

**INFLUENCE OF STRATEGIC MARKETING PRACTICES ON PERFORMANCE
OF FIRMS IN THE FLOWER INDUSTRY IN KENYA**

BY

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF
BUSINESS, UNIVERSITY OF NAIROBI**

2015

DECLARATION

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

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

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DEDICATION

This research project is dedicated to my family who nurtured the drive and the discipline to tackle my academic tasks with great determination.

ACKNOWLEDGEMENT

I am grateful to my family especially my father Mr. Japheth Kimutai for the support they extended to me during the time of carrying out this research. I also appreciate the valuable guidance I received from my supervisor Professor. J.M. Munyoki in conducting this research. Thanks and glory to Almighty God who gave me the strength and resources to finish this project.

ABSTRACT

Marketing efforts and know-how are instrumental in commercializing ideas and inventions successfully. Today cost-efficiency does not provide long-term competitive advantage for companies whereas marketing, when well conducted provide long-term competitive advantage especially in the field of strategic marketing. The flower industry in Kenya has grown tremendously since the turn of the century. This study sought to investigate the influence of strategic marketing practices on performance of firms in the flower industry in Kenya. The objectives of this study were: to determine the strategic marketing practices employed by firms in the flower industry in Kenya and to establish the influence of strategic marketing practices by firms in the flower industry in Kenya. The study used descriptive cross sectional survey design. The population of interest for the study included the companies in the flower industry operating in Kenya. As at July 2015, KFC had 94 registered flower firms. The study conducted a sampling where of 50% of the 94 flower firms registered with KFC were randomly selected and studied. This implies that the sample size of the study was 47 flower firms. The study used both primary and secondary data. Primary data was obtained from the marketing managers in the flower companies. Data collected during the study was quantitative and qualitative data. Quantitative data was analyzed using descriptive statistics which included the mean, frequencies and percentages. This was done using Microsoft Excel, Statistical Package for social science (SPSS) and other relevant computer software that may be necessary. From the findings, Competition in most global product markets is intense thus for organizations to achieve this they must first be competitive with other systems in attracting resources, and secondly must be absolutely competitive against similar systems or industries in other countries. The research found out that most firms focused on product attribute when marketing to make their organization competitive. According to the study, most firms used advertising as a promotion strategy in their organization followed by some who used internet as a promotion strategy in their organization. From the findings, it is clear that flower firms must ensure that their marketing strategies are perceived as the best by the customers who can otherwise be lost to the rival companies if these rival companies devise better marketing strategies targeting the same customers. They need to recognize the critical value of customer service through consideration of external environment such as customers, competitors and government. Efficiency is another factor that affects strategies in return affecting organization performance. Machine breakdown, repair of equipment and power failure are factors that should be avoided since they slow down on the marketing strategies adopted by the organizations. The study recommends that that flower firms should ensure that the ultimate goal for any marketing strategy they develop is customer satisfaction. This is because customer satisfaction is a good predictor of future purchase behavior. Secondly flower firms should concentrate their strategies on meeting the customer's expectation and offer more benefits to the customer. This includes the customer's expectation in terms of price, network distribution, quality and more promotional benefits.

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ABBREVIATIONS AND ACRONYMS

KFC	Kenya Flower Council
MPA	Marketing Performance Assessment
RBV	Resource-Based View
SPSS	Statistical Package for Social Sciences

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Marketing efforts and know-how are instrumental in commercializing ideas and inventions successfully. Therefore, it could be fatal for companies to ignore the importance of marketing (Salminen, 2006). Kotler (1999) emphasizes the position of marketing to even argue that, in the future, marketing has the main responsibility for achieving profitable revenue growth for the company. Today cost-efficiency does not provide long-term competitive advantage for companies whereas marketing, when well conducted provide long-term competitive advantage especially in the field of strategic marketing. Some past studies on the influence of strategic marketing on performance (Hooley et al., 2001; Fahy and Smithee, 1999) indicated that marketing capabilities and assets possess the potential to be important sources of competitive advantage for companies. As a component of marketing orientation of a company, also innovation orientation that situates between internal and external views has shown to influence performance. In addition, marketing with strong market orientation seems to be increasingly important for firms. Clearly, firms should thus start adapting principles of strategic marketing.

There are theories that have been put forward by various scholars to argue about performance and its connection to behavior/practice. This study will be grounded on two theories: the Resource Based Theory/View (RBV) and the Social Capital Theory. The first theory (RBV) argues about performance in terms of competitive advantage while the second theory argues about the concept of social capital in terms of behavior. The nature of the flower industry in the country makes these theories applicable for this study.

The flower industry in Kenya has grown tremendously since the turn of the century, with an estimated annual growth rate of 20 percent. The growth that has been experienced in the Kenyan flower industry has not been easily achieved. Instead, there have been challenges particularly in the last few years which have called for the need to adopt particular strategic practices to sustain its performance.

1.1.1 Strategic Marketing Practices

According to Mavondo (2000), marketing strategy has been a salient focus of academic inquiry since the 1980s. There are numerous definitions of marketing strategy in the literature and such definitions reflect different perspectives (Li et al 2000). However, the consensus is that strategic marketing practices provide the avenue for utilizing the resources of an organization in order to achieve its set goals and objectives. Generally, strategic marketing deals with the adapting of marketing mix-elements to environmental forces. It evolves from the interplay of the marketing mix elements and the environmental factors (Li. et al, 2000). Therefore, the function of strategic marketing practices is to determine the nature, strength, direction, and interaction between the marketing mix- elements and the environmental factors in a particular situation. According to Lavie (2006), the aim of the development of an organization's marketing strategy development is to establish, build, defend and maintain its competitive advantage.

Strategic marketing practices and tactics are concerned with taking decisions on a number of variables to influence mutually-satisfying exchange transactions and relationships. Typically, marketers have a number of tools they can use; these include mega-marketing and the so-called 4Ps of marketing, among others. Marketing seems easy to describe, but extremely difficult to practice (Kotler, 1999). Marketing is one of the salient and important organic functions which help to service organizations to meet their business challenges and achieve set goals and objectives. The word "service" is used to describe an organization or industry that "does something" for someone, and does not "make something" for someone (Silvestro and Johnston 1990). "Service" is used of companies or firms that meet the needs and want of society. Such organizations are essentially bureaucratic. "Service" may also be described as intangible its outcome being perceived as an activity rather than as a tangible offering. The question of the distinction between services and tangible products is based on the proportion of service components that a particular offering contains.

1.1.2 Organizational Performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). Organizational performance is the concept of measuring the output of a particular process or procedure, then modifying the

process or procedure to increase the output, increase efficiency, or increase the effectiveness of the process or procedure (Robert & David, 2001). The primary goals of organizational performance are to increase organizational effectiveness and efficiency to improve the ability of the organization to deliver goods and or services. Another area in organizational performance that sometimes targets continuous improvement is organizational efficacy, which involves the process of setting organizational goals and objectives in a continuous cycle. Organizational performance at the operational or individual employee level usually involves processes such as statistical quality control. At the organizational level, performance usually involves softer forms of measurement such as customer satisfaction surveys which are used to obtain qualitative information about performance from the viewpoint of customers (Robert & David, 2001).

