

**CUSTOMER DEVELOPMENT STRATEGIES AND PERFORMANCE OF START
UP CARBON PROJECTS; A CASE OF STUDY OF SUSTAINABLE AGRICULTURE
TANZANIA (SAT)**

BY

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DECLARATION

This research project is my original work and has not been presented for a degree in any other University.

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DEDICATION

I dedicate this project to all those who have supported and guided my efforts towards this achievement.

ACKNOWLEDGEMENT

To my partner, I admire your wise critique and for sure I have gained from it.

To my lecturers, I am beholden by the scholarly work you conveyed throughout my time spent in school.

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Thank you all for your time and effort. I greatly appreciate.

OPERATIONAL DEFINITION OF TERMS

| | |
|-----------------------------|--|
| Business Model | It is an action plan used to successfully run a venture that identifies sources of revenue, the identified customer base, product and financing |
| Carbon Market | This is a market used to trade emissions of carbon in order to prompt or assist companies in reducing their Carbon dioxide emissions |
| Customer Development | It is a scientific approach to acquiring and satisfying customer needs through validating the assumptions about the product or business |
| Carbon Sequestration | It is natural or artificial means by which carbon dioxide is captured from the atmosphere and held in solid or liquid form |
| Firmographics | These are a set of characteristics or attributes of companies that are used to group firms into meaningful market segments |
| Strategy | It is an action plan constructed to acquire a desired outcome and long-term aims |
| Value Proposition | It is a declaration of assurance to deliver value, being a statement of the specific benefits communicated and acknowledged by the business to its prospects |

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ABBREVIATIONS & ACRONYMS

| | |
|--------|---|
| BMC | Business Model Canvas |
| CBM | Component Business Model |
| CDM | Customer Development Model |
| EPA | Environmental Protection Agency |
| ETS | Emissions Trading Systems |
| GHG | Green House Gas |
| LSM | Lean Start up Methodology |
| OGSM | Objectives, Goals, Strategies and Measures |
| SAT | Sustainable Agriculture Tanzania |
| UNFCCC | United Nations Framework Convention on Climate Change |
| UX | User Experience |
| VC | Venture Capital |

ABSTRACT

Present challenges experienced by a globalized and changing world with new forms of doing business has forced entrepreneurs to change their approach to customers especially given the prior traditional marketing theory. Current markets have a customer base with increased demand for more marginal products or services; henceforth, they have created individual preferences. The general objective of this study was to establish the effect of customer development strategies on performance of start-up carbon projects; a case of study of sustainable agriculture Tanzania (SAT). Specifically, it aimed at examining the effect of business model on Performance of forest carbon projects, examining the effect of customer service systems on Performance of forest carbon projects, the effect of communication process on Performance of forest carbon projects, including effect of competitive pricing on Performance of forest carbon projects. It is anchored on theory of product market fit, start-up marketing pyramid and cue utilization theory. The study is further supported by the following models; business model canvas, value proposition canvas and customer development model. The study used a survey design. The survey collected data and information aimed at identifying customer development strategies for performance of carbon projects in the start-up carbon market. The selected population were customers of Sustainable Agriculture Tanzania. They consisted of companies, partners and individuals who were involved with the carbon offsetting project or potential clients. Ten companies and fifty individual customers were selected for the survey. Individual customers were drawn from the current connections developed by Sustainable Agriculture Tanzania. Primary and secondary data was utilized from various secondary sources linked to the topic of study and gathered facts and figures from the questionnaires. The questionnaire comprised of questions relating to the carbon markets for organizations in the start-up carbon projects. The quantitative data retrieved from the study was analysed by use of descriptive statistics that included variability, frequency and central tendency measures. These help provide information regarding the distribution. Measures of frequency distribution on the other hand document the frequency of scores or records. The Statistical Package for Social Sciences (SPSS) program was used to analyse the data and output presented in form of tables, pie charts and bar graphs. The study found out that customer development strategies in start-up forest carbon projects are central to performance of forest carbon projects. Playing a part to this performance are particularly the company's prices, enhanced innovation and creativity, business management systems, reduction of the time required for decision-making and improved planning of activities. At the same time, use of IT data management systems has to a large extent made decision-making process faster. These aspects generally lead to better management of budgets, efficiency in service provision, consistent increase in revenue and increased number of customers. Moreover, customer development strategies lead to customer satisfaction improvement. In conclusion to the presented findings, communication process and customer service systems have shown to influence the performance of forest carbon projects. Setting up a tailored business model that works well with the cost structure of the business and suits project goals has also been visibly altering the functioning of projects. The strategy implemented on pricing is also seen to promote customer growth. It is recommended that start-up projects develop relevant pricing strategies for their products; especially during their early stages of development in order to differentiate and grow a viable customer base. Managers should also encourage proper training and practices when it comes to inter-organizational communication and strategy implementation. This will ensure every employee works in cohesion towards achieving the projected goals thus improving performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Numerous causes for the decline of start-ups outlast their actual numbers Ries (2008). Founders many a time cherish their ideas a great deal that they overrule validating their beliefs in practicality, or disregard details that contrast to their idea of the customer needs Blank (2005). Due to this, there is a risk of wasting resources on what does not appeal to the market (Blank & Dorf, 2012). The Lean Start-up Methodology literature aims to challenge this through increased customer input right from the start of product development. The concept of Customer Discovery is included in Lean Start-up Methodology as acquiring customer feedback and revising business concepts early in the developmental stages.

In most cases, a mission conceptualized by inclusion of strategy moves a company. That is; how the company acquires input on the market to cater to their needs, tackled by building a portfolio on the product and adjusting constantly as per generated revenue streams.

Conversely, a start-up does not pose as an established and operating organization. They are ventures that deal with transformations. There is still work towards institutionalization of functional structures and processes. Also, focus is directed towards a developed market segment with an attractive product Blank (2012).

According to Merkle, customer development strategy is a data-driven method of capitalizing on the value of customers by understanding their needs, values and being able to keep them engaged. The strategy helps in promoting sales of products/ services, boosting profitability and encouraging entry of new customers; however, if not enacted it becomes obsolete (Okumus & Roper, 2013). Projects should hence encourage adoption of relevant strategies in

the current market and facilitate directed change towards innovation and flexibility in order to sustain organizational performance Gary (2006).

1.1.1 Performance of start-ups

Around 30% of new businesses are shut down during their incubation period (Solomon et al., 2013). This further shows why maintaining growth and survival is key for start-ups. There are various challenges that face start-ups but there is also potential growth (Alchleitner, 2013). The venture process normally shows progression within four stages from start-up, growth, maturity and decline. Understanding each phase in relation to the business makes a big difference in strategic planning and performance. During the start-up stage, focus should be on building customers, establishing the market and maintenance of cost so as to ensure rapid growth and improved performance.

