

3

Relationship between Marketing Practices and Firm Performance: Case of Clothing and Footwear SMEs in Makueni County, Kenya

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Abstract

Small and medium sized business experience has enabled many big companies to flourish. Studies have established that currently, many school leavers have found these businesses a major stepping-stone to counter long periods wasted before job acquisition or before any further training. This study aimed at investigating the relationship between marketing practices adopted by small and medium enterprises (SMEs) in Makueni County, Kenya, and the firms' performance in the clothing and footwear sector. The data for this study was collected using a structured questionnaire comprising both open-ended and close-ended questions. The questionnaire was administered through personal interviews with respondents who were owners of clothing and footwear stalls or shops in Makueni County. The data collected was analysed using descriptive statistics, correlation and regression analyses. Both hypotheses were rejected as only one variable of hypothesis one was supported since hypothesis one is depending upon seven variables, the fifth variable (advertising) shows the significant relationship with firm's performance. Hence, the study recommends that clothing and footwear firms should adopt new strategies, which may help to overcome the lacking in their marketing activities, which have overall impact on firm's performance.

Keywords: marketing practices, firm performance, small and medium enterprise

Introduction

Background of the Study

Marketing is the process of creating, distributing, promoting and pricing services and ideas, to facilitate a satisfying exchange relationship with

customers in a dynamic environment. As the purchasers of the products that organisations develop, promote, distribute and price, customers are the focal point of all marketing activities. The essence of marketing therefore, is to develop satisfying exchanges from which both customers and marketers benefit.

Marketing activities help produce the profits that are essential for not only the survival of individual businesses but also to the health and ultimate survival of any economy. Profits drive economic growth because without them, businesses find it difficult, if not impossible to buy more raw material, hire more employees, attract more capital, and create additional products that in turn make more profits. Without profits, marketers cannot contribute to the social causes (Lambin, 2000).

Lambin (2000) continues to assert that marketing helps in identifying your competitors. This will aid in seeing clearly your products competitive advantage in the market. When a company markets its product then necessarily it tries to expand its market but on the other hand, its competitors will not take it lying down. In most African countries, small and medium enterprises (SMEs) account for a significant share of production and employment and are therefore directly connected to poverty alleviation. SMEs, especially those in developing countries, are challenged by the globalization of production and the shift in the importance of the various determinants of competitiveness (Warden & Ng'etich, 2006). These business enterprises face stiff competition from large organisations and multinationals who by the advantage of their asset base, scale and scope of operations develop marketing practices that are far superior to the ones used by SMEs.

Bennet (1999) notes that successful small businesses are critical to maintaining a robust economy. He continues to observe that small businesses are recognised in America for not only building the economy but also bolstering democracy, self-reliance and independence. In the same journal, Christopher (1999), in an article entitled *Small Business in U.S. History*, observes that for more than a century, the government has implemented laws aimed at preventing big businesses from competing unfairly with small business.

Eeden (2004) argues that SMEs have received special attention from organisations and governments worldwide especially in developing

countries. In Kenya, they have been considered important because of job creation, generation of revenues to the government, sustenance of the individual, growth of trade and supply of goods and services (GoK, 1997). SMEs generate more direct jobs per dollar of investment than do large enterprises. They serve as a ground for developing technical and entrepreneurial skills and, by virtue of their greater use of indigenous technological capabilities, they promote local intersectoral linkages and contribute to the dynamism and competitiveness of the economy (Aryeetey, 1997).

One of the major development constraints faced by the SMEs is lack of access to adequate credit. Shortage of credit has been identified, the world over, as one of the most serious constraints facing SMEs and hindering their development (Oketch, 1995). In the absence of development of SMEs the country has continued to experience high levels of poverty (Macharia, 2003). Creating access to reasonably priced financial services has been identified as an effective strategy to promote the growth of firms or micro-enterprises in the informal sector.

Facing and addressing the challenges of SMEs in Kenya

The 2007–2008 political and social skirmishes in Kenya have added an extra layer of challenges to the Kenyan business community, the SME sector being one of the worst affected. The reason for this is, unlike big business that have cash reserves that help them weather the storm, the SME sector commonly operates on working capital and day-to-day cash. The existing reserves are primarily used to pay bills and source for new business.

