

Factors affecting adoption marketing strategies in Eldoret town assignment

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AN INVESTIGATION INTO THE MARKETING STRATEGIES IN MICRO AND SMALL ENTERPRISES. A Case Study of Exhibition Hall entrepreneurs in Eldoret Town.

1. 0 INTRODUCTION 1. 1 BACKGROUND The informal sector has gained recognition especially in third world countries. It has emerged as a source of increased output, income and employment for marginalized members of the society. This has come in handy considering the dismal performance of the formal sector in these countries. According to Nowak (1988), continents in which the sector has gained recognition are Africa, Latin America and Asia. It has continued to contribute a big portion of the Gross Domestic Product (GDP) in countries that are in these continents. Micro and small enterprises (MSEs) cut across all sectors of our country's economy and provide one of the most prolific sources of employment, not to mention the breeding ground for medium and large industries which are critical for industrialization. According to the 2003 Kenya economy survey, employment within the MSE sector increased from 4. 2 million persons in 2000 to 5. 1 million persons engaged in employment. The sector contributes up to 18. % of the country's Gross Domestic Product (GDP). This sector therefore is not only a provider of goods and services, but also a driver in promoting competition and innovation, and enhancing the enterprise culture which is necessary for private sector development and industrialization. Despite the significant role played by the sector, it has continued to experience many binding constraints that have inhibited the realization of its full potential. These include poor access to markets, financial services, unfavorable policy, legal and regulatory environments among others. According to the Sessional paper No. of 2005 on development of MSEs for wealth and employment

creation for poverty reduction, MSEs have a high mortality rates with most of them not surviving to see beyond their third anniversaries. This phenomenon has made it difficult for MSEs to graduate into medium and large scale enterprises, thus the 'missing middle'. This has resulted in a weak base for industrial take-off and sustainable development. Although the flow of information on MSE markets has slightly improved, many MSEs still do not know where and how to access existing and relevant marketing information. As a result, the majority rely on informal feedback from customers.

Competitiveness of MSEs remains weak due to poor product quality, packaging, advertising and distribution. The MSEs performance and competitiveness must therefore be increased if it is to effectively respond to the challenges of creating productive and sustainable employment opportunities, promoting economic growth and poverty reduction in the country. Janson (1999) posed that the lack of marketing know-how of entrepreneurs displays itself starkly in most MSE business premises. It is common sight to notice a group of MSE entrepreneurs at one location selling the same kind of products and services to customers.

Competition between them gets very tough such that, it is only the 'lowest bidder' who will win the customers. This in effect eats into their profit margins reducing the prospects for reinvestment and growth. This problem is noticed in the exhibition halls. Namada-Mulla (2004), describes exhibition hall traders as those small scale businesses which are clustered together in a specific geographical location. They are characterized by public displays of

goods and works of art. Over the last 10 years exhibition halls have stirred thriving small scale businesses.

They are characterized by similarity in products; huge discounts offered ever changing consumer preferences. She further points out that stiff competition exists in exhibitions due to the characteristics indicated above.

Entrepreneurs need to come up with marketing strategies that will guide them in responding to such challenge in the market arena such as high competition. Mintzberg (1994) poses that strategy is a response to internal and external factors or forces which can be simple or complex but which are perceived as being critical to the existence of an organization.

An assessment of the strategic options available to the business will give insights into how the performance of existing products can be improved. Also opportunities for new product development and the possibilities for entry into new segments and markets will be revealed it therefore provides the foundation for the future direction of the business. The study therefore seeks to establish the marketing strategies employed by exhibition hall traders in Eldoret town and to come up with possible intervention to the problems that affect their sales volume and profitability brought about by marketing environment. . 2 STATEMENT OF PROBLEM According to Namada-Mulaa (2004) micro enterprise traders under the exhibition halls face immense competition from among themselves and the larger traders. These challenges come in because of the nature of their business which is characterized by similarity in products, huge discounts offered and ever changing customer preferences, among others. The Sessional Paper No. of

2005 indicates that most small and micro enterprises are confined to very narrow local markets where intense competition drives prices down, resulting in very low margins.

In many cases the markets mechanisms that can deal with these problems are either missing or weak. Despite the growth in numbers of small and micro enterprises operating in Eldoret town under the exhibition halls, most of them lack marketing plans and strategies to help them beat the competition. Thus the overall research problem addressed in this study is to identify the effective marketing strategies and give possible interventions to these problems.