1.1.2 Customer Development Strategy

Many young establishments stagnate (Mullins & Komisar 2009, Crowne 2002) as a result of wasting resources in creating an insatiable product. Only about 2% of brand new ideas survive, meaning the rest lack to flourish as they exclude a procedure for examining the set frameworks (Blank & Dorf, 2012). In return, it brings about insufficient resources and a lack of product and financial feasibility testing.

Realizing that it is incumbent to respond, organizations rapidly switched older product responsive approaches and focused more on developing their customers (Blank & Dorf, 2012). Regimented operations focus on building products efficiently, these methods may offer product-based solutions but lack a focus on what is required by the market (Bosch et al., 2013). The dilemma on what customers require arises when start ups fail to find solutions on customer needs; this is immediately associated with absence of focus on customer centric

solutions earlier on in the business. (Eisenmann, Ries, & Dillard 2012). In regard, many companies have embraced the Lean Start-up Methodology (LSM) as it is found to be a wholly procedure to tackling numerous variabilities linked to start-ups. (Harb, Noteboom, & Sarnikar 2015). The methodology is clear on cutting losses and building value for customers, done right from the inception of a company Blank (2013). Lean start-up is a construct used to develop ventures and their products in order to minimalize the cycle of product development and develop a viable business model.

1.1.3 Business Models in Start ups

Osterwalder (2004) iterates it as an implement showing elements, their relationships and how they can be utilized to earn money. It describes what is offered to customers, how the firm functions and the various relations between value and capital. For start-ups, a rational business model is created by specification of hypotheses. This entails the appropriation of elaborate guidelines and tools for employees to guide the hypotheses statement, communication, testing and improvement.

Business models have gained substantial awareness from managers and academic practitioners (Wirtz, Pistoia, Ullrich, & Göttel, 2016). According to the European Start-ups Monitor, start-ups create new jobs and enhance innovation (Kollmann *et al.*, 2015). They describe start-ups as young ventures that employ innovative business models and or scientific knowledge to promote development (Kollmann *et al.*, 2015, p.15). Furthermore, McKinsey and Company (2015) elaborates how establishments can reconsider their traditional business models by challenging their beliefs on their successful models to support innovation.

Key constructs of business models are of importance for the Recombination of certain business models (Gassmann *et al.*, 2014). The recombination school of thought captures a business model as the essence of innovation. They propose, create, and capture value,

(Clauss, 2016; Wirtz *et al.*, 2016). The value proposition looks in to the customers and their requirements of products and services (e.g., Teece, 2010). On the other hand, value creation shows methods used by the company to create benefits in the chain including; creation of value, distribution and development of complementary assets and market strategies, (Chesbrough & Rosenbloom, 2002; Johnson *et al.*, 2008; Morris *et al.*, 2005; Sandulli & Chesbrough, 2009).

Developing business models are still new to research however it poses a great influence in various fields including; entrepreneurship and strategic management (Wirtz *et al.*, 2016). Key information is still required on development and improvement of various models (Dirk *et al.*, 2017; Wirtz *et al.*, 2016). The purpose of this study is to establish the effect of customer development strategies on performance of start-up carbon projects; a case of study of sustainable agriculture Tanzania (SAT)

1.1.4 Customer Service Systems

In today's consumer environment that is in constant change, building and retaining strong customer relationships is proving difficult as it entails use of more resources and constant efforts in marketing. This is due to the introduction of technology, that has exposed people to variety of choices and hence for businesses to remain relevant they have had to adapt to better approaches of improving customer service. According to Mathieu (2001), developing a customer service strategy is proving an effective way of achieving competitive advantage by differentiation.

According to Armstrong & Kotler, consumer satisfaction is dependent on the perceived performance of the product in delivering the value. Therefore, if performance does not reach the consumer's expectations the client is dissatisfied. On the other hand, the full satisfaction of the buyer is reliant on heightened product value (Armstrong & Kotler 1999, 8).

1.1.5 Communication Process

A company is made not only of physical structures but people that agency its functions. It is thus essential for companies to form a structure that assists the network to effectively achieve its goals. Communication is an aid that enables people to share information (Louis Allen, 1964).

According to Mistry, information can only be effective if it brings about the intended results from its recipients. For this reason, projects need to focus on effective communication earlier on in order to develop social interactions that foster improved employee and customer relations. Companies that maintain frequent contact enable themselves to gain adequate understanding on the problems afflicting the various levels of the company and are thus able to solve any problems related to performance.

1.1.6 Competitive Pricing Strategy

Price strategy is a principal aspect of management when it comes to market relevance and maintaining corporate profitability. It is among the most relevant and fluid elements of marketing; able to dictate the economical value of a project. (Herman et al., 2008).

The study focuses on discounted and premium pricing strategies with reference to value addition and cost reduction. Discounted pricing is a pricing strategy that marks down the prices of goods with the aim of attracting more customers. On the other hand, premium pricing incorporates value addition to provide a product of higher quality than its competitors. It allows companies to charge more for added value and consumers are able to relate the high price to quality.

A study conducted by Milan (2003), found that lower price was connected to low profit margins. In comparison, the addition of value or perceived value pricing is regarded as

superior and has a direct positive impact on profit margins (Hinterhuber: 2004 & Ingebleek et al., 2003).

1.1.7 Introduction to Carbon Offsetting

The physical location of an offsetting project in a key location produces a commodity that is traded worldwide. (Bumpus, 2011). Carbon offsetting is reducing of carbon and gas emissions to pay back for an effusion made at another place (Goodward, Jenna, Kelly & Alexia, (2010); EPA, (2010). Buying an offset can help fund projects that reduce emissions and this can be practised through methane capture, using renewable energy sources, land use change and forestry.

1.1.7.1 Carbon Markets

Carbon markets consist of compliance and voluntary schemes. Compliance carbon markets are used by governments and companies, which are obligated by law to account for their GHG emissions. Voluntary markets encompass all transactions of offsets that are not purchased with the intention to surrender into an active regulated market. These schemes were set in place through the mandate of the Kyoto Protocol (1997) in reaction to the warning on climate change. As a result, a variety of initiatives have been launched over the years to support this intergovernmental approach. In Compliance Markets, offsets typically sell at similar prices regardless of location and other factors whilst offset prices in Voluntary Markets vary enormously based on factors such as buyer preferences, type of seller, cost of the project and its co-benefits. The potential size of the Voluntary Carbon Market is unclear and based on varied components including change in corporate and personal behaviours (Chapple, 2008). Thus, project developers will need to merge the environmental requirements with strategy by continual research and development on the changing dynamics within the offsetting market.