The financial sector should be brought in to assist SMEs by coming up with financial rescue packages that can alleviate the problem while providing a solid foundation for growth. It must be noted that the financial sector is also affected by the situation in Kenya and as such, any assistance it gives needs to place it on a positive footing. The financial rescue package must not be seen as a long-term crutch, but rather as a short-term remedy to a long-term problem that will still need to be addressed.

Marketing practices

Growth in self-employment could be one of the most significant changes in the Kenyan labour market in the recent past. However, there is

evidence that small business failures result from lack of marketing or poor marketing practices, which include planning and implementation. While not all small businesses want to grow, all businesses need to adapt to changing customer needs (Oketch, 1995).

Marketing is crucial to small businesses even though not all techniques applied by large businesses will work for smaller ones. It is important to note that the Kenyan market has experienced an influx of foreign companies, products and services. As evidenced in the media today and with the marketisation of the Kenyan economy in the last decade, Kenya has been flooded with advertising campaigns.

In many instances, small businesses perceive marketing purely as selling, advertising or promotion; some sort of unnecessary luxury. Entrepreneurs are not always receptive to marketing unless there is need for growth or expansion. Small businesses typically develop and implement marketing strategies within severe resource constraints which in turn affect a firm's capability to pursue alternative marketing strategies. Consequently, this limits a firm's marketing tasks thus limiting entry to markets where businesses have sufficient resources to compete successfully (Managing Director, Iklas Kenya, Nov. 2004).

An overview of SMEs in Kenya

In practically every country, small and medium enterprises (SMEs) constitute almost 90% of all commercial business activity. Due to their crucial importance to the economy, governments and international agencies are constantly working to promote and sustain them in today's highly competitive environment. Extremely active in this area is the World Association of Small and Medium-Sized Enterprises (WASME), an international non-governmental organisation established in 1980.

Ruth (2003) says that Kenya faces constraints with inadequate access to capital, technology and information, improper marketing procedures and hostile regulatory laws. Another problem is that more SMEs in Kenya are involved in trade rather than manufacturing. We need to shift this emphasis. Today's global economy requires SMEs to use advanced technology. In Kenya in many cases, we do not know where to seek such technological information even when it is available. There is an imperative need for all of us to seek the ways and means to help developing countries access current technology.

Marketing theory development in SMEs has been somewhat limited and often relies on the application of classical marketing models to smaller businesses (Chaston & Mangles, 2002). They continue to assert that the development of theories to explain the behaviour of SMEs towards marketing and the marketing practices they use have generally been qualitative or descriptive and few have been rigorously tested in practice.

Micro-enterprises are very small businesses, often involving only the owner, some family members and at most one or two paid employees. They usually lack 'formality' in terms of business licenses, value added tax (VAT) registration, formal business premises, operating permits and accounting procedures. Most of them have a limited capital base and only rudimentary technical or business skills among their operators. However many micro-enterprises advance into viable small business.

Medium enterprises constitute a category that is difficult to demarcate in relation to 'small' and 'big' business categories. They are still viewed as owner/manager-controlled though the shareholding or community-controlled base could be more complex. SMEs are generally distinguished by the nature of their production and management arrangements, trading relations, financial practices, and internal competences among other factors. Typically, the following features in varying degrees characterise them: to begin with, they are small units usually rural based and family owned, small independent enterprises standing alone and producing for a well-defined market and low capital formation (Longenecker, Moore, & Petty, 2006).

Overview of Makueni County

Makueni County is an administrative unit in the Eastern Province of Kenya. Its capital town is Wote. Makueni County, carved off the former larger Machakos District in 1992, is one of the 13 counties that make up the former Eastern Province. Its altitude ranges from 600m in Tsavo at the southern end of the county to 1,900m in Mbooni and at the Kilungu Hills.

Though the population is expanding at a rate at par with the nationwide rate of 2.8%, the county is already experiencing a squatter problem (30,000 people) due to the high population density in high potential areas and the consequent scarcity of land that is pushing people to the marginal lowlands areas. Over 60% of Makueni residents derive

their incomes from agriculture; livestock keeping and crop production (KNBS, 2010).

Underdeveloped markets due to poor infrastructure in the county are issues of major concern to the growth of the crop sector. The rest of the households are engaged in self-employment in rural and urban areas, accounting for 15% and 8% respectively of the county's earnings. However, business prospects are limited by lack of credit and business management skills.