1. 3 OBJECTIVES OF STUDY

General Objective To investigate the marketing strategies adopted by the micro-enterprises operating in the exhibition halls in Eldoret town.

Specific Objectives: 1) To identify the marketing environment of the entrepreneurs 2) To identify the marketing constraints experienced by the entrepreneurs 3) To identify the competitors in their market 4) To identify the marketing strategies employed by the enterprises

1. 4 RESEARCH QUESTIONS

1) What is the composition of the marketing environment of micro-entrepreneurs? 2) What marketing constraints do they face in their daily activities? 3) What is the composition of the competitors in the sector? 4) What are the marketing strategies employed by entrepreneurs?

1. 5 SIGNIFICANCE OF STUDY

Findings of this study will be of importance to exhibition entrepreneurs, research institutions and government policy makers. To the exhibition entrepreneurs, it will shed light on the need for marketing and give possible

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marketing strategies which they can utilize to achieve competitive edge. To research institutions, an insight into the markets and marketing information needed and will help them design programmers (marketing) suited for such a growing sub-sector. It will add more knowledge to already to already existing knowledge or issues that affect business performance of this sub-sector.

1. EXPECTED LIMITATIONS The anticipated challenges will include those of financial constraints, the data collection will be strenuous because the most of the respondents are illiterate or their literacy level is wanting and this will consume lots of the researchers time.

1. 7 SCOPE OF STUDY The study will cover the exhibition hall traders found in Eldoret town. Only those traders found in the designated halls will cover the population of the study from which the sample will be selected.

CHAPTER TWO 2. 0 LITERATURE REVIEW

2. 1 INTRODUCTION This chapter is on literature that has been reviewed on the marketing strategies that have been adopted by micro-enterprises. The ensuing discussion looks into the marketing challenges and constraints faced by micro-entrepreneurs as they conduct their businesses in the market environment. Further it seeks to analyze the competition in the market and find out the marketing strategies employed by these traders in order to beat the cutthroat competition amongst themselves and from the larger traders. This chapter also has a summary of the conceptual framework showing a pictorial presentation of the model of the study.

. 1. 1 MARKETING STRATEGY DEFINED Marketing strategy indicates the specific markets towards which activities are to be targeted and the types of competitive advantages that are to be developed and exploited. Implicitly the strategy requires clear objectives and focus in line with an organization's corporate

goals; the right customers must be targeted more effectively than they are by its competitors, and associated marketing mixes must be developed into marketing programs that successfully implement the marketing strategy. (Dibb et al, 1997) Dibb et al further states that a strategic market plan is an outline of the methods and resources required to achieve an organization's goals within a specific target market. It takes into account not only marketing but also all functional aspects of a business unit that must be coordinate. These functional aspects include production, finance and personnel. Environmental issues are an important consideration as well. 2. 1.

2 STRATEGIC MARKET PLANNING

According to Dibb et al (1997), the process of strategic market planning yields a marketing strategy that is the framework for a marketing plan. A marketing plan includes the framework and entire set of activities to be performed; it is the written document or blueprint for implementing and controlling an organization's marketing activities. This process is based on an analysis of the environment, by which it is very much affected.

Environmental forces can place constraints on an organization and possibly influence its overall goals; they also affect the amount and type of resources that a firm can acquire.

However, these forces can create favorable opportunities that can be translated into overall organizational goals and marketing objectives.

Environmental forces more directly influence the development of a marketing strategy through their impact on consumers' needs and desires.

In addition, these forces have a bearing on marketing mix decisions. The

organization must diagnose the marketing mix activities it performs, taking into account competitors' marketing mix decisions, and develop some competitive advantage to support a strategy. 2. 1. 3 THE MARKETING MIX