In an increasingly dynamic and information-driven environment, the quest by business leaders and management researchers for performance measures which reflect competitive productivity strategies, quality improvements, and speed of service is at the forefront of managing company performance. To be meaningful, company performance should be judged against a specific objective to see whether the objective is achieved. Without an objective, a company would have no criterion for choosing among alternative investment strategies and projects. For instance, if the objective of the company is to maximize its return on investment, the company would try to achieve that objective by adopting investments with return on investment ratios greater than the company's current average return on investment ratio (Brah & Rao, 2000).

The selection of the most appropriate performance indicators is however, an area with no defining boundaries as there are a number of purposes to which performance Measurement can be put, although not all performance measurement can be used for all purposes(Camp 2008). There are several points of departure that can be used to assess performance of a business. These include, among others, accounting perspective (assessment of financial measures of performance), marketing perspective (assessment of marketing inputs, too) and operations perspective (assessment of effectiveness and efficiency) (Neely, 2002). Apart from purely accounting-based assessment, all the assessment systems are increasingly using non-financial indicators as to help analyses. Especially concept of Balanced Scorecard (BS), introduced by Kaplan and Norton (1992) has been lately applied (situation-sensitively) more than ever. Examination with a standard BS includes four dimensions: financial, customer, internal business

process, and learning and growth. In a way, BS integrates all the distinct points of departure discussed above.

1.1.3 The Flower Industry in Kenya

The Kenyan flower industry has grown tremendously since the turn of the century. With an estimated annual growth rate of 20 per cent it has increased its export volume from 19,807 to 41,396 tons between 1992 and 2001, which was an increase of 108 per cent (HCDA, 2000). Kenya grows mainly roses, carnations, statice, alstroemeria, liliun and a variety of summer flowers. Kenyan flower companies have long benefited from a strong euro, making their costs in Kenyan shillings and US dollars relatively low. This advantage continues as the Kenya shilling has continued losing value against the euro in recent years. Labour and energy costs are low compared to other countries. Kenyans still pay no import duty when exporting to Europe (Milco, 2011). Kenya Flower Council (KFC) is the institution responsible for fostering responsible and safe production of cut flowers in Kenya with due consideration of workers welfare and protection of the environment. As of July 2015, KFC had a producer membership of 94 flower farms situated throughout the country. Associate membership stands at 62 members representing major Cut Flower Auctions and Distributors. They are involved in the flower sector through flower imports, provision of farm inputs and other affiliated services (KFC, 2015).

The growth that has been experienced in the Kenyan Flower Industry has not been easily achieved. In particular, the last few years have been a challenge. In 2008, Kenya was confronted with political unrest which had an effect on the sector for a few months. Flowers could only be exported with difficulty and some farms did not get the flowers out for some days. That year, the sector also faced increasing transportation costs due to high oil prices. In 2009, there was the economic crisis that resulted in low prices. That same year, a long period of drought began that lasted for some time into 2010. In 2010, there was the Icelandic ash cloud and the weakening euro against the dollar. Air freight costs increased and heavy rains last year affected production. On the other hand, prices were generally better in 2010 than the year before. The problems meant that there was hardly any expansion in 2009 and plans for 200 additional hectares were put on hold. In 2010 and 2011, Kenya returned to growth, partly because many farms are switching from small- to large-flowered varieties. The market asks for this assortment. Because large

varieties are less productive, growers expand to maintain overall production level (Milco, 2011).

1.1.4 Firms in the Flower Industry in Kenya

Majority of firms in the flower industry are located in Rift valley mostly in Nakuru and Naivasha, however they are also distributed in other parts of the country. These firms are located strategically in areas that there is readily available water; land for expansion and cheap labor since these are critical resources in the floriculture industry. Due to the chaotic and unpredictable nature of the environment under which these firms operate, there is need for well-crafted strategies, which must then be successfully implemented for these firms to achieve their goals. Given that most of these flower firms are subsidiaries of Multinational Corporations, they are expected to engage in strategic management since planning is done at the mother companies for customization and implementation to be undertaken by these subsidiaries. The successful implementation of these strategies is however subject to factors both external and internal to the organization (Kurendi, 2013).

Some of the factors that could influence strategy implementation in flower firms include internal factors such as organizational structure and culture, leadership, communication, commitment from all levels of organization, organization's resources, and reward system. Unforeseen and uncontrollable factors in the external environment could influence strategy implementation among flower firms. Some of these factors include government regulations, economic and political factors, technology and globalization (Kurendi, 2013).

1.2 Research Problem

In the emerging dynamism of the business environment, it is concluded that no progressive organization can afford to overlook marketing (Abubakar, 2014). It must aim at providing satisfaction to customers if it hopes to stay afloat the tide of globalization in technology innovations, competitiveness and customer demands. Effective marketing practices have been noted to improve organizational performance (Jamieson, 2011). This strongly suggests that strategic marketing is a driver rather than an outcome for strong organizational performance. For the firms in the flower industry, competition grows more intense and steadily more professional. It has, therefore become essential to use all the resources and practices that marketing offers to survive and succeed in the ever changing business environment in the world and Kenya in particular.

The flower industry in Kenya has grown tremendously since the turn of the century. In 2000, production area was an estimated 750 to 1,000 hectares with about 38 thousand tonnes of flowers being exported. In 2004, the sector had already grown to 2,000 hectares. Nevertheless, the growth has not always been easy in the country. Particularly the last few years have shown to be a challenge. For instance, in 2008, Kenya was confronted with political unrest which had an effect on the sector for a few weeks. Flowers could only be exported with difficulty and some farms did not get the flowers out for some days. That year, the sector also faced increasing transportation costs due to high oil prices. In 2009, there was the economic crisis that resulted in low prices.

A number of studies have been done in this area though some were done in a different context. For instance, Kapcha (2002) investigated the trade between Zambia and Kenya doing on factors that make the Kenyan edible oil industry competitive. The study established availability of ready market locally and internationally as well as good infrastructure have enabled Kenyan edible oil industry competitive. However, this study provided little insight on the link between strategic marketing and performance. In their study about Agricultural Value Chain Development in West Africa, Melle et.al (2007) indicated that a full range of activities are required to bring a product or service from conception, thorough production, transformations, and delivery to final consumers and final disposal after use. Although the study addressed the issue of strategic marketing practices, it was too general on the Agricultural Industry. Ksoll et al. (2009) conducted a firm-level survey of over 100 exporter producers. They noted that there are about 120 established grower-exporters who export throughout most of the year, with substantial heterogeneity across firms with respect to key characteristics, such as acreage, ownership structure, and level of vertical integration. This study did not show how strategic marketing practices are applied by these firms.

While studying the global competitiveness of the Kenyan Flower Industry, World Bank (2011) observed that internal factors are determined in the first place by entrepreneurs themselves, but also governments and sector organizations have an important role to play in enhancing the market competitiveness of the Kenyan flower industry. This study did not indicate the specific strategic marketing practices necessary and the contribution to the overall performance. A review of the above discussed past studies shows that, no studies have been conducted on strategic

marketing practices in the Kenyan Flower Industry or the Link between these practices and performance. Therefore, this study sought to investigate the influence of strategic marketing practices on performance of flower industry in Kenya.

1.3 Objectives of the Study

The objectives of this study were:

- i. To determine the strategic marketing practices employed by firms in the flower industry in Kenya
- ii. To establish the influence of strategic marketing practices on the performance of firms in the flower industry in Kenya.