Statement of the Problem

Small and medium enterprises are widely recognized the world over for their role in the social, political and economic development. Researchers, Siu et al. argue that the basic principles of marketing are universally applicable to both large and small businesses (Siu and Kirby, 1998). The study of marketing practices in SMEs has been recognized as a problematic area for researchers for over 20 years (Chaston and Mangles, 2002; Siu and Kirby, 1998).

In the study carried out in Nairobi on the characteristics of small-scale manufacturing enterprises, Nyambura (1992) observes that the emergence of local entrepreneurs in the clothing industry has been hampered by poor attitude and lack of accessibility to markets. Locally produced goods by small enterprises were perceived as inferior hence experiencing low demand, which contributed to their low performance in the market.

However, academic research appears unable to resolve a number of questions about small and medium businesses and their relationship with and use of marketing. Insufficient knowledge about marketing practice in small and medium enterprises remains a big problem. A small business marketing theory, specifically related to the understanding and knowledge of SME marketing practices is needed. It is for this reason that the study purposes to investigate the relationship between marketing practices and firm performance of small and medium enterprises in the clothing and footwear industry in Makueni County, Kenya.

Importance of the study

The research findings are expected to contribute to a better understanding of SMEs in Makueni County. This will enable the formulation of focused intervention strategies and coordinate efforts aimed at facilitating

performance and growth of the SMEs to enhance the livelihood of the people in a county that is semi-arid and where poverty is evident since agriculture does not flourish.

In the face of the current economic downturn and financial crisis, the growth of the sector will go a long way in helping solve problems of unemployment, poverty reduction and increase rural incomes through value addition. The government will be able to understand how SMEs use marketing practices as a competitive strategy against intense competition from large enterprises, hence improving their sustainability. It will be in a position to formulate policies that are aimed at increasing productivity and safeguarding their interests

The findings of this study will also be invaluable to the small and medium enterprises as they will be able to better understand the effectiveness of the marketing practices they adopt. The recommendations given in the study will help the SMEs by equipping them with adequate knowledge on the marketing practices they should adopt.

The development partners who are usually interested in helping SMEs prosper will have an understanding of a wide variety of factors that hinder SME marketing practices hence sustainability and the extent to which the identified factors affect SMEs. Equipped with the right information, they will be able to know how best to come in and help the SMEs. These partners will be in a position to understand the challenges faced by these SMEs and most probably come up with the appropriate strategies to address those challenges.

The scholars and researchers who would like to debate or carry out more studies on SME marketing practices will find this study useful as a basis for carrying out more studies in Kenya. The study will form a basis upon which further research on the same will be based. The findings will enable the researchers to understand the necessary resources which may be required in future related studies.

Literature review

Theoretical Background

Research on small businesses and their marketing activities has been largely limited to explanations of certain types of behaviour observed in small businesses (Hannon & Atherton, 1998; Smith & Whittaker, 1998), or on the search for factors that are missing or present barriers

in smaller businesses, accounting for their apparent inability to apply or use marketing ideas and concepts that were often developed for larger businesses (Barber et al., 1989; O'Brien, 1998; Freel, 2000).

Work specifically on marketing models in SMEs has resulted in six interlocking exploratory and qualitative models (Carson, 1990). Hannon and Atherton (1998) suggested a matrix relating strategic awareness to planning effectiveness. None of these models resembles the role and relevance model. These frameworks and 'models' all make intrinsic sense of the situation in SMEs and other organisations. However, these frameworks and models are not, to our knowledge, 'proven' or tested in any formal way and so could be regarded as descriptive in nature.

Moller and Anttila (1987) devised a marketing capability framework, which was used to collect data from 36 Finnish and Swedish companies. They described their model as *a qualitative tool for examining the 'state-of-the-art' of marketing in small manufacturing companies* (Moller & Anttila, 1987). This model consists of two major components: the external and internal field of marketing capabilities. It therefore, potentially, has some similarity to the role and relevance model of marketing proposed by Simpson and Taylor (2002).

In most cases, competitive advantage was based on quality and service, while those competing on price were in the highly competitive markets with little or no product differentiation and low entry barriers (Campbell-Hunt, 2000). Product differentiation was a source of competitive advantage in some businesses while others were looking for niche markets (Hogarth-Scott et al., 1996). It would appear from that study that marketing did contribute positively to small business success and the ability to think strategically. This view is supported to some extent by the much earlier work of Rice (1983), where it was clear that there was a difference between big business strategic rational planning and that carried out in small businesses.