Kotler (2000) defines the marketing mix as the combination of detailed strategies, tactics, operational policies, programs, techniques and activities, to which resources may be allocated such that the enterprise's marketing mix may effectively be described and on the basis of the 4Ps: ??? Product: denotes what good or service an enterprise will produce and offer for sale. The product/service should meet the needs and wants of consuming public ??? Price: means that the enterprise offering a good or services should do so at a price at which the consuming public or the target consumers can afford. Place: means that the goods/service produced for sale by an enterprise should be available as near as possible to where the consumers need it. The location of a good/service should be convenient and attractive to the consumer if demand for it was to be sustained. ??? Promotion: denotes all that an enterprise will do to inform the consumer of the existence of the good or service and encourage the consumer to buy the same, through encouraging price, bringing the goods near the consumers, displays, advertising and personal selling. 2. THEORETICAL AND EMPIRICAL REVIEW OF MAJOR ISSUES 2. 2. 1 THE MARKETING ENVIRONMENT OF SMALL ENTERPRISES Cronje et al(2000) describes the market environment as consisting of consumers, their needs, purchasing power and behavior, suppliers to retailers of stock and raw materials, competitor actions and changing strategic input identified opportunities and threats all relate and have direct influence on the micro environment of the enterprise. The micro <https://assignbuster.com/factors-affecting-adoption-marketing-strategies-in-eldoret-town-assignment/>

entrepreneur's survival is closely linked to the relationships developed within this market.

For micro entrepreneurs maintaining and attracting new committed customers is vital. The balance between credit 'squeezed' from suppliers and that which is hesitantly and begrudgingly allowed to selected customers determines the enterprise's liquidity. This liquidity must also cater for daily drawings by the micro entrepreneur and thus the protection of his market is jealously monitored. Any form of competition is not tolerated and is generally regarded as a direct threat to their survival.

Where competition is traditionally viewed as a mechanism which keeps excessive profits in check, promotes improved standards and stimulates higher productivity, fighting competition is done on the basis of satisfying consumer needs better than competition. 2. 2. 2 THE MACRO- ENVIRONMENT

The macro-environment consists of a number of broader forces that affect not only the company but also the other actors in the macro-environment. These can be grouped under economic, social, cultural, political, legal and technological. These shape the character of the opportunities and threats facing a firm and yet largely uncontrollable.

Economic Environment : Cronje et al(2000) states that the most important interface between the economic environment and a business concern the economic growth-rate, consumer incomes, inflation, monetary and fiscal policy, and fluctuations in these variables. The economic factors which may be worth taking note of besides the patterns of economic growth and inflation are the stock market activities, the financial rate of return are the

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stock market activities, financial rate of return and the foreign exchange rates as these also affect the amount of money in circulation and pricing from suppliers.

The economic environment can have a critical impact on the success of enterprises through its effects on supply and demand. Agriculture is the mainstream of the Kenyan economy. Productivity levels are usually low leading to low incomes that fluctuate from season to season, depending on the prevailing world market prices of agricultural products. Due to low levels of income, internal markets are small, discouraging growth. Often the following situation arises; ??? Only one established firm adequately serves the entire market as it becomes difficult to other firms to get into similar operations. ??? Many firms compete to serve the imited markets available resulting to intense rivalry. The Kenyan government lays a lot of emphasis on individualization and protects local industries from foreign competition. This has led to inefficiency; products tend to be expensive and are not competitive in foreign markets, which is limited. However, with liberalization of the economy, high value for money imports, although heavily taxed are increasingly having a competitive edge over local products. Social Environment: the rate of change within our environments has been strongly linked to the dramatic changes which have been experienced in the social cultural and demographic spheres.

Changes in these variables impact on virtually all products, services, markets and consumers. Van Aardt (1997) argues that trends in these environments are shaping the way we live, work, produce and consume. In Kenya there is a

very strong element of the extended family, whereby individualism is discouraged. Members of the extended family feel part and parcel of one's business. Business owners tend to have more faith and trust on relatives including members of the extended family, or even people from their own ethnic group.

Whereas the entrepreneur may perceive these people as good employees, this may not always be the case. Political and Legal environment These can influence marketing decisions by determining the rules by which businesses can be conducted. Close relationships with politicians are often cultivated by organizations both to monitor political moods and also influence them. Government laws and regulations enhance or inhibit business activity. The government tends to centralize decision making in the high echelons of government and there is little delegation of authority.