1.4 Value of the Study

The government and other institutions such as Kenya Flower Council involved in the country's policy formulation cannot overlook the flower industry given that it is one of the major contributors to the country's GDP. The findings from this study will therefore be of importance to the government and the Kenya Flower Council in that they would provide insight that can help in the formulation of positive policies relevant and sensitive to the forces influencing the flower industry performance in Kenya.

To the management of flower companies, the realization that flower business is one of the highly competitive business locally and globally calls for aggressive marketing department to adopt properly formulated marketing strategies for success of the company. Therefore, findings from this research would be of great importance by the virtue that, through them, managers of the firms in the industry would be better positioned to gauge their companies' performance and improve where necessary to enhance the market performance of their respective organizations and overall ranking in the industry.

This study would add to the body of knowledge about strategic marketing practices in organizations and their link to business performance. Consequently, to scholars who may be interested in the area of marketing in flower firms and overall flower industry, the study will provide a source of reference material and basis upon which further studies can be developed.

1.5 Summary

In the future, marketing has the main responsibility for achieving profitable revenue growth for the company. Clearly, firms should thus start adapting principles of strategic marketing. Marketing strategy has been a salient focus of academic inquiry since the 1980s. Strategic marketing practices provide the avenue for utilizing the resources of an organization in order to achieve its set goals and objectives. In the emerging dynamism of the business environment, it is concluded that no progressive organization can afford to overlook marketing. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). The Kenyan flower industry has grown tremendously since the turn of the century. The growth that has been experienced in the Kenyan Flower Industry has not been easily achieved. For the firms in the flower industry, competition grows more intense and steadily more professional. No studies have been conducted on strategic marketing practices in the Kenyan Flower Industry or the Link between these practices and performance. Therefore, this study sought to investigate the influence of strategic marketing practices on performance of firms in flower industry in Kenya. The findings from this study will be of importance to the government, the Kenya Flower Council as well as scholars who may be interested in the area of marketing in the flower firms and generally flower industry.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, literature which is consistent and related to the research objectives is reviewed. The chapter discusses theoretical, conceptual and empirical literature on the influence of strategic marketing practices on performance. The chapter describes the conceptual, contextual and theoretical underpinning and framework relating to the topic of study and their relevance. The chapter further discusses the critical issues of the reviewed literature

2.2 Theoretical Framework

The theoretical foundation of this study was drawn from two theories. These are the resource based theory and the social capital theory. The two theories are discussed below in details.

2.2.1 Resource-Based Theory

The resource-based view (RBV) of the firm argues that competitive advantage – and subsequently performance depends on historically developed resource endowments (Wernerfelt, 1984). Consequently, firms, in particular marketing (Hooley et al., 2001), should build on resources that contribute to their ability to produce valuable, rare, imperfectly imitable and non-substitutable market offerings in a manner that is either efficient or effective (Hunt & Morgan, 1995). As Fahy and Smithee (1999) argue, intangible resources and capabilities, such as organizational learning (Santos-Vijande et al., 2005) and customer knowledge (Webster, 1992) are especially difficult to duplicate and thus, provide a meaningful basis for marketing strategy and market position development. As such, intangible resources and capabilities have the potential to become distinctive competencies for the firm (Blois & Ramirez, 2006).

There is evidence in practice and academic research that firm competencies and resources are key factors of assessing a firm's future value potential (Möller & Törrönen, 2003) and, thus, supplier selection in business markets (Golfetto & Gibbert, 2006). According to Ritter (2006), this refers to process and market competencies in particular (routines related to the properties and characteristics of the firm's value-creation process and the value transfer between the firm and its environment). There has been an emerging discussion within market-orientation research, as originated by Kohli and Jaworski (1990) and Narver and Slater (1990), on the moderating effects

of environmental variables on the relationship between market orientation and business performance (Kaynak & Kara, 2004). However, much remains unsettled, while the same applies to contextual moderation of performance with regard to other marketing phenomena (Auh & Menguc, 2007).

2.2.2 Social Capital Theory

The concept of social capital existed ever since small communities formed and humans interacted with the expectation of reciprocation and trust. However, the term in its present form and associated meanings was popularized amongst others by Bourdieu, Coleman and Putnam. There are many possible representations of social capital. Broadly social capital can be seen in terms of five dimensions: first, networks-lateral associations that vary in density and size, and occur among both individuals and groups; second, reciprocity-expectation that in short or long term kindness and services will be returned; third, trust-willingness to take initiatives (or risk) in a social context based on assumption that others will respond as expected; fourth, social norms-the unwritten shared values that direct behavior and interaction; and fifth, personal and collective efficacy-the active and willing engagement of citizens within participative community.

These five dimensions manifest themselves in various combinations and shape the interaction amongst the members of a group, organization, community, society or simply network and can be studied through various perspectives. Social capital is a broad term that encompasses the ‘norms and networks facilitating collective actions for mutual benefits’ (Woolcock, 1998). This broad definition of the term makes it susceptible to multiple interpretations and usage which span multiple theoretical traditions). At one end social capital can be seen as a notion that is based on the premise that social relations have potential to facilitate the accrual of economic or non-economic benefits to the individuals and on the other end social capital can be seen to reside in the relations and not in the individual. Social capital is context dependent and takes many different interrelated forms, including obligations (within a group), trust, intergenerational closure, norms, and sanctions with underlying assumption that the relationships between individuals are durable and subjectively felt. An example of social capital could be the voluntary participation of the members over the lunch break to discuss various social/organizational aspects which benefits all the participants.

2.3 Strategic Marketing Practices

Competition in most global product markets is intense. Product type competition has become intense, so has brand competition. Substitute competition has also become an increasingly bitter battleground, with products being able to replace others as technology and tastes changes. A system, to be competitive, must have two requisites. First it must be competitive with other systems in attracting resources, and secondly it must be absolutely competitive against similar systems or industries in other countries. The system may have to compete against those industries in international markets or be threatened by them in its domestic markets. Porter (2000) refers to this as "competitive advantage" or "international competitiveness". He concentrates on two factors in the control of manufacturing industries which are lower cost of production and delivery and differentiation of product.

Porter (2000) has hypothesized, why some nations were more competitive than others. As well as being able to successfully manoeuvre through the environment he identified that the foundation of success lay in the "diamond" of "home" advantage. To successfully launch an international challenge he identified four "home" prerequisites. These are: the maximum use of endowed resources (natural and human), the forming of domestic networks to fully exploit these resources, domestic demand, and finally, an industry and environmental structure in order that these forces can thrive. In Porter's analysis, industry competitors can be threatened by new or potential entrants and substitutes. In systems, barriers to new entrants can exist, as well as barriers to international competitiveness; these barriers can be related to technical characteristics of commodities, perishability, bulkiness; production characteristics, economies of scale, and laws; rules and standards.

Boseman and Phatak (2009) argue that if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength. Strategic marketing is crucial to an organization because it takes into consideration fundamental changes in the environment thus making firms proactive rather than reactive (Bett, 2005). Okutoyi (2002) states that strategy has an important role in helping

businesses position themselves in an industry. Effective strategy may enable a business to influence the environment in its favor and even defend itself against competition. Aaker (2002) also adds that given the current focus in business, there is need to understand competitor strengths in the market and then position one's own offerings to take advantage of weaknesses and avoid head on clashes against strengths.