Melkert (2006) who represents 12 countries on the Board of the World Bank, eight of which had representatives at the Conference, stressed that SMEs are the backbone of a healthy economy, with the creation of conditions for domestic investment as key to development. "Foreign investors may shop around and move on; local entrepreneurs provide shops that last. The World Bank," explained Melkert, "is in the unique position of 'testing' the SME potential at many different levels

of economic growth. (SMEs are defined as enterprises, which have up to 50 employees and fixed assets of up to \$3 million). Our involvement includes the recognition that effective aid and private sector stimulus go hand-in-hand. The World Bank has invested in a number of projects to promote SME development.”

Marketing Mix Variables

Morden (1999) defines marketing mix as the combination of detailed strategies, tactics, operational policies, programme techniques and activities to which resources may be allocated such that the company's objectives are achieved. He further describes the variables based on the 4Ps namely, price, product, place and promotion.

Baron, et al. (1991) define the retail marketing mix as those activities that show similarities to the overall process of marketing, requiring the combination of individual elements. This definition closely resembles traditional definitions of the marketing mix given by well-known marketers from Levitt to Kotler (Levitt, 1991 and Kotler, 1983). Czinkota (1993) defines marketing mix as a complex of tangible and intangible elements to distinguish it in the market place.

It was after the Second World War that Cullotin originated the “P” philosophy of marketing, proposing a long list of Ps, which typified Profit, Planning, Production etc. and which stood for the key activities of running a business. It was his view that one could differentiate between sales orientated and a manufacture oriented company by examining the amount of emphasis given to the different “Ps”. Thus, the idea and eventually practice of a marketing orientated company emerged. McCarthy further developed this idea and refined the principle to what is generally known today as the four “Ps” (McCarthy, 1993). Product being something that can satisfy a customer's already existing or latent needs or wants. Price is defined as the value or sum of money at which a supplier of a product and buyer agree to carry out a fixed or negotiable exchange transaction. Place is the channel of distribution which provides link between production or supply and consumption. They make the product accessible to customers or buyers.

More recent work by other marketers has increased the number of “Ps” to be included, resulting in a list not too different from Cullotin's original. The service marketing literature extends the marketing mix,

broadening the traditional four “Ps” into the seven “Ps” of services by adding Physical Evidence, Participants and Process, thus including all elements an organization can control in order to satisfy its target market (Bitner, 1990 and Collier, 1991). In contrast, Jones and Vignali add an “S” for Service, which should be included as an essential basic element of the marketing mix (Jones & Vignali, 1994).

Product

A product is anything that can be offered to the market to satisfy a need or want. It is a set of tangible and intangible attributes, which may include packaging, colour, price, quality, and brand plus the seller’s service and reputation (Etzel, Walker & Stanton, 2007). Global Strategic Management must take into account the product features and positioning to develop a competitive global strategy. The product concept holds that consumers will favour those products that offer the most quality performance or innovative features. Managers in those organizations focus on making superior products and improving on them over time (Kotler, 2003). Product features influence the global Strategic Management decisions

Product colour will also vary from country to country and the firm should therefore consider this. Black in most African countries would be considered the colour of mourning; where as in some communities like in Egypt red would be unacceptable as it is a colour of mourning. In most African countries, green is considered a colour of prosperity; therefore, depending on the global firm it would like to have a green colour to associate with this prosperity as Vodafone has done with Safaricom in Kenya Product.

Product Positioning is the place that a product occupies in the consumer’s mind relative to competing products. For instance, Volvos in Europe, where there are many luxurious cars, is positioned on a safety platform (Brookes & Palmer, 2004). However, in Kenya it is positioned on a luxurious platform, as there are fewer luxurious cars.

The package and the consumer’s environmental standards will also influence the global strategy. For instance, in Africa where consumers want to use packages for secondary use and they are not environment sensitive, cooking fat and detergents may be packaged in plastic. The firm can even position it as it offers a cylinder with added benefits.

Promotion

Promotion is a mode of communication and as a tool, it persuades as well as informs the target audience. It tries to affect the awareness, feelings and behaviour of prospective customers (Etzel, Walker & Stanton, 2007). There are four forms of promotion, namely personal selling, advertising, sales promotion and public relations and each has a distinct feature that determine the role it can play in promotion programme.