This not only makes decision making slow but also gives rise to abuse of power and corruption. Also the government heavily regulates business operations through licensing and setting up of government regulatory bodies. The sessional paper No. 2 of 2005 indicate that most small and micro entrepreneurs consistently encounter harassment from local Authorities and Government officials over attempts to operate on unused land, and the daily license fees are often demanded several times as there is no clear policy and for managing informal trade. Further dispute resolution is another area of problems for small business people. They find the judicial systems complex, expensive, time consuming and sometimes unfair. Technological

Environment Technology can have a substantial impact on people's lives and

firm's fortunes. Technological breakthroughs have given us body scanners, robotics, computers and many other products that have contributed to the quality of life. Many technological breakthroughs change the rules of the competitive game. Monitoring the technological environment may result in the spotting of opportunities and major investments into new technological areas. The Sessional paper No. of 2005 indicates that small and micro enterprises are characterized by restricted levels of technology, inappropriate technology and inadequate institutional capacity to support adaptation and absorption of modern technological skills. In addition, they also suffer lack of information on existing technologies and their potential for increased trade. Specifically they suffer a weak environment that hampers coordination and transfer of appropriate technology. Consequently, the sector continues to experience low productivity, poor quality and limited range of products, resulting in low competitiveness of their products.

Further the institutions expected to provide technical services are weak and lack specialized capacity to meet the needs of the sector. 2. 2. 3 MARKETING CONSTRAINTS OF SMES Njoori (1996) poses that the growth of the micro and small scale sector is severely handicapped by lack of business management skills, poor marketing organization, inaccessibility to credit and lack of information on appropriate technology and products. The informal sector activities are largely ignored, rarely supported and often regulated and sometimes discouraged by the government. According to the Sessional paper No. of 2005, access to markets and marketing information is a severe constraint to the small and micro enterprise development in Kenya. Overall, aggregate demand is low, markets are saturated due to dumping and

overproduction, and in many cases markets do not function well due to lack of information and high transaction costs. Competition in some products is unfair with imported goods finding their way into the local market without payment of statutory duties. Further, many micro entrepreneurs do not know where and how to access existing and relevant marketing information, as a result the majority relies on informal feedback from customers.

Competitiveness of the small and micro entrepreneurs remains weak due to poor product quality, packaging, advertising and distribution. Mwaura (1997) points out that most micro enterprise suffered a serious deficiency in marketing and consumer related skills. Some firms were forced by competition to divest or invest in other product lines where competition was less severe. Poor quality business support programs by both government and non governmental organizations has led to duplication of activities and over concentration on one aspect of business support activities to the detriment of others.

This has been due to lack of coordination among agencies and the entrepreneurs. According to Bokea (1999) small enterprises generally serve markets that are in the immediate vicinity which offer only limited opportunity for expansion. This tendency may persist as a result of: ???
Imitative patterns of development so that markets become saturated ???
Limited marketing management capabilities and marketing resources ???
Lack of technical base and know-how which confines small enterprises within a narrow range of products and services ???
Lack of exposure to information on new products and market development

According to GOK (1994) Program for Small scale Enterprise development and Employment creation program support document, lack of credit facilities remains the most noteworthy challenge to SMEs. It has received the most attention in terms of research and development assistance. However, researchers in the past studies have noted that respondents tend to attribute all their problems on lack of credit facilities. This has led to over concentration on credit assistance to the detriment of other important non-financial support services, which leads to mass failure of SMEs.

Further the ILO (1972) suggests that existing firms fail to grow large when more small firms constantly enter into a stagnant or slowly growing market. In micro enterprises individuals constantly enter in the market after losing hope of formal employment. They start business in order to survive. Due to low income and poor economic conditions, the businesses compete for a very limited market making it difficult for them to earn a reasonable living and re-invest. The National Micro and Small enterprise baseline survey (1999) indicates that 49. % of enterprises had not advertised their products either through electronic, print media and trade exhibitions while 42. 2% indicate that promotion is through their customer after they are supplied with quality goods. Market promotion can be quite expensive for the small enterprises. The government and development agencies in the sector need to identify appropriate marketing channels for micro enterprise products. According to Njoori (1996) there are many potential users of small and micro enterprise products who would buy them if they knew about them.

The quality, quantity and price would suit their needs, transport facilities are available and potential suppliers would be willing and able to provide what is required, but neither side is aware of the possibilities. Quality standards pose further problems in that the products/services are not necessarily of a lower standard, however that may be defined, than those of large firms; they are almost inevitably less consistent. The most intractable problems arise from the small scale which is the very merit we are trying to promote.

The mass media reach out beyond the urban consumer through radios, loudspeaker vans, mobile cinemas and posters; people who have recently entered the monetary economy and start to make decisions about what they will consume are readily susceptible to promotion techniques which have been developed and tested with more sophisticated consumers. These media are expensive and depend on large volume for their justification; the audience is far wider than the tight group which a small business can hope to reach with its products themselves, and they are not divisible.