2.4 Influence of Strategic Marketing Practices

The process of developing a strategic marketing practices helps ensure that all tactical marketing programs support the company's goals and objectives, as well as convey a consistent message to customers. This approach improves company efficiency in all areas, which helps improve revenue and market share growth, and minimizes expenses, all of which lead to higher profitability. It's important for a strategic marketing process to look at the company from the customer's point of view by seeking to know long time horizon issues such as: the needs or problems that cause customers to consider buying from the company, improvements in the customer's personal or business life that the company can enable or improve, the customer market segments attracted to the company or products, customer motivations or values that lead people to decide to purchase the products, and changes or trends in the customer base affecting their general interest or attraction to other companies similar products.

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

behavioral trends over time and adjust accordingly. The study by Abdalla (2001) recommends that strategic marketing practices in other industries and sectors be studied to facilitate comparison of practices within and between industries as well as in terms of specific practices adopted. This therefore serves as a springboard for this study to investigate the influence of strategic marketing practices on performance of the flower industry in Kenya.

2.5 Strategic Marketing and Performance

Studies in different parts of world have been conducted basing on the works of Kohli and Jaworski (1993) and Narver and Slater (1990). They have developed and refined research tools for assessing degrees of strategic marketing in firms and examining its links with both market and financial performance. In general, strategic marketing is found to positively relate to performance. In many studies, the relationship has been found to be relatively weak, though significant. According to Hooley *et al.*, (2005), only less than 20% of performance variations between firms are explained through differences in strategic marketing alone. In addition to positive relationship between strategic marketing and business performance, innovation orientation and innovativeness have been shown to have positive relationship with competitive advantage and related isolation mechanisms (Hooley and Greenley, 2005) and financial performance (Tuominen, 2003). Components within strategic marketing relate to each other, too. It is for example argued that due to focus on developing information on markets, market oriented firms are sensitive to changing customer needs and therefore are more likely to innovate successfully than other firms (Matsuno, Mentzer and Özsomer, 2002).

It is reasonable to assume that same resources, strategies and orientations do not lead to identical performance in different countries and business environments. This is due to differences in, for example, market culture and buyer orientations. Phenomenon may be considered as analogous to differences in market conditions when the entity under examination is an individual offering. Business environments are in a state of continuous change, too. Competitive positions will themselves evolve and change as the resource base and the market environment in which they are created changes. In some markets this change will necessarily be very rapid. In others, it might be occurring at a slower pace (Hooley *et al.*, 2001). Whatever the environment, the job of the marketing department is to adapt a firm's strategy to different environmental conditions in a way that produces a favorable response (Clark, 2000).

Several market orientation studies have proposed that strategic marketing effects on business performance might be moderated by market environment (Hooley *et al.*, 2005). For instance, according to Kohli and Jaworski (1990), the greater the market (technological) turbulence, the stronger (weaker) the relationship between a market orientation and business performance. They also argued that the greater the competition, the stronger the relationship between a strategic marketing and business performance, and the weaker the general economy, the stronger the relationship between a strategic marketing and business performance. Slater and Narver (1994), too, found market and other stakeholder effects on performance to be moderated by the operational environment. The impact of a firm's own strategic marketing practices, and subsequent actions in the marketplace, are likely to be effected by the actions of competitors, together with general market conditions. This is why the choice of which capabilities to nurture and which investment commitments to make must be guided by a shared understanding of the industry structure, the needs of target customer segments, positional advantages being sought, and trends in the environment (Day, 1994).

2.6 Empirical Review

In their study, Fahy and Smithee (1999) included resources enabling value creation as potential sources of competitive advantage. They concluded that different business orientations, such as strategic marketing can be interpreted as raw materials of competitive advantage. Additionally, Noble, Sinha and Kumar (2002) build on theory of sustainable competitive advantage to argue that companies engaging in a strategic marketing build an advantage with high barriers for competitors to match; this may well be true if a company for example identifies a suitable market opportunity for itself.

Furthermore, innovation orientation and innovativeness as part of strategic marketing have been shown to have positive relationship with competitive advantage and related isolation mechanisms (Hooley and Greenley, 2005) and financial performance (Tuominen, 2003). In addition, Matsuno, Mentzer and Özsomer (2002) found entrepreneurial proclivity (including innovativeness) to positively relate to market share (market performance) and ROI (financial performance).

Vorhies and Morgan (2005) found positive relationships between inside-out capabilities in strategic marketing as marketing implementation and channel management, and overall firm

performance. Also Tuominen *et al.* (2005) identified positive link between inside-out capabilities and performance superiority. Moreover, according to Hooley *et al.* (2005), outside-in capabilities statistically significantly relate positively with market performance, which in turn positively.

2.7 Summary

The theoretical foundation of this study was drawn from two theories. These are the resource based theory and the social capital theory. The literature reviews that competition in most global product markets is intense. Strategic marketing is crucial to an organization because it takes into consideration fundamental changes in the environment thus making firms proactive rather than reactive. Effective strategy may enable a business to influence the environment in its favor and even defend itself against competition. The process of developing strategic marketing practices helps ensure that all tactical marketing programs support the company's goals and objectives, as well as convey a consistent message to customers. This approach improves company efficiency in all areas, which helps improve revenue and market share growth, and minimizes expenses, all of which lead to higher profitability. Several market orientation studies have proposed that strategic marketing effects on business performance might be moderated by market environment. The impact of a firm's own strategic marketing practices, and subsequent actions in the marketplace, are also likely to be effected by the actions of competitors, together with general market conditions. This is why the choice of which capabilities to nurture and which investment commitments to make must be guided by a shared understanding of the industry structure, the needs of target customer segments, positional advantages being sought, and trends in the environment.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology to be used in the study. It describes the research design that will be used. Additionally, it provides discussions on the population of the study, sample design, sampling techniques, data collection methods as well as data analysis and data presentation method that will be employed in the study.

3.2 Research Design

The study used descriptive and cross sectional survey design. Descriptive design is appropriate because it enables the researcher to obtain information concerning the current status of the phenomena (Mugenda 2003). Descriptive research according to Kothari (1990) is a powerful form of quantitative analysis. Burns and Grove (2003) stated that descriptive research is designed to provide a picture of a situation as it naturally happens. Cross sectional survey research design involves obtaining data at one point in time (Orodho, 2003). The design is also used to collect information about people attitudes, opinions, habits or any other variety of education or social issues (Orodho and Kombo 2002). This design was preferred because it enabled the researcher to describe the area of research and compare the results in order to investigate the differences and similarities with the frame of reference within a given period of time (Lisa, 2008). Using the design can therefore help in formulation of knowledge and solutions to the existing problem. Hence, these designs were found to be the most appropriate for this study. They helped give the “status quo” of concept studied on the target population or its characteristics; in this case, the influence of strategic marketing practices on performance of flower industry in Kenya.

3.3 Target Population

Mugenda and Mugenda (2003) defined population as the set of all units of analysis in one’s problem area. Population is generally a large collection of individuals or objects that is the main focus of a scientific query. It is for the benefit of the population that researches are done. Usually, the description of the population and the common binding characteristic of its members are the same. The population of interest for the study included the companies in the flower industry operating in Kenya. As at July 2015, KFC had 94 registered flower firms.

3.4 Sampling Design

This entails the method used to select a sample size from a population. Although researchers want to gather information about the characteristics of populations, they usually study a smaller group (a sample) carefully drawn from the population and then use the findings from the sample to make inferences about the population. The researcher used purposive sampling to select the marketing managers in the flower firms that were studied. Sample size, According to Ngecu (2006) sampling in research is important since it is not possible to study every member or element in the whole population as it would be costly and time consuming, the study conducted a sampling where of 50% of the 94 flower firms registered with KFC were randomly selected and studied. This implies that the sample size of the study was 47 flower firms where the marketing managers of each of these firms were involved.