Personal selling is a face-to-face or over-the-phone presentation of a product to a prospective customer by a representative of the organisation selling it. On the other hand, advertising is non-personal communication paid for by a clearly identified sponsor promoting an idea, organization or product. Sales promotion is sponsor-funded demand stimulating activity designed to supplement advertising and facilitate personal selling. They are designed to encourage the company sales force or other members of the distribution channel to sell products more aggressively. Samples, premiums, discounts, and coupons are some of the promotion outlets.

Public relations is a communications effort aimed at promoting favourable attitudes and opinions towards an organization and its products. It may be in the form of newsletters, annual reports lobbying or support of civic events (Etzel, Walker & Stanton, 2007).

Pricing

Price, in the narrowest sense, is the amount of money charged for a product or service. Broadly, it is the sum of all values customers give up in order to gain the benefits of a service or a good. (Kotler & Armstrong, 2008). Price is the amount of money and/or other items with utility needed to acquire a product (Etzel, Walker & Stanton, 2007). Utility is an attribute with the potential to satisfy wants. Consumer perceptions of product quality vary directly with prize.

The goods value of a product indicates that the product has the kind and the amount of potential benefits such as quality, image and purchase convenience that consumers expect at a particular price level. Price affects the firms competitive position in terms of revenue and profits because it is a major determinant of demand. Factors like differentiated product features, favourite brand, high quality and convenience affect pricing in an organisation and should effectively be combined to achieve business success (Stanton, 2008)

Distribution

Distribution is the physical transportation of goods from where they are produced to where they are needed (Etzel, Walker & Stanton, 2007). It is the process of making a product or service available for use or consumption by the consumer or business user (Kottler & Armstrong, 2009). It's role within a marketing mix is getting the product to its target market.

Producers of shoes and clothing do not deal directly with consumers, as is the case with many other products. Firms conclude that, it is better to use middlemen than the “do-it-yourself” approach to distribution (Etzel, Walker & Stanton, 2007). Thus, marketers must vary their distribution channels by country. It is worth noting that marketing strategies rarely attempt to change cultural values because of the simple fact that advertising, sales promotion, sales people and packaging are not sufficiently powerful forces to influence consumers' core values (Assael, 1998).

Contemporary Marketing Practice

Probably more than ever before, marketing is changing. Different ways have been proposed to classify different marketing practices including modern/post-modern marketing (Brown, 2001; Pine & Gilmore, 1999) and products-services/project-solutions marketing (Cerasale, 2004; Cova et al., 2002).

More recently, the service-dominant logic of marketing has gained prominence in literature (Vargo & Lusch, 2004). Companies offer their customers value propositions and marshal resources, skills, and knowledge together for the customers, with value being co-created by the companies, suppliers, and customers in a direct service interaction. Compared to transaction marketing, for example, where customer satisfaction and loyalty are not essential considerations, the service-dominant logic of marketing emphasizes a long-term perspective where service is being exchanged for service.

The Contemporary Marketing Practice Group has rigorously developed a framework used to understand the nature of these various changes and their impact in the marketing context (Beverland & Lindgreen, 2004; Brookes & Palmer, 2004; Coviello et al., 2001; Coviello et al., 2002). The group identifies that companies are now

looking as much towards retaining and developing current customers and depriving competitors of the benefit of having them, as they are towards attracting new customers, with all the costs of acquisition that are entailed.

This relational approach to marketing is in contrast to transaction marketing, which emphasises more on attracting business and less so retaining business. Within the framework, relational marketing practices are seen as interactive in nature, with exchanges being carried out between the company, suppliers, and customers. A key element of the framework is that it does not place distinct boundaries between the five types of marketing. Different types of marketing are not necessarily independent and mutually exclusive. Recent research has, in fact, regrouped these marketing practices into three groups, reflecting the degree of the transaction/relationship nature (Brookes & Palmer, 2004; Coviello et al., 2003).

The Contemporary Marketing Practice's classification scheme is based on a continuum of marketing practices ranging from transactions to relations. The practices are characterized using five different aspects of marketing practice and four managerial dimensions (Coviello et al., 1997). The framework identifies five distinct types of marketing: transaction marketing (TM), database marketing (DB), e-marketing (IMT), interaction marketing (IMP), and network marketing (NM).