Njoori (1999) further points that most small businesses which make consumer products sell them direct to the final users, without going through intermediaries; they are able to do this because they are small, and can dispose off their products to the relatively small number of people who pass by their shops. It is in their interest to do so because their products depend on their price for demand and the selling function does not usually distract the staff from the main task of producing.

They may indeed depend on the cash from one sale to finance the working capital requirements of the next so that the immediate cash settlement is

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essential for their survival. Omuyitsi (2000) points that any attempt to help small and micro enterprises sell more should presumably start with the group to whom they are currently selling; it is usually the stated objective of any government to increase the purchasing power of the poor and of small-scale farmers, and if these policies are successful one by-product should be increased business for small enterprises.

Small firms can adjust more easily to products of variable standards, and, as with consumer purchases, family or community ties may facilitate the transaction. He further asserts that poor people, farmers and other small firms are the main customers of small businesses. Small businesses cannot afford to promote their products through the mass media; they cannot offer the bulk or consistency of quality necessary to satisfy the demands of the large-scale shops where rich people buy and they are neither socially or economically a part of the modern formal sector which is made up of wealthier people and large modern organizations. . 2. 4 COMPETITOR ANALYSIS Jobber (1995) posed that satisfying customers is a central tenet of the marketing concept but it is not enough to guarantee success. The real question is whether a firm can satisfy customers better than the competition. Since business performance depends upon both customer satisfaction and being able to create greater value than the competition, firms need to understand their competitors as well as their customers.

By understanding competitors a firm can better predict their reaction to any marketing initiative that the firm might make and to any marketing initiative that the firm might make, and exploit any weaknesses that they might

possess. Competitor analysis is thus crucial to the successful implementation of marketing strategies. Competitor analysis seeks to answer 5 key questions: ??? Who are our competitors ??? What are their strengths and weaknesses ??? What are their strategic objectives and thrusts? ??? What are their strategies ??? What are their response patterns

Who Are Our Competitors

The danger when identifying competitors is that competitive myopia prevails. This malady reflects in a narrow definition of competition resulting in too restricted a view of which firm's are in competition. Only those enterprises that are producing technically similar products are considered to be the competition. This ignores enterprises purchasing substitute products that perform a similar function and those that solve the problem or eliminate it in a dissimilar way. The actions of all these types of competitors can affect the performance of an enterprise and therefore need to be monitored.

Their responses also need to be assessed as they will determine the outcome of any competition more than the enterprise may wish to make. Beyond this current competition the environment needs to be scanned for potential entrants into the industry. These can take two forms: ??? Entrants with technically similar products and those invading the market with substitutes. ??? Enterprises with similar core competencies to present incumbents may pose a threat of entering with technically similar products.

What Are Their Strengths and Weaknesses

A precise understanding of competitive strengths and weaknesses is an important prerequisite of developing competitive vulnerability. Military

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strategy suggests that success is most often achieved when strength is concentrated against the enemy's greatest weaknesses. This analogy holds true for business as the success of Japanese companies in the car and motor cycle industries bears testimony. What Are Their Strategic Objectives And Thrusts? It is useful to know what strategic objectives are being pursued by competitors because their response pattern may depend upon objectives.

Knowing competitor's strategic objectives is also useful in predicting their likely strategies. Strategic thrust refers to the future areas of expansion that an enterprise might contemplate. Broadly an enterprise can expand by penetrating existing markets more effectively with current products, launching new products in existing markets or by growing in new markets with existing or new products. What Are Their Strategies At the product level, competitor analysis will attempt to deduce positioning strategy.

This involves assessing a competitor's product's target market and differential advantage. The marketing mix strategies may indicate target market, and marketing research into customer perception can be used to assess relative differential advantages. What Are Their Response Patterns A key consideration in making a strategic or tactical move is the likely response of competitors. Market leaders often try to control competitor response by retaliatory action. These are called retaliating competitors because they can be relied on to respond aggressively to competitive challenges.

Other competitors may respond selectively because of tradition or beliefs about the relative effectiveness of marketing instruments. Other competitors

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are totally unpredictable in their response pattern. Sometimes there is a response, at other times, there is none at all. Some moves are countered aggressively, with other reaction is weak. Some firms employ role-playing to assess competitor reactions. Their managers act out the roles of key competitors to and prediction of their response to a proposed marketing initiative.