3.5 Data Collection

The study used both primary and secondary data. Primary data was obtained from the marketing managers in the flower companies. To enrich the study, secondary data was obtained from documented literature on strategic marketing practices as discussed in literature review. A structured questionnaire was distributed to the marketing managers in the flower companies. Its first part covered the general information of the respondent while the second part collected data in relation to the objectives of the study. The questionnaire used a closed - ended questions (questions accompanied by a list of possible alternatives from which managers selected answers); open-ended questions (questions that allowed the managers to give more details on their opinions) and likert questions (questions with ratings to measure different).

Before actual data collection, a pilot study was done. The results of the pilot study were used to refine the measuring instruments by removing redundancies and inconsistencies in the instruments after testing its validity. Sufficient proof of content and criterion-related validity was established on the basis of the literature review and discussion with key informants in the flower companies. Five questionnaires were used for the pilot testing.

3.7 Data Analysis

Data collected during the study was quantitative and qualitative data. Quantitative data was analyzed using descriptive statistics which included the mean, frequencies and percentages. This was done using Microsoft Excel, Statistical Package for social science (SPSS) and other relevant computer software that may be necessary. According to Mugenda (1999), descriptive statistics enable meaningful description of a distribution of scores or measurements using a few indices or statistics. Descriptive statistics enable the researcher to summarize and organize data in an effective and meaningful way. They provide tools for describing collections of statistical observations and reducing information to an understandable form. Descriptive analysis was used to ascertain the proportions of firms indicating how the various factors influence strategy and their relative potency as well as variations across firms.

Qualitative data was analyzed through content analysis which was used to draw conclusions. Nachmias and Nachmias(1996) defined content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same approach to relate trends. In this case, the qualitative data was analyzed by organizing it into themes in line with the objectives of the study. The results from the data analysis were presented by use of charts, graphs and tables. These were done by use of Statistical Package for social science (SPSS).

To establish the relationship between the dependent variable (performance) and the independent variable classical linear regression model was used. Both dependent and independent variable were measured using descriptive statistics. The regression model took the following form;

$$P = \alpha + \beta S_m + e$$

Where;

P is the dependent variable, which in our case is performance. It is dependent on the independent variable as well as the random variables. S_m is the independent variable, which in our case is strategic marketing. α is the coefficient for the regression, while β is the coefficient for the strategic marketing practices and e is the error term.

3.8 Summary

The study used descriptive and cross sectional survey design. The design helped give the “status quo” of concept studied on the target population or its characteristics; in this case, the influence of strategic marketing practices on performance of flower industry in Kenya. The population of interest for the study included the companies in the flower industry operating in Kenya. The study conducted a sampling where of 50% of the 94 flower firms registered with KFC were randomly selected and studied. The researcher used purposive sampling to select the marketing managers in the flower firms that were studied. The study used both primary and secondary data. Primary data was obtained from the marketing managers in the flower companies. To enrich the study, secondary data was obtained from documented literature on strategic marketing practices as discussed in literature review. A structured questionnaire was distributed to the marketing managers in the flower companies. Data collected during the study was quantitative and qualitative data. Quantitative data was analyzed using descriptive statistics which included the mean, frequencies and percentages. Qualitative data was analyzed through content analysis which was used to draw conclusions.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis, findings, interpretation and presentation. The analysed data entails primary data that was collected from marketing managers from registered flower firms. To enrich the conclusions, the managerial perspective was sought by analyzing the primary data collected from the managers in the registered flower firms. Comparison and contrast were done on the empirical perspectives from the findings of the analyzed literature and the managerial perspective from the analyzed primary data. All quantitative data was analyzed using descriptive techniques including percentages and frequencies.

4.2 Demographic Information

The study sought to establish the academic qualification of the respondents. Consequently, they were asked to indicate their highest level of education, as shown in Table 4.1

Table 4.1: Highest Level of Education

Level	Frequency	Percent
PHD	20	44.4
Masters	10	22.2
Bachelors' Degree	8	17.8
Diploma	7	15.6
Secondary Level	0	-
Total	45	100.0

A total of 45 marketing managers participated in the study. Out of these, 44.4% indicated that their highest level of education was PHD, followed by 22.2% who stated that their highest level of education was masters. On the same note, most (17.8%) and 15.6% pointed out that their highest level of education was Bachelors degree and Diploma respectively. This is a clear indication that the marketing managers were well educated and therefore their data would give comprehensive contrast and conclusions. Porter (2000) while hypothesizing why some nations were more competitive than others identified maximum use of endowed resources (natural and human) as one of four "home" prerequisites.

To establish the experience of the managers in the organizations, the study sought to determine the period they had served in their current firms, as shown in Table 4.2

Table 4.2: Length of Period Served in the Organization

Length of Period	Frequency	Percent
0-5 Years	21	46.7
6-10 Years	12	26.7
11-15 Years	10	22.2
Over 15 years	2	4.4
Total	45	100.0

Most (46.7%) of the marketing managers in the flower organizations pointed out that they had served their organization for a period of 0-5 years followed by 26.7% who indicated that they had served for a period of 6-10 years. More so 22.2% mentioned that they had been in the organization for 11-15 years and lastly a few 4.4% pointed out that they had been in the organization for over 15 years. This clearly stipulates that the marketing managers have enough experience in the flower firms and therefore would provide comprehensive ideas on the strategic marketing practices that the firms put into use to improve their performance. According to Abdalla (2001), achieving a competitive advantage is a major preoccupation of senior executives in a competitive slow growth market that characterizes many industries today.

Respondents were asked to indicate the size of the firms they worked in and indicated as shown in Table 4.3

Table 4.3: Size of the Company

Size of Company	Frequency	Percent
Large Company	23	51.1
Medium Company	15	33.3
Small company	7	15.6
Total	45	100.0

An overwhelming majority (51%) of the marketing managers indicated that their companies were large companies followed by 33% who mentioned that their companies were medium while 16% pointed out that their companies were small. The size of the company would aid in helping the managers choose a viable strategic marketing practice that would help them compete against the competitors in the flower industry. Aaker (2002) noted that given the current focus in

business, there is need to understand competitor strengths in the market and then position one's own offerings to take advantage of weaknesses and avoid head on clashes against strengths.

4.3 Strategic Marketing Practices in the Flower Industry

Competition in most global product markets is intense. Product type competition has become intense, so has brand competition. Substitute competition has also become an increasingly bitter battleground, with products being able to replace others as technology and tastes changes. A system, to be competitive, must have two requisites. First it must be competitive with other systems in attracting resources, and secondly it must be absolutely competitive against similar systems or industries in other countries. The system may have to compete against those industries in international markets or be threatened by them in its domestic markets. Porter (2000) refers to this as "competitive advantage" or "international competitiveness. The first section shows the type of marketing strategies employed by the flower firms. The second section explains the impact or extent of the marketing strategies employed by the organization.