1.1.7.2 State of Carbon Offsetting Market in Europe

Traditionally, European buyers have demanded the most volume of offsets of any region in the world. Hamrick and Goldstein (2016), with projects selling forest carbon offsets from European projects having attracted the largest number of buyers, most of whom are end-users and not retailers. This sparking interest from new buyers hints on an untapped market for European projects. A considerable amount of projects come from the transportation sector with the energy sector leading globally in terms of voluntary demand (Hamrick & Brotto, 2017). In 2015, Ecosystem Marketplace tracked European voluntary buyers purchasing 16.1MtCo₂e, whose origins are from renewable energy and forestry projects (Hamrick, Kelly & Goldstein, 2015). According to State of the European Markets 2017, the bulk of the offsets sold by European organizations in 2015 came from projects located in non-EU countries with many located in developing countries like Asia, Latin America and Africa.

1.1.8 Africa in the Forest Carbon Market

The outstanding expectations attached to carbon markets in Africa still do not match an equivalent level of achievement. (Gray, 2011; Carbon Africa, 2012), as its development of carbon offsetting projects lags behind with those in Asia and Latin America continuing to soar. The year 2015 saw Africa's offset sales remaining stable, slightly less than that of the prior year. A majority of those offsets originated from forestry and land use (46 percent) and cook stoves projects (44 percent) as buyers supported emission reductions that promoted low deforestation and sustainable development.

The prices decreased in the Voluntary markets, however, excluding Oceania, buyers paid more for African offsets thus building a total value of \$34.7million, Ecosystems Marketplace (2016). There are certain remedies that need to be implemented in order for Africa increase its participation in international carbon markets including; leveraging its sources of finance

and investments in renewable energy, setting up administrative systems and expanding public funding for seed capital given to forest carbon projects (Baimwera, Wang'ombe & Kitindi, 2017).

1.1.9 Sustainable Agriculture Tanzania

Sustainable Agriculture Tanzania (SAT) is a non-governmental organization based in Morogoro, Tanzania. Established in 2011, its aim is to address the social and environmental problems linked to unsustainable agricultural practices in Tanzania. The result of these untenable uses of land has often led to land degradation, pollution, climate change, wasteful water use, land conversion and habitat loss. Continued use of such unsustainable practices threatens the environmental sustainability with reduction of function within ecosystems and ultimately, undermining nutritional and health value of food. One of the approaches that SAT has taken in promoting environmental sustainability has been the introduction of its project-FairCarbon4Us.

SAT initiated FairCarbon4Us in 2016, a carbon sequestration scheme that involves small-scale farmers in the planting of trees. So far, 100 farmers have been enrolled through this initiative, with more than 8,900 trees being planted. Still a start-up, SAT's future plans are to broaden its activities further into reforestation, afforestation and forest protection through the help of such farmers. The solutions provided under FairCarbon4Us are in form of three projects which include; Food Forest, Agroforestry and Bio char, and Spicy Carbon.

The Food Forest Project involves the planting of fruit trees and other types of trees in sections that are not utilized for farming. The farmers are divided into groups and presented with trees from the established tree nurseries organized by SAT. During the period of tree planting and management, the farmers receive payments that last over a period of 5-8 years. Their progress

during the project is monitored by the farmer group and validated by SAT team and depending on their performance, they are equally rewarded.

Agroforestry involves planting of trees or shrubs alongside, around and among crops or pasture. The Agroforestry and Bio char Project to be initiated by SAT will include dispersed intercropping and boundary planting. The intercropping system will provide biomass from pruning, which will be utilized in the production of bio briquettes to offer an alternative for managing deforestation. The other initiative under FairCarbon4Us is The Spicy Carbon Project, a project that deals with spice producers in the Uluguru Mountains to help reduce deforestation and promote reforestation practices. The farmers will help protect the mountain slopes from erosion and at the same time practice reforestation.

1.2 Statement of the Problem

Current research relevant to customer development strategies indicates a positive impact on the potential of its application to the corporate environment. Developed by Silicon Valley entrepreneurs, it has indicated the ability to withstand other business development applications mainly due to the flexibility of its processes and testing. The problem however comes to play in the way companies approach the process; principally in trying to categorize all the possible variables at play making the process lag on and crippling the capacity to make a timely move.

Poor knowledge on the unique product offering is still a problem for performance of start-ups. Securing relations with resource providers such as customers, employees and suppliers represent a crucial problem (Bhide, 2000). Given the perspective of resource providers, it indicates a greater risk with dealing with new firms as opposed to established companies. This is due to the factors in the macro environment such as; inflation, spending, technological

changes and social conditions. However, start-ups can be able to reduce these risks by being adaptive, flexible and alert to opportunity.

A deeper understanding on customer development strategy is required by both management and employees of start-up projects; this will enable them to concentrate on information relevant to the company's goals and enable them to test those ideas in the market. The knowledge gap and lack of information caused by cognitive bias means ventures need to listen more to customers and gain more input on how to stay relevant. This is relevant for creating systems that assist organizations in forecasting their short-term, current and long-term strategies when it comes to building and developing customers for start-ups.

In his book, Steve Blank (2003) translates customer development into four major stages; the first entails finding out if there are any problems connected to the product. What follows is finding out what customers are willing to pay for it and finally the organization begins to increase production and construct the business. All these processes need reliable communication networks, feasible business models, relevant customer service and pricing. In the research, focus is on knowing more about how these variables influence the performance of carbon start-up projects.

Early streams of research look into the building blocks of business models and the correlation of its various aspects, (Demil & Lecocq, 2010; Teece, 2010; Zott *et al.*, 2011). Researchers have also corroborated change of business models to assure growth and relevance amongst incumbent firms, (Chesbrough, 2007; Santos *et al.*, 2009). This was established through an analysis of successful examples of innovative models. A good example of customer development is in retail markets; Tesco's launch of its club card has been exerted to keep customers and grow Tesco's value. Similarly, Kenyan retail chain Tusksys has its reward card that enables customers to gain points and get rewarded for how frequently they shop at

Tuskys. Another strategy for customer development is how mobile networks create flexibility in pricing network services e.g. bundles. They also supplement this by using innovative approaches by penetrating the consumer market through offering extra services and gadgets as a mode of diversification (Lawrence & Francis, 2009).

Given the application of new products and services to existing customers; their needs, wants, and purchasing behaviours are to be contemplated early on in growing new products and services. Contrary, the initial stages for entrepreneurs do not have such stock of information. This research therefore set out to find the effect of customer development strategies on performance of start-up carbon projects with focus on Sustainable Agriculture Tanzania (SAT)

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this study is to establish the effect of customer development strategies on performance of start-up carbon projects; a case of study of sustainable agriculture Tanzania (sat).

1.3.2 Specific Objectives

The research utilised the succeeding specific objectives;

- i. To examine the influence of business model on performance of start-up carbon projects.
- ii. To examine the influence of customer service systems on performance of start-up carbon projects.
- iii. To determine the influence of communication process on performance of start-up carbon projects.

- iv. To establish the influence of competitive pricing strategies on performance of start-up carbon projects.