2. DEVELOPING COMPETITIVE MARKETING STRATEGIES IN MICRO ??? ENTERPRISES

Michael porter developed a framework for industry analysis whereby he identified five factors that should be analyzed in a given industry that can influence business strategies for the organization. Reid (1993) noted that porter's framework applies to large firms. To be able to transfer this framework from large enterprises to small firms, one has to be aware of the two crucial modifications. Small firms display the behavior of firms in early life cycle activity.

Effort is devoted to establishing by discovery or creation of a competitive niche and little is directed to defending and blocking large corporations are much more in mature phase of development. Second modification requires porter's framework to take the market segment rather than the market as a whole. In small firms, strategic targets are market segments very often through small niche exploitation. Reid (1993) further argues that when the owner-manager of small firms talk about market he usually means a segment of a much larger generic market. Porter's generic strategies involve cost leadership, differentiation and focus.

Reid(1993) points out as more appropriate to small scale enterprises is focus strategy combining elements of cost leadership and product differentiation

directed at a specific market segment. Therefore, a focus strategy, aimed at a specific market segment seems most likely to offer small enterprises a competitive advantage.

2. 3. 1 STRATEGIC OPTIONS FOR INCREASING SALES VOLUME

Jobber (1995) posed the following strategic options available for increasing sales volume. It can be achieved by market penetration, market expansion, product development, market development or entry into new markets.

Marketing penetration: the most basic method of gaining penetration in existing markets with current products is by winning competitors customers. This may be achieved by more effective use of promotion or distribution, or by cutting prices. To protect the penetration already gained in a market a business may consider methods of discouraging competitive entry. Barriers can be created by cost advantages; highly differentiated products, high switching costs (the costs of changing from existing supplier to new supplier) and displaying aggressive tendencies to retaliate.

Market expansion; a firm may attempt to expand a market that they already have by converting non-users to users of their product. This can be an attractive option in new markets when non-users from a sizeable segment and may be willing to try the product given suitable inducements. **Product development;** this involves the development of new products for existing markets. One variant is to extend existing product lines to give current customers greater choice. When new features are added (with an accompanying price rise) trading up may occur with customers buying the enhanced value products upon new ones.

Product replacement activities involve the replacement of old brands/models with new ones. A final option is the replacement of an old product with a fundamentally different one often based on technology change the business thus replaces and old product with and innovation. Market development; this entails the promotion of new user of existing products to new customers or the marketing of existing products to new market segments. 2. 3. 2

STRATEGIC OPTIONS OF IMPROVING PROFITABILITY Jober (1995) further stated the alternative approach to improving performance is to improve profitability.

There are three ways in which this can be achieved; reduce costs, rationalize operations or increase prices. Reduce costs; this option examines ways of reducing costs on an existing product line. Fixed costs are those that cannot be varied in the shorter period. These costs have to be paid whether the business produces one unit of output or several thousands. A more positive way of reducing fixed costs is by increasing capacity utilization and consequently reducing fixed costs is by sub-contracting. Profitability can also be improved by reducing investments in such areas as stocks including work-in-progress, and accounts receivable.

This reduces the working capital of the business and will have a direct effect on return on investment. Rationalize operations; three alternatives may be considered: ??? Market segment rationalization; this involves the dropping of a market segment to serve or servicing them in a cheaper way. ??? A product line may be cut back to one or a few items, thus streamlining the production process. A business may decide to cut back on distribution

channel width in order to make economies. ??? Increase price; an alternative to cutting costs is to increase margins by raising prices.

Opportunities to increase prices may be signaled by positive marketing research results that indicate discrepancies between perceived value and price, general industry price rises or an excess of demand over supply. An assessment of the strategic options available to the business will give insights into how the performance of existing products can be improved. Also opportunities for new product development and the possibilities for entry into new segments and markets will be revealed. It therefore provides the foundation for the future direction of the business. . 4 CONCEPTUAL

FRAMEWORK Micro-entrepreneurs in the exhibition halls face immense competition from amongst themselves and the larger traders. This is attributed to the nature of their businesses and that they are confined to very narrow local market where this competition drives prices down resulting in very low profit margins. For them to be able to beat the competition and attain a competitive edge, they need to devise marketing strategies which will enable them increase their sales volume and level of profitability.

