directly to the end user to promote sales through trade fares and exhibitions	23
		• Promoting sales through providing samples and gifts indiscriminately.	24
	Push-pull strategy	• Providing delivery services to customers	25
		• Providing advisory services to customers	26
	Advertising strategy	• Selecting the advertising media that reaches many customers	27
		• Using a simple and clear adverting message	28
	Branding	• Selling and promoting standardized products	29
		• Providing customer-made products to all customers	30
	Sales promotion strategy	• Using loyalty programs to promote products	31

	Public relations and Publicity	• Sponsoring activities and events through a given brand(s)	32
		• Motivating the sales force through yearly bonuses based on performance	33
		• Having a strong sales team to sell products to customers	34
Distribution Strategies	Intensive	• Making the product available at all possible retail outlets	35
	Selective	• Ensuring that several but not all	36
		• retail outlets are selected to distribute the product	
	Exclusive	• Ensuring that a particular retailer serves a given area and is granted sole rights to distribute the product	37
	Channel Structure Strategy	• Ensuring that no intermediaries are employed to distribute goods	38
		• providing promotional facilities to retailers, wholesalers and agents or brokers who distribute goods	39
	Market Geographic Strategy (where)	• Distributing products locally	40
		• Distributing products nationally	41

		• Distributing products internationally	42
	Target Market Strategy (Whom)	• Selling products only to heavy users	43
		• Selling goods to moderate users only	44
		• Selling goods to new customers and light users	45
	Market entry strategy /Timing (when)	• Using first market entry strategy when a new product is launched	46
		• Using a late entry strategy when launching a brand.	47

Appendix 4: List of fast moving consumer goods

NO.	Company Name	Location	Category
1	Africa Spirits Ltd	Nairobi	Food, Beverages and Tobacco
2	Agriner Agricultural Development limited	Nairobi	Food, Beverages and Tobacco
3	Agro Chemical & Food Company Ltd	Nyanza/Western	Food, Beverages and Tobacco
4	Alliance One Tobacco Kenya Ltd	Nairobi	Food, Beverages and Tobacco
5	Alpha Fine Foods Ltd	Nairobi	Food, Beverages and Tobacco
6	Alpine Coolers Ltd	Nairobi	Food, Beverages and Tobacco
7	Annum Trading Company Limited	Nairobi	Food, Beverages and Tobacco
8	Aquamist Ltd	Nairobi	Food, Beverages and Tobacco
9	Arkay Industries Ltd	Rift Valley (Eldoret)	Food, Beverages and Tobacco
10	Belfast Millers Ltd	Nairobi	Food, Beverages and Tobacco
11	Bidco Oil Refineries Ltd	Nairobi	Food, Beverages and Tobacco
12	Bio Foods Products Limited	Nairobi	Food, Beverages and Tobacco
13	Bogani Industries Ltd	Nairobi	Food, Beverages and

			Tobacco
14	British American Tobacco Kenya Ltd	Nairobi	Food, Beverages and Tobacco
15	Broadway Bakery Ltd	Nairobi	Food, Beverages and Tobacco
16	Brookside Dairy Limited	Nairobi	Food, Beverages and Tobacco
17	C.Czarnikow Sugar(EA) ltd	Nairobi	Food, Beverages and Tobacco
18	Cadbury Kenya Ltd	Nairobi	Food, Beverages and Tobacco
19	Candy Kenya Ltd	Nairobi	Food, Beverages and Tobacco
20	Capwell Industries Ltd	Nairobi	Food, Beverages and Tobacco
21	Carlton Products (EA) Ltd	Nairobi	Food, Beverages and Tobacco
22	Chai Trading Company Limited	Mombasa	Food, Beverages and Tobacco
23	Chemelil Sugar Company Ltd	Nyanza/Western	Food, Beverages and Tobacco
24	Chirag Kenya Limited	Nairobi	Food, Beverages and Tobacco
25	Coastal Bottlers Limited	Mombasa	Food, Beverages and Tobacco
26	Coca-Cola East Africa Ltd	Nairobi	Food, Beverages and Tobacco
27	Confec Industries (E.A) Ltd	Nairobi	Food, Beverages and