1.4 Research Questions

This research tried to answer the succeeding inquiries;

- i. What is the influence of business model on Performance of start-up carbon projects?
- ii. What is the influence of customer service systems on Performance of start-up carbon projects?
- iii. What is the influence of communication process on Performance of start-up carbon projects?
- iv. What is the influence of competitive pricing strategies on Performance of start-up carbon projects?

1.5 Significance of the Study

The outcome of research is to contribute in theory building, policy making and marketing practice in both new and existing businesses. The research will add to existing resource-based theory and customer development strategies by offering relevant information relating to the various strategic practices introduced by start-up projects. This will help governmental and non-governmental agencies that take part in carbon offset projects.

The research will contribute to better managerial practice for the carbon offsetting industry in Tanzania and neighboring countries. They can be able to use it as a reference point to how individual firms can adopt customer development strategies in order to improve performance.

The results of the study will help scholars by providing a basis upon which further research can be carried into the area. It is also a good source of secondary data for scholars and also; the researcher will learn from the information gathered from the research.

1.6 The Scope of the Study

The target population for this study was customers of Sustainable Agriculture Tanzania. They consisted of companies, partners and individuals who are involved with the carbon offsetting project and also potential clients. The study concentrated on customer development strategies on performance of start-up carbon projects; a case of study of sustainable agriculture Tanzania (SAT). The study has been done over a period of 9 months starting January to September 2019.

1.7 Limitations of the Study

As customer development strategy is still a new concept to research and therefore not extensively documented; a lot of time was spent looking for enough literature on the topic of study. The other limitation was that some of the respondents took a lot of time to provide information.

1.8 Organization of the Study

This research was assembled into five phases. Chapter one comprises of background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, and scope of the study, basic assumptions of the study. Chapter two contains literature review that includes foundation of the research coupled with analysis of writings. Chapter three contains review of procedures applied, representative sample, techniques and instruments. Chapter four presents data analysis based on the research

objectives. Chapter five presents review of findings, deductions, recommendations and recommendations for future studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature on key concepts presented in this study. In particular, the chapter addresses theoretical review specifically; the theory of product market fit, start up marketing pyramid, cue utilization theory, business model canvas, value proposition canvas, and the customer development. In addition, the chapter presents empirical review on customer attributes, product needs, and price needs. Lastly, the chapter gives a summary on gaps to be filled and conceptual framework.

2.2 Theoretical Review

This research was guided by the theory of product market fit, cue utilization theory and the business model canvas.

2.2.1 Theory of Product Market Fit

Andreesen (2007) asserts that great variation in accomplishment, competition and diversity is observed in the broad range of start-ups. He mentions that teams, products and markets are core concepts that need to be examined in order to effectively understand product/market fit.

Product/Market fit begins by using customer lifecycle conversion metrics namely; activation and retention. These two key metrics make up the value metrics however, keeping customers coming is the ultimate validation as when it comes to making payments on purchases this may have been done by another party (Maurya, 2012). In conclusion, profits results from acquiring the Product/Market fit. Maurya, (2012) commends use of an iteration framework to determine Product/Market fit.

One metric for determining product/market fit is if at least forty percent of surveyed customers show that they would be “very disappointed” if they do not have success to the product or service. Sean Ellis is noted to have familiarized this approach after examining many start-ups. Raul Vohra of Superhuman has initiated a survey-based model based on the forty percent rule to assist post-launch start-ups test and optimize this metric. This theory will therefore enable the researcher and also provide an understanding on how product and price influence the business model thereby helping improve its performance.

2.2.2 Cue Utilization Theory

Easterbrook’s cue utilization theory was developed to collect information on how various cues form perceptions. The theory suggests that products and services are composed of several cues that indicate product or service quality. Proposing that cues are brought about by two different states of predictive and confidence values. Predictive value involves a customer’s ability to determine product quality by observing its cues whilst the confidence value is pre-determined by the customer’s ability to use and judge cues differently.

A study carried out by Nazlida Muhamad & Vai Leong (2013) on the measurement of perceived quality on Asian brands of cars found that customers not only perceive quality as branding, maintenance costs among other features as determinants of quality. After sales support was also identified as an aspect of quality. Predictive and confidence values are further broken into intrinsic and extrinsic cues. Intrinsic cues inform on physical characteristics of products or services, whilst extrinsic cues assist customers in determining quality as they inform on brand and pricing.

Product familiarity is found to relate to cue utilization in product evaluation. It was generally inferred that; when price is the only cue, customers value the higher cost product (Tull, Boring and Gonsior, 1964; McConnell, 1968). However, when associated with other cues,

analysis ensues (Andrews & Valenzi 1970; Jacoby, Olson and Haddock, 1971). The cue utilization theory will be used to find the impact of competitive pricing on performance.

2.2.3 Business Model Canvas

This is an administrative strategy plan developed by (Alexander & Yves, 2010) made to improve and construct fresh business models. The Model is structured in nine blocks where continuous search into the business model iterations is used to develop the customer base as shown below: (Osterwalder & Pigneur 2010, p.15)

2.2.3.1 Channels

This focuses on value delivery to the customers. This is possible through observing and improving the important areas of channel distribution including; communication, distribution, and sales. These three elements help to show how the company associates with its customers and how the customers experience it.

2.2.3.2 Customer relationships

This segment relates to the type of associations the company aims to construct, the target customer and methods used for interaction. There is numerous relationships spanning from personal, one on one, to those automated by automatic mail systems. In the prior years on a company, the relevance lies on acquiring new customers whilst during the saturation stage the efforts are focused on developing customer loyalty. Reasonably, evaluating the internal stages of the business and reacting accordingly plays a huge role in development of relations.

2.2.3.3 Revenue streams

The segment evaluates the financial inputs and outputs. The main point of concerns that have to be addressed is the value each customer is willing to pay for. Different price mechanisms are applied for each revenue stream. The main categories identified are: fixed pricing, where established prices are dependent on constant variables and changing prices; influenced by

market and demand. The aim is setting prices relevant to the customer's actual willingness to pay.

2.2.3.4 Key resources

It includes the tangible and intangible assets within a venture that is relevant in making the business model work such as; high-tech technology, brilliant manpower or distribution facilities. These assets are necessary in creating and offering a value, reaching markets, promoting relations and earning revenue. They however, differentiate as per the model adopted by the company and the industry it operates in. They can be either: financial, physical (which require high investment), intellectual and human.

2.2.3.5 Key activities

Each business model requires a number of activities, which list the company's most essential activities needed in order for it to operate successfully. They are necessary for the business to offer a value, reach markets and develop customer relations. Again, they are different as per the type of model used and the industry. For example, designing and delivering products are within production activities and problem-solving activities concern finding new consumer-based and performance-based solutions.