Marketing strategy indicates the specific markets towards which activities are to be targeted and the types of competitive advantages that are to be developed and exploited. Implicitly the strategy requires clear objectives and focus in line with an enterprise's goals; the right customers must be targeted more effectively than they are by its competitors, and associated marketing mixes must be developed into marketing programs that successfully

implement the marketing strategy. The conceptual framework is shown below:

INDEPENDENT VARIABLE DEPENDENT VARIABLE | Market Environment | |
 Political and legal | | Socio-cultural | | Technological | | Economical | | Market
 Constraints | | Low demand | | Customer preferences | | Similarity of products
 | | Lack of access to markets | | Poor marketing information | | Marketing
 Strategies | | Competitor analysis | | Who are our competitors | | What are
 their strengths and weaknesses | | What are their strategic objectives and
 thrusts? | | What are their strategies | | What are their response patterns |

Fig 1: Conceptual Framework Source: Author (2007) 2. 5 SUMMARY AND GAPS TO BE FILLED BY THE STUDY Past studies have been conducted on micro-enterprises such as marketing research in micro and small enterprises (Omuyitsi 2000), competitive strategies adopted by small and medium scale enterprise (Namada-Mulla 2004), marketing of woodwork in Ongata Rongai (Njoori 1996), but little has been done on the marketing strategies for micro-enterprises in exhibition halls in Eldoret town.

The study is therefore necessary to be undertaken to quantify the impact of the marketing strategies on the traders who face various marketing constraints (low demand, high competition, frequent changes in customer preferences and narrow markets among others): it is hoped that businesses with appropriate market strategies will be identified and further make recommendations what will contribute positively towards their growth and success. CHAPTER THREE 3. 0 METHODOLOGY The methodology to be

applied in this study will involve field survey within the exhibition halls in Eldoret town.

This will use two research instruments: ??? The questionnaire ??? Interviews
In-depth analysis of relevant secondary data sources such as policy papers, official documents, reports, journals and published books. The aim is to collect relevant information necessary to find answers to the central concerns of the study. 3. 1 RESEARCH DESIGN The study will use a survey approach that will adopt descriptive research design. Two research instruments will be used. ??? The questionnaire ??? Interviews
Questionnaires with a set of carefully structured closed and open-ended questions will be used.

Due to the literacy level of the micro-entrepreneurs, structured interviews will be used to gather information from those who will not be able to read and answer the questionnaires. 3. 2 TARGET POPULATION The population of study consists of licensed micro-entrepreneurs operating within exhibition halls in Eldoret town. The choice is made considering the fact that most of the licensed micro-entrepreneurs will be able to give relevant information and will be less suspicious of the intended research. 3. 3 SAMPLING PROCEDURE

Since the study aims at investigation the marketing strategies adopted by exhibition hall micro-entrepreneurs, only those licensed and located within the stated halls will constitute the unit of analysis. To obtain the sample element of the population, two-stage multi-sampling method is used. At stage one, systematic random sampling is used. A fifth of the population is

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considered representative. Therefore $1/5 \times 75 = 15$ halls are chosen for the study. To obtain the 15 exhibition halls $K = 75/15 = 5$, each fifth exhibition hall will be sampled from the sampling frame.

At the second stage, micro-entrepreneurs are randomly selected from the sampled exhibition halls. It has been established that exhibition halls have an average of 12 enterprises. Therefore: $1/5 \times 12 = 2.4$ In each hall 2 enterprises will be randomly selected for the study. Therefore the total number of enterprises to be studied is: $2 \times 15 = 30$ Sample size is calculated as follows $n = \frac{n!}{N(N-1) \dots + n}$ Where $n =$ sample size for simple random sampling without replacement $N =$ Population size $n =$ Sample size estimate for simple random sampling with replacement

3. 4 DATA ANALYSIS

The research will utilize appropriate computer packages to analyze the descriptive data collected. Use of frequency tables, charts and graphs will show the relationship that exists between the variables identified in the research which will further guide in generating answers to the research questions posed in the study.

3. 5 EXPECTED OUTPUT

The research is expected to give answers to the questions and the objectives set in the study. The main objective of the study is to identify the marketing strategies adopted by the micro-entrepreneurs in the Exhibition hall in Eldoret town.