Conceptual framework



Research Methodology

Research Methodology

This is a descriptive study that takes on a cross-sectional survey design aimed at establishing the relationship between marketing practices and firm performance adopted by SMEs in the clothing and footwear industries as a case in Makueni County.

Population

The population in this study consisted of all the SMEs in the clothing and footwear industry in Makueni County who are registered with the Makueni County Government through their respective markets. Such data is made available through the list of annual payments for trading licenses.

Sample and Sampling Procedure

The study used the systematic stratified sampling technique in coming up with a sample of 50 SMEs. The goal of systematic stratified random sampling is to achieve the desired representation from various sub-groups in the population. In stratified random sampling subjects are selected in such a way that the existing sub-groups in the population are more or less represented in the sample.

Data Collection

The study relied mostly on primary data sources. Primary data was collected using semi-structured questionnaires with both close-ended and open-ended questions. Reliability of the research instrument was enhanced through a pilot study that was carried out on 10 SMEs dealing in cloth and footwear within Nairobi. The pilot data was not included in the actual study. The pilot study allowed for pre-testing of the research instrument. The clarity of the instrument items to the respondents was established to enhance the instrument's validity and reliability. The pilot study enabled the researcher to be familiar with the research and its administration procedure as well as identifying items that require modification. The result helped the researcher to correct any inconsistencies arising from the instruments, ensuring the accuracy of the intended measure.

Validity and reliability of research instrument

According to Berg and Gall (1989) validity is the degree by which the sample of test items represents the content that the test is designed to measure. Content validity, which is employed by this study, is a measure of the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept. Mugenda and Mugenda (1999) contend that the usual procedure in assessing the content validity of a measure is to use a professional or expert in a particular field.

To establish the validity of the research instrument, the researcher sought opinions of experts in the field of study especially the researcher’s supervisor and lecturers in the department of Business Management in the University of Nairobi. This facilitated the necessary revision and modification of the research instrument, thereby enhancing its validity.

According to Shanghverzy (2003), reliability refers to the consistency of measurement and is frequently assessed using the test–retest reliability method. Reliability is increased by including many similar items on a measure, by testing a diverse sample of individuals and by using uniform testing procedures (ibid).

Data analysis

Before processing the responses, the completed questionnaires were edited for completeness and consistency. Correlation analysis, regression analysis and descriptive analysis were employed. The descriptive analysis enabled the presentation of descriptive statistics such as mean scores on the marketing practices and on performance, which were further used to perform the correlation and regression analyses.

Results

Sample characteristics

This chapter presents the analysis of the data collected from the respondents and discusses the research findings on the marketing practices adopted by small and medium enterprises (SMEs) dealing with clothing and footwear a case of Makueni County. The response rate of 80% (40 respondents) was achieved from the total target of 50 respondents. This response has been considered ideal to give the desired results.

Table 4.1 Age of the respondents

Age (years)	Frequency	Percentage
Below 20 years	2	5
20-30	10	25
30-40	15	37.5
40-50	8	20
50 and above	5	12.5
Total	40	100

Table 4.2: Educational profile of the respondents

Academic level	Frequency	Percentage
Primary level	9	22.5
O-level	15	37.5
A-Level	5	12.5
Diploma holders	8	20
Degree	3	7.5
Post graduate	0	0
Total	40	100

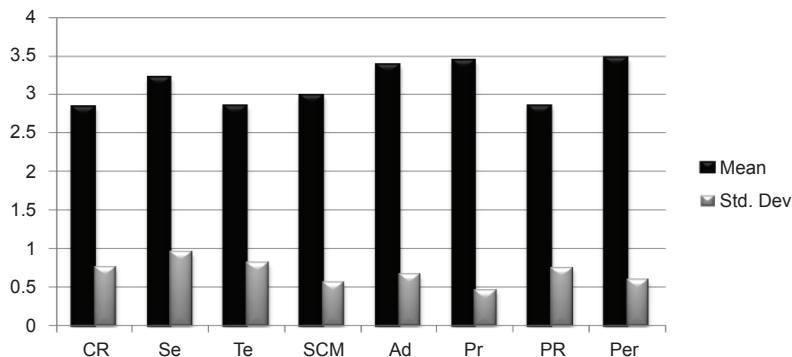
Descriptive statistics of variables

As can be seen from the table, the respondents generally perceived that they are getting positive results (highly moderate) from their marketing activities (performance) (mean = 3.478, SD = .601). But they perceived that they insignificantly involve in commercial marketing practice (mean = 2.833, SD = .763), technology use (mean = 2.852, SD = .818), supply chain management practice (mean = 2.991, SD = .562) and public relation practice (mean = 2.851, SD = .752).