			Tobacco
28	Corn Products Kenya Ltd	Nairobi	Food, Beverages and Tobacco
29	Crown Foods Ltd	Nakuru	Food, Beverages and Tobacco
30	Crown Foods Ltd	Nakuru	Food, Beverages and Tobacco
31	Cut Tobacco (K) Ltd	Nairobi	Food, Beverages and Tobacco
32	Deepa Industries Ltd	Nairobi	Food, Beverages and Tobacco
33	Del Monte Kenya Ltd	Nairobi	Food, Beverages and Tobacco
34	Dominion Farms	Nyanza/Western	Food, Beverages and Tobacco
35	E & A Industries Ltd	Nairobi	Food, Beverages and Tobacco
36	East African Sea Food Ltd	Nairobi	Food, Beverages and Tobacco
37	Equator Bottlers Ltd	Nyanza/Western	Food, Beverages and Tobacco
38	Erdemann Co. (K) Ltd	Nairobi	Food, Beverages and Tobacco
39	Excel Chemicals Ltd	Nairobi	Food, Beverages and Tobacco
40	Farmers Choice Ltd	Nairobi	Food, Beverages and Tobacco
41	Frigoken Ltd	Nairobi	Food, Beverages and

			Tobacco
42	Giloil Company Limited	Nairobi	Food, Beverages and Tobacco
43	Glacier Products Ltd	Nairobi	Food, Beverages and Tobacco
44	Global Allied Industries Ltd	Nairobi	Food, Beverages and Tobacco
45	Global Beverages Ltd	Nairobi	Food, Beverages and Tobacco
46	Gonas Best Ltd	Nairobi	Food, Beverages and Tobacco
47	Hail & Cotton Distillers Ltd	Nairobi	Food, Beverages and Tobacco
48	Highlands Canners Ltd	Nairobi	Food, Beverages and Tobacco
49	Homeoil	Nairobi	Food, Beverages and Tobacco
50	Insta Products (EPZ) Ltd	Nairobi	Food, Beverages and Tobacco
51	Jambo Biscuits (K) Ltd	Nairobi	Food, Beverages and Tobacco
52	James Finlay Kenya Ltd	Nyanza/Western	Food, Beverages and Tobacco
53	Jetlak Foods Ltd	Nairobi	Food, Beverages and Tobacco
54	Kapa Oil Refineries Ltd	Athi River	Food, Beverages and Tobacco
55	Karirana Estate Ltd	Nairobi	Food, Beverages and

			Tobacco
56	Kenafric Industries Limited	Nairobi	Food, Beverages and Tobacco
57	Kenblest Limited	Nairobi	Food, Beverages and Tobacco
58	Kenchic Ltd	Athi River	Food, Beverages and Tobacco
59	Kensalt Ltd	Mombasa	Food, Beverages and Tobacco
60	Kenya Breweries Ltd	Nairobi	Food, Beverages and Tobacco
61	Kenya Nut Company Ltd	Nairobi	Food, Beverages and Tobacco
62	Kenya Sweets Ltd	Nairobi	Food, Beverages and Tobacco
63	Kenya Tea Development Agency	Nairobi	Food, Beverages and Tobacco
64	Kenya Wine Agencies Limited	Nairobi	Food, Beverages and Tobacco
65	Keroche Industries Ltd	Nakuru	Food, Beverages and Tobacco
66	Kevian Kenya Ltd	Nairobi	Food, Beverages and Tobacco
67	Kibos Sugar and Allied Industries	Nyanza/Western	Food, Beverages and Tobacco
68	Kisii Bottlers Limited	Nyanza/Western	Food, Beverages and Tobacco
69	Krystalline Salt Ltd	Mombasa	Food, Beverages and