2.2.3.6 Key partnerships

This segment serves suppliers and partners within the business. It includes alliances made by companies and the search for partners that will help reduce the amount of risk, optimize processes and contribute to costs. These partnerships can be distinguished into four separate types: strategic alliances, strategic partnerships, joint ventures and distributor relations.

2.2.3.7 Cost structure

This elaborates the fundamental costs of a company due to its operations with a given business model. It is necessary to recognize the differences between various cost structures.

Whilst cost driven models focus on lowering costs, a value driven model promotes quality, customization and premium products.

2.2.4 Value Proposition Canvas

This canvas is concerned with the fixed and non-fixed assets offered to selected customer segments as a way of satisfying their needs by offering products and services that complement the requirements of the selected target market. It can either result in providing innovative solutions or be same as existing value propositions; however, in this case have added features and attributes. Such features can either be qualitative (brand image, design, customer experiences) or quantitative (speed of service delivery, cost reduction).

2.2.5 The Customer Development model

According to the founder Steve Blank, more ventures fail from a low customer base than an inadequate product development. The most important problem is that firms develop particular functions to manage production risks however no methodologies exist to curb customer risk. Consequently, Steve Blank instigated a probe for a business model and came up with the customer development model after realising the need for a more structured procedure of testing organizational models. Steve Blank's customer development framework now allows for rapid testing of assumptions and making adjustments in near real time. This model is relevant to the study since start-ups need to design models that they will use in the course of doing their business.

2.3 Empirical Review

Assessment centered on prior research performed on customer attributes, product needs, and the price needs.

2.3.1 Business Model

In the value proposition canvas, price and product attributes play a key role in testing customer satisfaction. Pricing in the business model reflect on how businesses make and save money while the product attributes is most relevant to solving consumer problems.

Kotler and Armstrong (2010) define a product as whatever is offered to the market to satisfy the consumers. “These are all attributes that can influence customer choice,” (Mohammad, Wang and Sunayya, 2012). Analyses support the effect of product influences on a company’s performance (Kazem and Heijden, 2006). It is therefore required of the firm to have the initiative and effective plan to consistently meet and surpass the value they create for its customers, (Cavusgil and Zou, 2009).

All inclusive, studies by Albaum Johnson, and McCullough, (2007) found that the representation of a product and its style has a positive influence on firm performance. Other research carried out in international markets on association connecting product brilliance and company potential found a positive correlation, (Terpstra and Sarathy, 2007). Businesses that offer high-quality products/services increase the value associated with customer performance. Research studies conducted in Europe also show the beneficial influence and correlation of a product’s quality on sales performance.

According to Leonidou, Hult, and Thomas, (2002) increasing sales performance can be achieved through product adaptation (spreading administrative and export costs over a number of products) and serving multiple customer markets and segments, (Beamish and Munro, 2009). Exports however provide a narrow range in products as compared to domestic markets due to a number of challenges including high costs of operation connected to international operations, (Albaum Johnson & McCullough, 2007).

Price is a charge as a result of processing, marketing and availing a product, (Kotler, 2007). On the other hand, Zeithaml (2008) views price as a cue that influences consumer views on product value. Price is also viewed as the real or estimated worth of a product (Kotler et al., 2003). There is identified correlation between price and company performance (Colpan, 2006; Dooleet et al., 2006; Owomoyela et al., 2013). This shows how it plays a significant role in product/service marketability.

2.3.2 Customer Service Systems

Customer Service Systems serve as technological and organizational networks that assist in service provision and satisfying customer needs. Jorge (2015) views service systems as a composition of elements such as people, tools, facilities and computer programs that have structure, behaviour and a purpose or goal.

Technology is deeply rooted in user experience. According to studies done in the service industry, the intent behind experience design has been to generate captivating customer experience on every aspect of customer interaction. It affects both customer interactions and future behaviour.

During the analysis of the impacts of technology it was found that implementing strategies that foster technology and its innovation have stirred companies to attract new customers (Zahra, 1996; Zahra & Bogner, 2000; Cooper, 2000; Sofuoglu et al. 2007; Liu & Tsai, 2007). However, technological development does not ascertain success without satisfactory communication and cooperation. Internal cooperation and teamwork within the organization is also needed.

Huawei has developed rapidly in the high tech sectors such as telecommunications, intelligence, IT equipment and solutions. Serving regions worldwide, it insists on creating value for customers. Lenovo is also known for highly innovative technology. In China, its

range of extensive products has met the diverse needs of users leading to Lenovo being ranked as the first for eight consecutive years. Huawei and Lenovo have been leading in the speed of product development and market response. As per encoded data, customer knowledge management has played a significant role in identifying customer needs and design optimization.

2.3.3 Communications Process

Communication is a delivery of information amongst people that is understood and acted upon (Obamiro, 2008). It is very central to human activity and thus the basis of everything. Communication involves a structure of networks that link administrators to staff (internal) and external communication disseminated to; customers, suppliers and creditors (external).

Several studies emphasize on the impact of communication on performance (Garnelt, Marlowe & Pandley, 2008; Pandley & Garnelt, 2006). Oyetunde & Oladejo, (2012) in “a study of communication approach and firm performance appraisal of Nigerian bottling company; Coca Cola” validated the relationship between communication and efficiency in performance. They also suggested a need for improvement if management embraces proper communication. Kukule (2012) on his research on internal communication points the need for proper communication. Its lack creates a fundamental problem on employee communication and most crises are closely linked to lack of good internal communication.

According to research done on 100 manufacturing companies in Nigeria on the influence of business communication practices, the findings determined that, the proportionality of companies incorporating productive work communications affects performance on; sales, satisfaction, quality of goods, and services. Ebarefimia, Ahmed, Ganiyat & Rashdidat (2012).

2.3.4 Competitive Pricing Strategy

Competitive pricing involves choosing relevant price points to take advantage of what competitors offer. Price is one of the fundamental components when it comes to creating marketing strategies. It is one of the cues that consumers notice first and one of the deciding factors when it comes to purchase. Recent studies (Canina & Enz, 2008) concerning competitive pricing centered on price changes between various hotels in the United States and their competitors. The comprehensive study indicated higher gains for higher pricing as opposed to discounting to undercut competitors.

A study done on the differences of offers from a large German automobile manufacturer tested perceived customer satisfaction as a result of price bundling. In all cases, prior owners seeking for a substitution were approached and asked to evaluate an offer. The offers were differentiated among three levels of price bundling. The findings indicated that among price discount conditions, the pattern related to satisfaction, likelihood of recommending and likelihood of repurchasing variables; the completely de-bundled price discounts indicated higher evaluations (Johnson, Herrmann & Bauer, 1999).