Participants supposed that they moderately involve in segmentation practice (mean = 3.224, SD = .962), advertising mean = 3.387, SD = .665), and pricing mean = 3.447, SD = .461).

Table 1: Descriptive statistics of variables (n=40)

Item	Mean	Standard deviation
Commercial relationship	2.833	.763
Segmentation	3.224	.962
Technology use	2.852	.818
Supply chain management	2.991	.562
Advertising	3.387	.665
Pricing	3.447	.461
Public relation	2.851	.752
Overall result	3.084	.712
Performance	3.478	.601



Graph 1: Descriptive Statistics of Variables

Marketing practices effect on performance

All five items show the moderate responses/results, highest average value and marketing activities intended to increase or maintain company's sales (mean = 3.987, standard deviation = .359), followed by the marketing activities intended to increase or maintain our goodwill (mean = 3.438, standard deviation = .502), marketing activities intended to increase or maintain business (mean = 3.428, standard deviation = .866), marketing activities intended to increase or maintain quality (mean = 3.405, standard deviation = .657) and marketing activities intended to increase or maintain employee turnover/satisfaction (mean = 3.132, standard deviation = .621). In general, the responses appear moderate concerning performance by different marketing activities.

Table 2: Marketing practices effects on performance

Item	Mean	Std. Dev
1. Our marketing practices are intended to increase or maintain our ROI	3.405	.866
2. Our marketing activities are intended to increase or maintain our sales	3.987	.359
3. Our marketing activities are intended to increase or maintain our goodwill	3.428	.502
4. Our marketing activities are intended to increase or maintain our employee turnover/satisfaction	3.132	.621
5. Our marketing activities are intended to increase or maintain our quality	3.438	.657
Total mean	3.478	.601

Correlation Matrix

This study examines the nature of the relationship that exists between independent and dependent variables. The Pearson correlation runs to determine the relationships amongst the variables. As a result, a correlation matrix is presented in Table 3.

As can be seen from Table 3, all independent variables show a negative and significant relationship to performance of firm by marketing activities except advertising practice. This means that commercial relationship, segmentation, technology use, supplies chain management, pricing and public relation activities are used significantly to search out the maximum benefits. However, only advertising used as a beneficial tool of marketing in catering and restaurant businesses.

Table 3: Correlation Matrix

	1	2	3	4	5	6	7
Commercial relationship	1						
Segmentation	.457*** p=.000	1					
Technology use	.597*** p=.000	.501*** p=.000	1				
Supply chain management	.589*** p=.000	.695*** p=.000	.457*** p=.000	1			
Advertising	.145 p=.137	.199 p=.069	.272*** p=.000	.189 p=.109	1		
Pricing	.356*** p=.000	.532*** p=.000	.267*** p=.000	.398*** p=.000	.377 p=.090	1	
Public relation	.622*** p=.000	.507*** p=.000	.756*** p=.000	.581*** p=.000	.699*** p=.000	.367*** p=.000	1
Performance	-.287*** p=.000	-.288*** p=.000	-.488*** p=.000	-.409*** p=.000	-.147*** p=.104	-.467*** p=.000	-.393*** p=.000
							1

4.5 Hypotheses Testing

Two hypotheses were formulated and tested in this study. These are

H₁: Commercial relationship, segmentation, technology, supply chain, advertising, pricing, and public relation practices are associated positively to firm performance.

H₂: Marketing practices of clothing and footwear business are associated positively to firm performance.

To test the first hypothesis, a Pearson correlation test was used, and for this, Table 3 displays the correlation matrix being referred to. Both hypotheses were rejected since only one variable of the first hypothesis is supported. Since the first hypothesis depends upon seven variables, the fifth variable (advertising) shows a significant relationship with firm's performance. The results reveal a significant and negative relationship between performance effect, (a) positive commercial relationship ($r = -.287, p = .000$), (b) positive segmentation relationship ($r = -.288, p = .000$), (c) positive technology use relationship ($r = -.488, p = .000$), (d) positive supply chain management relationship ($r = -.409, p = .000$), (e) positive pricing relationship ($r = -.467, p = .000$) and (f) positive public relation relationship ($r = -.393, p = .000$). The fifth variable (advertising) of the first hypothesis was accepted because there is a significant relationship between advertising practice and performance of firm ($r = -.147, p = .104$).