4.3.1 Distribution of Focus in Marketing

Managers were asked to identify what they focused on when marketing. They were required to choose from among product attribute, brand and customer and responded as shown in Table 4.4

Table 4.4: Distribution of Focus in Marketing

Factors	Frequency	Percent (%)
Product Attribute	20	44.4
Brand	8	17.8
Customer	17	37.8
Total	45	100.0

Out of the 45 managers, most (44.4%) asserted that they focused on product attribute when marketing to make their organization competitive. On the same note 37.8% were of the opinion that their focus was on customer when marketing to make their organization competitive. A few 17.8% indicated that their main focus was on brand when marketing to make their organization competitive. The findings concur with Boseman and Phatak (2009) that if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations success is dependent on

productivity, customer satisfaction and competitor strength.

4.3.2 Promotional Strategy

Respondents were asked to indicate the promotional strategies that the firms used and indicated as shown in Table 4.5

Table 4.5: Promotional Strategy

Factors	Frequency	Percent (%)
Advertising	19	42.2
Personal selling	2	4.4
Internet	15	33.3
Promotions	9	20.0
Total	45	100.0

According to the study, most (42.2%) of the managers stated that they used advertising as a promotion strategy in their organization followed by 33.3% who used internet as a promotion strategy in their organization. On the same note 20% asserted that they used promotions as a strategy while the least 4.4% pointed out that they used personal selling as a promotion strategy in their organization. This concurs with Abdalla (2001) findings that found that strategic marketing practices applied in the soft drinks industry in Kenya are promotion strategies with emphasis on advertising, sales promotion, personal selling and brand public relations in that order, distribution strategies with emphasis on kiosk network and supermarkets, pricing strategies and product strategies in that order. This study found that good network distribution strategies fulfill demand and ensure extensive brand availability within consumers reach when needed especially in high traffic areas.

4.3.3 Marketing Research

The study investigated the extent to which the companies use marketing research. The following was established, as shown in Table 4.6

Table 4.6: Use of Marketing Research

Use of marketing research	Frequency	Percent
Very Large Extent	1	2.2
Large Extent	2	4.4
Moderate Extent	4	8.9
Little Extent	18	40.0
Very Little Extent	20	44.4
Total	45	100.0

The study findings depict that most (44.4%) of the managers indicated that their firms used marketing research to a very little extent and this was concurred by 40% who pointed out that marketing research was used to a little extent. On the same view 8.9% indicated that marketing research was employed in their organization to a moderate extent while the least 2.2% stated that marketing research was used in the organization o a very large extent. It's important for a company to engage in marketing research to assess their environment. There has been an emerging discussion within market-orientation research, as originated by Kohli and Jaworski (1990) and Narver and Slater (1990), on the moderating effects of environmental variables on the relationship between market orientation and business performance (Kaynak & Kara, 2004).

4.3.4 Distribution of Strategies to enhance Performance

The managers were presented with three strategies to rate the extent to which they applied them in their organization as indicated in table 4.7 below.

Table 4.7: Distribution of Strategies to Enhance Performance

Strategy	Very Great Extent	Great Extent	Moderate Extent	Little Extent	Very Little Extent
Impact assessment of the external environment	62%	20%	9%	5%	4%
Analysis of competitor strengths	75%	20%	5%	0	0
Optimum use of resources	53%	42%	5%	0	0
The degree of customization to individual customer requirements	60%	35%	5%	0	0

Out of the 45 managers, majority (75%)affirmed that analysis of competitor strengths was a strategy used to a very great extent to enhance performance, followed by 62% who asserted that

impact assessment of the external environment was a strategy used to a very great extent by the organization to enhance performance. while 60% were of the opinion that the degree of customization to individual customer requirements was a strategy used to a very great extent to enhance performance in the flower industry. On the same view 53% indicated that optimum use of resources was a strategy used to a very great extent .The findings concur with Bett (2005)that strategic marketing is crucial to an organization because it takes into consideration fundamental changes in the environment thus making firms proactive rather than reactive. Further, Okutoyi (2002) states that strategy has an important role in helping businesses position themselves in an industry. Effective strategy may enable a business to influence the environment in its favor and even defend itself against competition.

4.4 Influence of Strategic Marketing Practices on the Performance

The process of developing a strategic marketing practices helps ensure that all tactical marketing programs support the company's goals and objectives, as well as convey a consistent message to customers. This approach improves company efficiency in all areas, which helps improve revenue and market share growth, and minimizes expenses, all of which lead to higher profitability. It's important for a strategic marketing process to look at the company from the customer's point of view by seeking to know long time horizon issues such as: the needs or problems that cause customers to consider buying from the company, improvements in the customer's personal or business life that the company can enable or improve, the customer market segments attracted to the company or products, customer motivations or values that lead people to decide to purchase the products, and changes or trends in the customer base affecting their general interest or attraction to other companies similar products. The first section shows marketing strategies adopted by firms and how they influence performance.

4.4.1 Extent to which Strategic Marketing influence Performance

The researcher wanted to know the extent to which strategic marketing influence performance and is indicated as shown in Table 4.8

Table 4.8: Influence of Strategic Marketing on Performance

Influence of strategic marketing on performance	Frequency	Percent
Very Large Extent	20	44.4
Large Extent	18	40.0
Moderate Extent	4	8.9
Little Extent	2	4.4
Very Little Extent	1	2.2
Total	45	100.0

Most (44%) of the marketing managers affirmed that strategic marketing influenced performance to a very large extent and this was concurred by 40% who stated that it was to a large extent. On the same note 9% were moderate that strategic marketing influenced performance while the least 2% stated that strategic marketing influenced performance to a very little extent. Research has been developed and assessing degrees of strategic marketing in firms and examining its links with both market and financial performance. In general, strategic marketing is found to positively relate to performance (Kohli & Jaworski, 1993; Narver & Slater; 1990).

4.4.2 Extent to which Marketing Strategies influence Performance

The extent to which different marketing strategies influence performance was also measured on a 5 point likert and is indicated as shown in Table 4.9

Table 4.9: Extent to which Marketing Strategies Influence Performance

Strategy	Very Great Extent	Great Extent	Moderate Extent	Little Extent	Very Little Extent
Innovation	56%	39%	5%	0	0
Promotion strategies	64%	32%	4%	0	0
Good network distribution	65%	25%	10%	0	0
Intensive distribution channels	75%	20%	5%	0	0
Customized Products	54%	38%	8%	0	0

According to the findings, an overwhelming majority (56%) of the marketing managers affirmed that innovation was a marketing strategy that influenced performance to a very great extent while 64% asserted that promotion strategies influenced performance to a very great extent. On the same view 65% pointed out that good network distribution was a marketing strategy that influenced performance to a very great extent. More so 75% were of the opinion that intensive

distribution channels influenced performance to a very great extent while 54% asserted that customized products were a strategy that influenced performance to a very great extent. This expands the expression by Abdalla (2001) that good network distribution strategies fulfill demand and ensure extensive brand availability within consumers reach when needed especially in high traffic areas. Intensive distribution channels ensure success in market share expansion, growth and profitability. Further branding plays a major role in product strategies with product quality being a major emphasis. To build strong brands, one need well planned and well executed marketing strategies. To succeed companies also have to carefully and continuously study consumer behavioral trends over time and adjust accordingly.

4.5 Organizational Performance

Competitive positions in an organization evolve and change as the resource base and the market environment in which they are created changes. In some markets this change will necessarily be very rapid. According to Hooley *et al.*, (2005), only less than 20% of performance variations between firms are explained through differences in strategic marketing alone. In addition to positive relationship between strategic marketing and business performance, innovation orientation and innovativeness have been shown to have positive relationship with competitive advantage and related isolation mechanisms (Hooley and Greenley, 2005) and financial performance (Tuominen, 2003). Therefore this sub sections seeks to answer how the marketing strategies employed affect efficiency and the performance of the organization at large.