2.4 Summary and gaps to be filled

Substantiative writing on customer development strategies exists on a local and international scale. The challenge remained that, most did not enumerate the role of customer development strategies on organization performance, and particularly in the start-up carbon projects. The table below shows the summary of empirical literature review and research gaps.

| | Author/Year | Focus of study | Findings | Research Gaps | Focus of current study |
|----------------|--|---|--|---|--|
| Business Model | Cavusgil & Zou (2009). | “Experiential and informational knowledge, architectural marketing capabilities and the adaptive performance of export ventures: A cross-national study.” | Product adaptation influences both financial and sales growth performance. Global marketing strategy positively affects business performance. | The relationship between innovativeness and international strategy is an untouched area requiring further investigation. | This study focused on Sustainable Agriculture Tanzania. |
| | Colpan(2006); Doolet,Grimes& Demack(2006). | “Dynamic effects of product diversity, international scope and Keiretsu membership on the performance of Japan’s textile firms in the 1990s.” | Price of a product or service influences marketability | The outcomes suggest Keiretsu membership appears to reduce diversity in member firms while not being significant predictor of certain types of product diversity. Such affiliation shows no direct impact on profitability. | The study was guided by the pyramid of product market fit, start-up market pyramid and cue-utilization theory. |

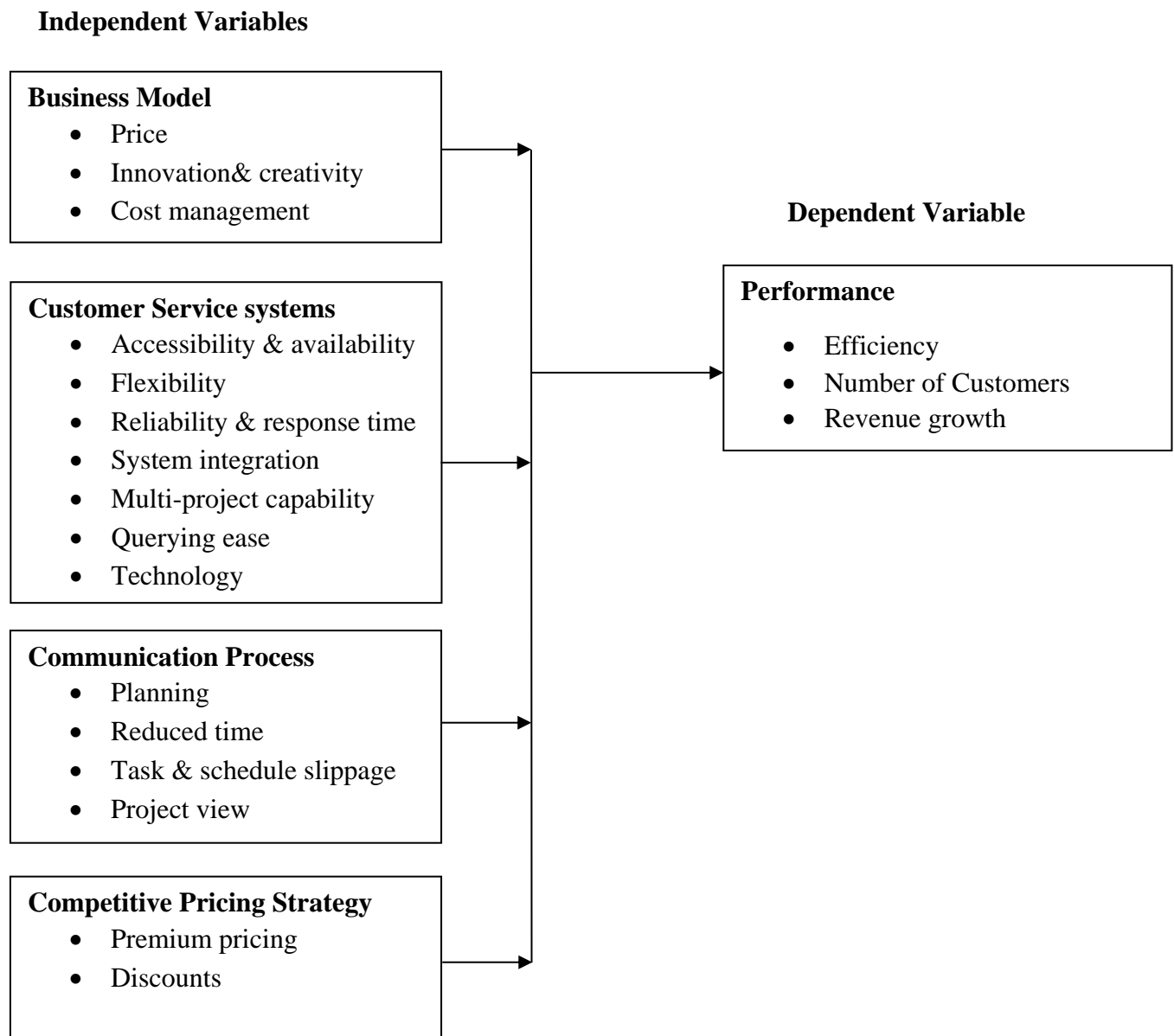
| | Author/Year | Focus of study | Findings | Research Gaps | Focus of current study |
|--------------------------|--|---|---|--|---|
| Customer Service Systems | Zahra(1996), Zahra& Bogner(2000); Sofuglu et al.,(2007); Lui&Tsai(2007). Wang, Ying-HE& Li, (2016). | Impacts of technology for new and successful products. Technology companies Huawei and Lenovo. | Implementing strategies for technological innovation, allocating technical resources and use of technology to achieve competitive advantage stirred companies to attract new customers. Customer knowledge management helps in identifying customer needs and design optimization. | The role of various internal factors related to customers and with the potential to improve or limit innovativeness has not received enough attention. Research on influence mechanism of customer difference on enterprise innovation performance is a research direction in the future. | The study focused on forest carbon projects. The study focused on customers of the current organization. |

| | Author/Year | Focus of study | Findings | Research Gaps | Focus of current study |
|------------------------|---|---|---|--|---|
| Communications Process | Oyetunde & Oladejo(2012) | “Communication approach and a firm performance appraisal of Coca Cola (Nigeria).” | For effective distribution to occur, all departments necessary to enhance customer satisfaction need to work together. | For effective distribution to occur, there must be corporate planning. | Stratified random sampling was used. |
| | Ebarefimia, Ahmed, Ganiyat & Rashitad(2012) | 100 Manufacturing companies Nigeria on the influence of business communication practices. | Companies generally insist on effective business communication issues. The level of effective business communication implementation influenced; sales turnover, job satisfaction and quality of goods and services. | The study focused on effective business communication in Manufacturing companies in Nigeria. | The study collected data from Sustainable Agriculture Tanzania customers. |

| | Author/Year | Focus of study | Findings | Research Gaps | Focus of current study |
|------------------------------|----------------------------------|--|---|--|-----------------------------------|
| Competitive Pricing Strategy | Canina, L., & Enz. A.C., (2008). | “Pricing for revenue enhancement in Asia and Pacific Region hotels: A study of relative pricing strategies.” | Hotels that charge premium price have higher revenue par than competitors. Hotels that price below their competitors have lower revenue par. | The study focused on pricing for revenue enhancement in Asia and Pacific region. | A case study design was employed. |

Table 2.1: Researcher and reviewed literature (2021)

2.5 Conceptual Framework



Researcher (2021)

Figure 2.1: Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter discussed the research design, methodology, sampling procedure, data collection and data analysis technique.