Multiple regression analysis

To test the second hypothesis, multiple regression was used by employing the enter method. The idea here is to estimate the variance explained in performance of a firm's seven dimensions/tools of marketing activities. Seven activities of marketing practices i.e. commercial relationship, segmentation, technology use, supply chain management, advertising, pricing and public relation were included in the regression model using a default enter method, to calculate the effects of variance on performance (dependent variable). The results are shown in Table 4.

The results from Table 4 indicate that the multiple regression coefficients (R) of the seven independent variables of marketing activities to effect on performance of firm model is .563 and the adjusted R square is .182. The value of F is 6.72 at ($p < .05$). This means that 18.2% of the variance in performance of firm has been significantly explained by the seven factors of marketing activities.

Table 4: Multiple Regression Analysis

R	R square	Adjusted R square	Std. Error of estimate	F	Sig.
.563	.214	.182	1.08624	6.72	.000

Discussion and conclusion

Discussion

One of first objectives of this study was to examine the level (score) of marketing practices and their effect on firm performance. It is found that the mean scores of all independent variables of marketing practices range between 2.83 to 3.44. This indicates that seven factors of marketing practices fall between insufficient to moderate level on a five-point scale.

With regard to performance, the mean value of 3.47 on a five-point scale points out that businesses have intentions to increase the performances by marketing efforts. However, these findings further suggest that it is highly likely that some businesses start to invest in marketing activities for better firm performance.

Conclusion

The study proved the researchers' point of view and concluded that only advertising (marketing) practices are positively associated with firm performance. In other words, it can be inferred that other practices except advertising are a waste of money and time for the small and medium-sized clothing and footwear business. This is an old view, that advertising has its natural effect. As Powers (1903) posits, advertising has a standardised effect which makes people familiar with a product/service and its special features, giving them a reason to pay for it. The author's observation is that these Kenyan businesses are cashing in on that effect because the majority of owners/managers/caretakers are at low-altitude of literacy.

The alarming results of this study cannot be overlooked and may be availed as opportunities for clothing and footwear businesses. As Cludts (1999) illustrated in his study, feedback from stakeholders is essential to the growth of a business, which is lacking by targeted segments of Kenya's clothing and footwear industry. Moreover, Carter (2008) inferred that necessitous of public relations could be the cause of losing customers, as this study reveals. This ultimately affects the firm's performance in terms of decrease in sales. Yeung (2009) advised the proper segmentation of a business to avoid losing available opportunities. Furthermore, Tukey (2002) emphasises on differentiation in business with all stakeholders in general and suppliers and customers in particular.

Finally, yet importantly, e-marketing is a good tool for marketing and expanding business. Text messaging (through the sms facility) is available at quite inexpensive rates, thus enabling caterers and restaurants to expand their visibility (Ghouri & Khan, in press). Hiring of a sales force could be another prolific stride for catering and restaurant businesses. A sales force stimulus gets businesses and contracts from giant and local companies, which could result in multiplying the investment in sales force. Claim those aspects in marketing campaigns, which are fulfilling at extreme levels. That fosters trust between business and customers. Hence, clothing and footwear firms should adopt new strategies, which may help to overcome the lack in their marketing activities, and which have an overall impact on a firm's performance.

Limitations of the study

Twenty percent of the questionnaires were not accounted for because after cording, they were found to be inconsistent with the required information and this affected the amount of data collected. However, 80% of the expected sample data was obtained and is believed to be a true representative of the general population and the inferences obtained are applicable across the population. Limitations of resources as far as money and time is concerned did not allow the researcher to have a larger sample. The location in distance of local towns and markets and from the traders was a big predicament to this study. Poor terrain while traversing the county proved to be a bone of contention coupled with dusty grounds which posed a danger to personal health as far as respiratory illnesses are concerned.

Suggestions for further research

Future studies should attempt to explore the reasons behind the low adoption of marketing practices in this sub-sector. Researchers should go ahead and establish the reasons behind the failure of SMEs to jump-start despite the fact that some are offered credit facilities by micro-financial institutions operating in the rural areas because this has been established as a major issue.

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