4.5.1 Distribution of Responses on Efficiency

Managers were required to indicate the extent to which some identified aspects affected the efficiency. Responses were distributed as presented in table 4.10.

Table 4.10: Distribution of Responses on Efficiency

Strategy	Very Great Extent	Great Extent	Moderate Extent	Little Extent	Very Little Extent
Machine breakdown	56%	36%	8%	0	0
Power failure	60%	30%	10%	0	0
Repairing of Equipment	54%	41%	5%	0	0

According to the findings, an overwhelming majority (56%) of the marketing managers affirmed that machine breakdown affected efficiency to a very great extent and therefore impacting the organization performance. On the same note 60% asserted that power failure affected efficiency

to a very great extent and this impacted negatively on the organization performance followed by 54% whom pointed out that repairing of equipment affected efficiency to a very great extent and this impacted on the organization performance. There is evidence in practice and academic research that firm competencies and resources are key factors of assessing a firm's future value potential (Möller & Törrönen, 2003)

4.5.2 Distribution of Responses on Mission Statement of the Company

Employees' understanding and adherence to the mission statement was investigated where the managers were asked to rate the extent on a 5 point likert as indicated in Table 4.11

Table 4.11: Employees Understanding of the Mission Statement

Employees understand and follow the mission statement	Frequency	Percent
Very Large Extent	25	55.6
Large Extent	10	22.2
Moderate Extent	5	11.1
Little Extent	3	6.7
Very Little Extent	2	4.4
Total	45	100.0

Out of the 45 managers, an overwhelming majority (55.6%) asserted that employees understood and followed the mission statement of the company to a very large extent, followed by 22.2% who affirmed that they followed the mission statement of the company to a large extent. A few 4.4% asserted that the employees understood and followed the mission statement of the company to a very little extent. The mission statement is a part of the firm's strategy. As such, for the strategy to enhance performance, employees need to understand and follow the mission in all situations. Clark (2000) noted that whatever the environment, the job of the marketing department is to adapt a firm's strategy to different environmental conditions in a way that produces a favorable response.

4.5.3 Distribution of Responses on Mission Statement with Customers wants

It was also investigated whether the mission statement of the companies was in agreement with the customer wants. This was also rated on a 5 point likert as indicated in Table 4.12

Table 4.12: Alignment of Mission Statement with Customers Wants

Mission statement of the company agree with customers wants	Frequency	Percent
Very Large Extent	25	55.6
Large Extent	10	22.2
Moderate Extent	5	11.1
Little Extent	3	6.7
Very Little Extent	2	4.4
Total	45	100.0

Majority (55.6%) of the marketing managers asserted that their mission statement agreed with the customers wants to a very large extent while this was concurred by 22.2% who affirmed that it was to a large extent. On the same note 6.7% pointed out that their mission statement corresponded with the customers wants to a little extent. Boseman and Phatak (2009) argued that if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers among others and how they impact on its operations success which is dependent on productivity, customer satisfaction and competitor strength.

4.5.4 Responses on Existence of Mission Statement

The respondents were asked to indicate whether the companies had mission statements and indicated as shown in Table 4.13

Table 4.13: Existence of Mission Statement

Company has a mission statement	Frequency	Percent
Yes	36	80.0
No	9	20.0
Total	45	100.0

Out of the 45 managers, an overwhelming majority (80%) affirmed that their organizations had a mission statement while a few 20% indicated that the firms did not have a mission statement. The firm's choice of which capabilities to nurture and which investment commitments to make must be guided by a shared understanding of the industry structure, the needs of target customer segments, positional advantages being sought, and trends in the environment (Day, 1994). This highlights the importance of having a mission statement.

4.5.5 Change of Mission Statement to reflect Dynamic Changes

The extent to which the companies had changed their mission statements to reflect change dynamics was also assessed. The following was noted.

Table 4.14: Change of Mission Statement to Reflect Dynamic Changes

Change of mission statement to reflect dynamic changes	Frequency	Percent
Very Large Extent	1	2.2
Large Extent	2	4.4
Moderate Extent	5	11.1
Little Extent	11	24.4
Very Little Extent	26	57.8
Total	45	100.0

In this regard, an overwhelming majority (57.8%) of the managers asserted that change of the mission statement to reflect dynamic changes was to a very little extent while this was concurred by 24.4% who said that it was to a little extent. On the same note 4.4% affirmed that the change of mission statement to reflect dynamic changes was to a large extent. Bett (2005) indicated that the importance of strategic marketing to an organization is in its consideration of the fundamental changes in the environment thus making firms proactive rather than reactive.

4.6 Summary

Out of the 45 managers, most asserted that they focused on product attribute when marketing to make their organization competitive. Most of them stated that they used advertising as a promotion strategy in their organization followed by some who used internet as a promotion strategy in their organization. Majority affirmed that impact assessment of the external environment was a strategy used to a great extent by the organization to enhance performance followed by a majority who asserted that analysis of competitor strengths was a strategy used to a great extent to enhance performance in the organization. An overwhelming majority of the marketing managers affirmed that innovation was a marketing strategy that influenced performance to a great extent. On the same view majority pointed out that good network distribution was a marketing strategy that influenced performance to a great extent. Majority were of the opinion that intensive distribution channels influenced performance to a very great extent. An overwhelming majority of them affirmed that machine breakdown affected efficiency

to a great extent and therefore impacting the organization performance. On the same note majority asserted that power failure affected efficiency to a great extent and this impacted negatively. More so majority asserted that employees understood and followed the mission statement of the company to a little extent. However an overwhelming majority of the managers asserted that change of the mission statement to reflect dynamic changes was to a very little extent.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary of findings, conclusion and recommendations in relation to the research objectives and the existing empirical literature. The study had two objectives: To determine the strategic marketing practices employed by firms in the flower industry in Kenya and to establish the influence of strategic marketing practices by firms in the flower industry in Kenya.

5.2 Summary of Findings

From the findings, Competition in most global product markets is intense thus for organizations to achieve this they must first be competitive with other systems in attracting resources, and secondly must be absolutely competitive against similar systems or industries in other countries. Out of the 45 managers, most asserted that they focused on product attribute when marketing to make their organization competitive. On the same note some were of the opinion that their focus was on customer when marketing to make their organization competitive. Very few affirmed that they focused on brand when marketing to make their organization competitive. The findings concur with Boseman and Phatak (2009) that if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength.

According to the study, most of the managers stated that they used advertising as a promotion strategy in their organization followed by some who used internet as a promotion strategy in their organization. On the same note a few asserted that they used promotions as a strategy while the least pointed out that they used personal selling as a promotion strategy in their organization. This concurs with Abdalla (2001) findings that found that strategic marketing practices applied in the soft drinks industry in Kenya are promotion strategies with emphasis on advertising, sales promotion, personal selling and brand public relations in that order, distribution strategies with emphasis on kiosk network and supermarkets, pricing strategies and product strategies in that order. The study findings depict that most of the managers indicated that their firms used

marketing research to a little extent. Marketing research enables them to look at the company from the customer's point of view by seeking to know long time horizon issues such as: the needs or problems that cause customers to consider buying from the company, improvements in the customer's personal or business life that the company can enable or improve, the customer market segments.