3.2 Research Design

Survey methodology was applied for the research. Mugenda and Mugenda (2003) observe that the technique is applicable in collecting surmountable data in an inexpensive way. The survey collected data and information aimed at customer development strategies for start-up carbon forest projects.

3.3 Target Population

The selected group are customers of Sustainable Agriculture Tanzania. They consist of companies, partners and individuals who are involved with the carbon offsetting project and also potential clients. The population of the study was 200 being 167 individual customers and 33 companies and organizations. Individual customers were drawn from the current connections developed by Sustainable Agriculture Tanzania..

Table 3.1: The Target Population

| CLASSIFICATION | AMOUNT |
|-----------------------------|---------------|
| Individual customers | 167 |
| Companies and Organizations | 33 |
| TOTAL | 200 |

SAT (2019)

3.4 Sampling design

The applied method for extrapolating a representative sample was stratified random sampling method in view of its homogeneity. Since selected groups of study are huge and there is a limit of time and resource, a minimum of 30% sampling is proposed by Mugenda & Mugenda (2003). The study consequently used 60 respondents drawing 10 companies plus organizations and 50 individual customers.

The respondents of the companies consisted of the CEO or any one senior manager conversant and other members with details of their respective organization inclusive of customers. The reason for picking three people per organization is because of the small population of companies, twenty-one companies involved. The study also sampled 50 individual customers and therefore the total sampled size was 60.

Table 3.2: Sample Size

| CLASSIFICATION | Population | Rate | Sample |
|-----------------------------|-------------------|-------------|---------------|
| Individual customers | 167 | 0.3 | 50 |
| Companies and Organizations | 33 | 0.3 | 10 |
| TOTAL | 200 | 0.3 | 60 |

Researcher (2020)

3.5 Data Collection Instrument

Data collection was done through questionnaires with both structured and unstructured questions utilised in collecting primary data. It contained questions relating to the carbon markets for organizations in the start-up carbon projects. The questionnaire also had likert scales of 1 to 5 to gauge the perception of the respondents in regards to the issues they were being interviewed on.

The questionnaire was administered mainly by the researcher and her assistant then collected at a later time.

3.6 Validity and Reliability of the study

A test study before the administration of research instrument was done to refine the instrument. The final instrument was modulated according to time taken to fill the questionnaire, data was either added or removed accordingly to improve on the final construct. A selection of 6 interviewee (10% of the sample size) was used (Mugenda and Mugenda, 2003). Constituting 1 company and 5 individual respondents. Piloted respondents were, however, not considered for the final analysis.

3.6.1 Validity

It is an observed method of quantifying extent of data acquired; how accurately and significantly it resembles forementioned concepts and variables. Its application solidifies the inferences produced from data as exact and relevant. (Mugenda & Mugenda, 2003). Utilising varied informants and documentation enhances the dependability of the research (Yin, 2003). At the beginning, the research utilized econometric approach to initiate comparability, linking strategic plan implementation and competitive advantage of companies. This study used primary data from questionnaires administered to the Top Management Team among the selected companies. A pilot study of 10 top managers unrelated to the study was priorly conducted to check whether the research instrument was able to capture the required data, thus confirming the validity of the data and relevant results.

3.6.2 Reliability

The consistency and reliability was cross checked by use of Cronbach's Alpha by quantifying the typical value of a set of data and its correlation. The same methodology, established on

internal consistency was employed to validate the results. The confirmation of reliability was obtained by applying SPSS software to collected data. Cronbach's alpha was employed to the gross scales of current and advisable states; after testing advisable measures should stand at 0.07 (Hair, Tatham & Black, 2014). An alpha higher than 0.7 is admissible. (George & Mallery, 2003). Analysis using construct validity approach was employed to generate soundness of the instrument used. For this study, Cronbach's alpha produced 79.6% which confirmed that the research instrument was reliable.

3.7 Data collection Procedure

The questionnaires were provided to respondents and collected at a later date, this method was preferred as it ensured maximum reach and appropriation of time. The confidentiality of each participant was promised by a letter of assurance. The filled out questionnaires were collected and call-backs made if need be.

3.8 Data Analysis and Presentation

Following gathering of data, the questionnaires were fully examined prior to coding. The primary data submitted by questionnaires was analyzed on excel to find out existing correlation. This information notified the researcher on relational existence or non-existence between customer development strategies and the performance of startup carbon projects. Statistics was applied to enumerate measurable data including use of tables, charts and percentages. Multivariate regression was employed to ascertain if a collection of variables forecast a stated dependent variable. Mugenda and Mugenda, (2003) recorded numerous efforts to ascertain whether a collection of variables forecast a specified dependent variable.

The regression model is presented below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \alpha$$

Where Y is the dependent variable (performance of startup carbon projects),

β_0 is the regression coefficient,

$\beta_1, \beta_2, \beta_3$ and β_4 are the slopes of the regression equation,

X_1 = Business model

X_2 = Customer service systems

X_3 = communication process

X_4 = competitive pricing

α = an error term.

3.9 Ethical consideration

Confidentiality was maintained by training the respondents on how to answer the questionnaire and also making sure that the questions don't need much thinking but straightforward answering. This avoided bias responses.

The researcher must first assure respondents on data confidentiality and this was demonstrated by not obliging them to provide company identity or their names on the collection instruments.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis, findings and discussion. The purpose of this study was to establish the effect of customer development strategies on performance of start-up carbon projects; a case of study of sustainable agriculture Tanzania (SAT). This chapter is organized into sections based on the research variables.

4.2 Response Rate, Normality Tests and Demographic Information

The research administered 60 questionnaires to respondents drawn from Sustainable Agriculture Tanzania out of whom 51 gave back the questionnaires thus translating to 85 percent response rate. Edward *et al* (2002) indicates that a response rate of less than 60% is insufficient; 60%-80% is highly adequate while over 80% is excellent. A response rate of 85 percent was more than adequate for the purpose of the study. Table 4.1 presents the information.

4.2.1 Response Rate

Table 4.1: Response Rate

| | Frequency | Percent |
|--------------|-----------|---------|
| Responses | 51 | 85.0% |
| No Responses | 9 | 15.0% |
| Total | 60 | 100.0% |

Survey data (2020)

4.2.2 Diagnostic Tests

Diagnostic tests included test of reliability (using Cronbach's Alpha) and normality test (using both Kolmogorov-Smirnova and Shapiro-Wilk statistics).