			Tobacco
70	Kwality Candies & Sweets Ltd	Nairobi	Food, Beverages and Tobacco
71	Mastermind Tobacco (K) Ltd	Athi River	Food, Beverages and Tobacco
72	Mayfair Holdings Ltd	Nyanza/Western	Food, Beverages and Tobacco
73	Melvin Marsh International	Nairobi	Food, Beverages and Tobacco
74	Menengai Oil Refineries Ltd	Nakuru	Food, Beverages and Tobacco
75	Milly Fruit Processors Ltd	Mombasa	Food, Beverages and Tobacco
76	Mini Bakeries (Nbi) Ltd	Nairobi	Food, Beverages and Tobacco
77	Miritini Kenya Ltd	Nairobi	Food, Beverages and Tobacco
78	Mombasa Maize Millers Ltd	Mombasa	Food, Beverages and Tobacco
79	Mombasa Salt Works Limited	Mombasa	Food, Beverages and Tobacco
80	Mumias Sugar Company Limited	Nyanza/Western	Food, Beverages and Tobacco
81	Nairobi Bottlers Ltd	Nairobi	Food, Beverages and Tobacco
82	Nairobi Flour Mills Ltd	Nairobi	Food, Beverages and Tobacco
83	NAS Airport Services Ltd	Nairobi	Food, Beverages and

			Tobacco
84	Nestle Foods Kenya Ltd	Nairobi	Food, Beverages and Tobacco
85	Njoro Canning Factory(Kenya) Ltd	Nakuru	Food, Beverages and Tobacco
86	Palmac Oil Refiners Ltd	Nakuru	Food, Beverages and Tobacco
87	Patco Industries Limited	Nairobi	Food, Beverages and Tobacco
88	Pearl Industries Ltd	Nairobi	Food, Beverages and Tobacco
89	Pearly Waters Limited	Mombasa	Food, Beverages and Tobacco
90	Pembe Flour Mills Ltd	Nairobi	Food, Beverages and Tobacco
91	Premier Flour Mills Ltd	Nairobi	Food, Beverages and Tobacco
92	Premier Food Industries Limited	Nairobi	Food, Beverages and Tobacco
93	Proctor & Allan (E.A.) Ltd	Nairobi	Food, Beverages and Tobacco
94	Promasidor (Kenya) Ltd	Nairobi	Food, Beverages and Tobacco
95	Pwani Oil Products Ltd	Mombasa	Food, Beverages and Tobacco
96	Rafiki Millers Ltd	Nairobi	Food, Beverages and Tobacco
97	Razco ltd	Nairobi	Food, Beverages and

			Tobacco
98	Rift Valley Bottlers Ltd	Rift Valley (Eldoret)	Food, Beverages and Tobacco
99	Sigma Supplies Ltd	Athi River	Food, Beverages and Tobacco
100	Smash Industries Ltd	Nairobi	Food, Beverages and Tobacco
101	Softa Bottling Co. Ltd	Nairobi	Food, Beverages and Tobacco
102	Spectre International Ltd	Nyanza/Western	Food, Beverages and Tobacco
103	Spectre International Ltd	Nyanza/Western	Food, Beverages and Tobacco
104	Spice World Ltd	Nairobi	Food, Beverages and Tobacco
105	Spin Knit Dairy Ltd	Nairobi	Food, Beverages and Tobacco
106	Spin Knit Dairy Ltd	Nairobi	Food, Beverages and Tobacco
107	Super Bakery Ltd	Nairobi	Food, Beverages and Tobacco
108	Swan Industries Limited	Nyanza/Western	Food, Beverages and Tobacco
109	Swan Millers Ltd	Nyanza/Western	Food, Beverages and Tobacco
110	UDV Kenya Ltd	Nairobi	Food, Beverages and Tobacco
111	Unga Group Ltd	Nairobi	Food, Beverages and

			Tobacco
112	United Millers Ltd	Nyanza/Western	Food, Beverages and Tobacco
113	Uzuri Foods Ltd	Nairobi	Food, Beverages and Tobacco
114	Valley Bakery Ltd	Nakuru	Food, Beverages and Tobacco
115	ValuePak Foods Ltd	Nairobi	Food, Beverages and Tobacco
116	W. E. Tilley (Muthaiga) Ltd	Nairobi	Food, Beverages and Tobacco
117	Wanainchi Marine Products (K) Limited	Mombasa	Food, Beverages and Tobacco
118	West Kenya sugar company limited	Nyanza/Western	Food, Beverages and Tobacco
119	Western Kenya Express Suppliers	Nyanza/Western	Food, Beverages and Tobacco
120	Wrigley Company (E.A.) Ltd	Nairobi	Food, Beverages and Tobacco

Source: Kenya Association of Manufacturers © 2007