Majority affirmed that impact assessment of the external environment was a strategy used to a great extent by the organization to enhance performance followed by a majority who asserted that analysis of competitor strengths was a strategy used to a great extent to enhance performance in the organization. On the same view some indicated that optimum use of resources was a strategy used to a great extent by the organization to enhance performance while others were of the opinion that the degree of customization to individual customer requirements was a strategy used to a great extent to enhance performance in the flower industry. The findings concur with the literature review that strategic marketing is crucial to an organization because it takes into consideration fundamental changes in the environment thus making firms proactive rather than reactive.

According to the findings, an overwhelming majority of the marketing managers affirmed that innovation was a marketing strategy that influenced performance to a great extent while some asserted that promotion strategies influenced performance to a great extent. On the same view majority pointed out that good network distribution was a marketing strategy that influenced performance to a great extent. More so majority were of the opinion that intensive distribution channels influenced performance to a very great extent while some asserted that customized products was a strategy that influenced performance to a great extent. This expands the expression by Abdalla (2001) that good network distribution strategies fulfill demand and ensure extensive brand availability within consumers reach when needed especially in high traffic areas. Intensive distribution channels ensure success in market share expansion, growth and profitability. Further branding plays a major role in product strategies with product quality being a major emphasis. To build strong brands, one needs well planned and well executed marketing strategies. To succeed companies also have to carefully and continuously study consumer behavioral trends over time and adjust accordingly.

On organization performance, overwhelming majority of the marketing managers affirmed that machine breakdown affected efficiency to a great extent and therefore impacting the organization

performance. On the same note majority asserted that power failure affected efficiency to a great extent and this impacted negatively on the organization performance followed by some who pointed out that repairing of equipment affected efficiency to a very great extent and this impacted on the organization performance. More so majority asserted that employees understood and followed the mission statement of the company to a little extent. However an overwhelming majority of the managers asserted that change of the mission statement to reflect dynamic changes was to a very little extent. This in return affected the organization performance since the strategies applied yielded to little or no growth of sales in the flower industry.

5.3 Conclusion

From the findings, it is clear that flower firms must ensure that their marketing strategies are perceived as the best by the customers who can otherwise be lost to the rival companies if these rival companies devise better marketing strategies targeting the same customers. They need to recognize the critical value of customer service through consideration of external environment such as customers, competitors and government. This can be fully achieved by putting into consideration factors such as product attribute, customers and product branding. Although the findings indicate that in most strategic marketing strategies customer needs are key in achieving profitable performance. To best identify the customer needs, avenues such as customer complaints analysis among others are necessary and this will be achieved through aggressive market research by the flower firms. Promotion strategies such as intensive distribution channels will ensure success in market share expansion, growth and profitability. Efficiency is another factor that affects strategies in return affecting organization performance. Machine breakdown, repair of equipment and power failure are but factors that should be avoided since they slow down on the marketing strategies adopted by the organizations. It is imperative for flower firms to ensure that their organizational strategies such as mission statement are changed to reflect dynamic changes. Marketing strategies adopted should base their factors on the quality of their services that will be in the best interest of their customer and the organization performance as a whole. This perception should be considered when flower firms companies are developing their organizational marketing strategies geared towards retaining their customers.

5.4 Recommendations

Basing on the findings of this study, the following recommendations are made:

The study recommends that flower firms should ensure that the ultimate goal for any marketing strategy they develop is customer satisfaction. This is because customer satisfaction is a good predictor of future purchase behaviour. Satisfied customers can help to generate more profits for the company because they are responsible for a large percentage of sales and are cheaper to maintain than new customers.

The impact of a firm's own strategic marketing practices, and actions in the marketplace, are likely to be effected by the actions of competitors, together with general market conditions. Thus the study recommends that the flower firm's mission statement capabilities should be guided by a shared understanding of the industry structure, the needs of target customer segments, positional advantages being sought, and trends in the environment. This will consequently improve on the firm's market revenue, share and profitability.

Lastly flower firms should concentrate their strategies on meeting the customer's expectation and offer more benefits to the customer. This includes the customer's expectation in terms of price, network quality and more promotional benefits. This will go a long way in retaining the customers in their networks and increase the organization performance at large.

5.5 Suggestions for Further Studies

This study focused on flower firms only. Further similar research should be conducted on a different industry to test for consistency in the results.

It is also suggested that a similar research should be conducted on the same companies after a span of several years to examine the developments in market share of these flower firms.

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APPENDIX

APPENDIX I: QUESTIONNAIRE

The purpose of this questionnaire is to investigate the influence of strategic marketing practices on performance of flower industry in Kenya. The information you provide will be treated with confidentiality.

SECTION A: BACKGROUND INFORMATION

1. What is your highest level of education?

PHD

Masters

Bachelors' Degree

Diploma

Secondary Level

Any Other (Specify).....

2. Kindly indicate how long you have served in this organization

0-5 Years

6-10 Years

11-15 Years

Over 15 years

3. What is the size of your firm?

Small Company, (0 – 40 Employees)

Medium Company, (40 – 100 Employees)

Large Company, (Above 100 Employees)

SECTION B: STRATEGIC MARKETING PRACTICES OF FIRMS IN THE FLOWER INDUSTRY IN KENYA

5. What do you mainly focus on in marketing to make your organization competitive?

- Product Attribute
- Brand
- Customer
- Any Other (Specify).....

6. Which promotional strategy do you use?

- Advertising
- Personal selling
- Internet
- Promotions
- Any Other (Specify).....

7. To what extent do you use marketing research?

- Very Large Extent
- Large Extent
- Moderate Extent
- Little Extent
- Very Little Extent

8. To what extent does your organization use the following strategies to enhance your performance?

Strategy	Very Extent	Great Extent	Moderate Extent	Little Extent	Very Little Extent
Impact assessment of the external environment					
Analysis of competitor strengths					
Optimum use of resources					
The degree of customization to individual customer requirements					

SECTION C: INFLUENCE OF STRATEGIC MARKETING PRACTICES ON THE PERFORMANCE OF FIRMS IN THE FLOWER INDUSTRY

9. To what extent does strategic marketing influence performance of your organization?

- Very Large Extent
- Large Extent
- Moderate Extent
- Little Extent
- Very Little Extent

10. To what extent do the following marketing strategies influence performance of your organization?

Strategy	Very Extent	Great Extent	Great Extent	Moderate Extent	Little Extent	Very Little Extent
Innovation						
Promotion strategies						
Good network distribution						
Intensive distribution channels						
Customized Products						

11. Kindly give suggestions and recommendations on how to improve on strategic marketing in your organizations?

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SECTION D: ORGANIZATIONAL PERFORMANCE

12. To what extent does the following affect your efficiency?

Strategy	Very Extent	Great Extent	Great Extent	Moderate Extent	Little Extent	Very Little Extent
Machine breakdown						
Power failure						
Repairing of Equipment						

13. To what extent do the employees understand and follow the mission statement of the company?

- Very Large Extent
- Large Extent
- Moderate Extent
- Little Extent
- Very Little Extent

14. To what extent does the mission statement of the company agree with customers wants?

- Very Large Extent
- Large Extent
- Moderate Extent
- Little Extent
- Very Little Extent

15. Do you have a mission statement?

- Yes

- No

16. To what extent have you changed your mission statement to reflect dynamic changes?

Very Large Extent

Large Extent

Moderate Extent

Little Extent

Very Little Extent

Thank you for your time