Table 4.2: Cronbach's Alpha.

| | Reliability Statistics | | |
|---------------------------------------|------------------------|------------------|------------|
| | Variable | Cronbach's Alpha | N of Items |
| Business Model | | .97 | 5 |
| Customer Service System | | .780 | 6 |
| Communication Process | | .805 | 3 |
| Competitive Pricing Strategy | | .864 | 4 |
| Performance of Forest Carbon Projects | | .691 | 3 |
| Composite Alpha | | .823 | 5 |

Survey data (2020)

Reliability refers to the conformability of results given frequent trials (Kothari, 2004). The proposed criteria as per Cronbach's Alpha (Bonett, 2002) and the Alpha ranges from 0 – 1 with 0 representing no consistency and 1 complete consistency. Various magnitudes allow an alpha ranging within 0.7 – 0.9 (DeVellis, 2003). As shown in Table 4.2, the questionnaire presented a cumulative Cronbach's Alpha of 0.823 validating the instruments utilised.

Table 4.3: Normality Test

| | Kolmogorov-Smirnova | | | Shapiro-Wilk | | |
|---------------------------------------|---------------------|----|-------|--------------|----|-------|
| | Statistic | df | Sig. | Statistic | df | Sig. |
| Business Model | 0.250 | 51 | 0.000 | 0.865 | 51 | 0.000 |
| Customer Service System | 0.147 | 51 | 0.007 | 0.962 | 51 | 0.104 |
| Communication Process | 0.187 | 51 | 0.000 | 0.870 | 51 | 0.000 |
| Competitive Pricing Strategy | 0.198 | 51 | 0.000 | 0.908 | 51 | 0.001 |
| Performance of Forest Carbon Projects | 0.304 | 51 | 0.000 | 0.706 | 51 | 0.000 |

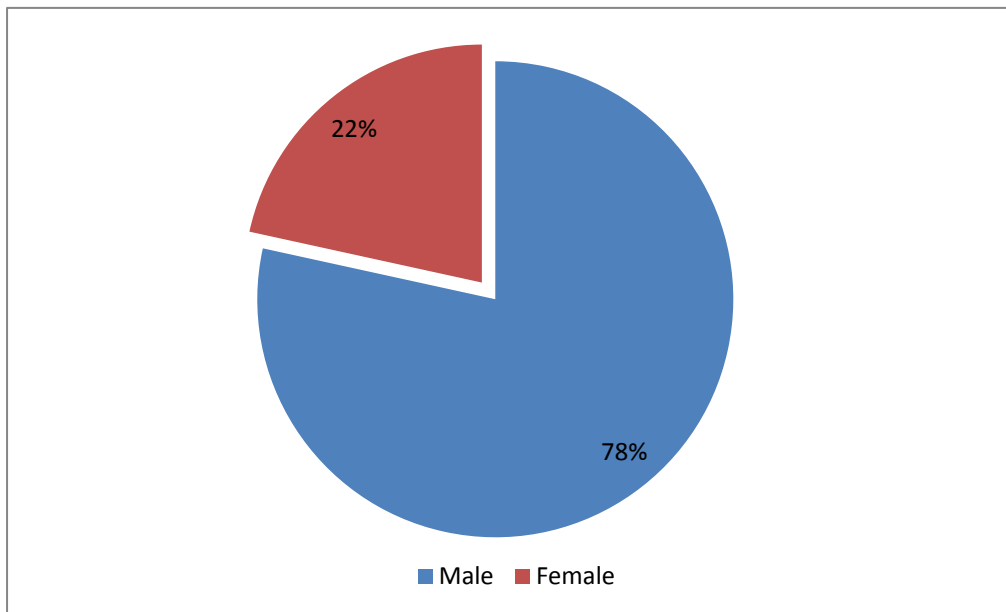
Survey data (2020)

Contrast between detected distribution and the standard is examined using a p value. A p-value of below 0.05 indicates a distribution that is highly dissimilar to the norm. A p-value of 0.05 and above indicates indifference to the norm. Reported in Table 4.3, the p-value is higher than 0.05 for all variables indicating normal distribution of data.

4.2.3 Demographic Information

This section was based on respondents' gender distribution (Figure 4.1), their age (Figure 4.2), marital status (Figure 4.3), and the highest level of education (Figure 4.4).

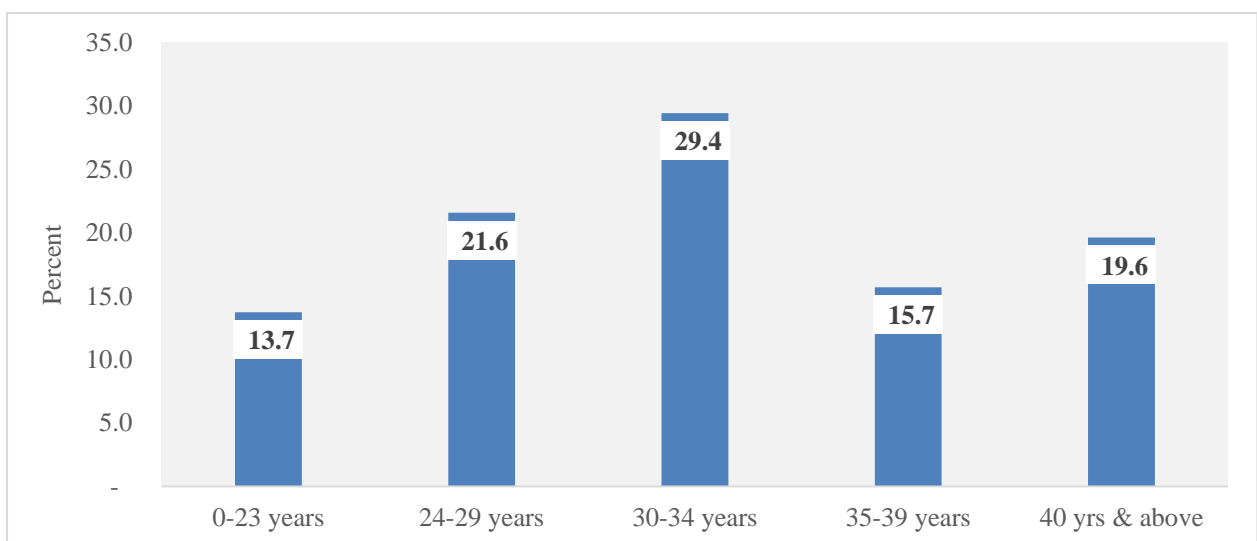
Figure 4.1: Gender of the Respondents



Survey data (2020)

Figure 4.1 indicates that most respondents (78%) were male with 22 percent of females. This implies that start-up forest carbon sequestration projects are more represented by the male gender compared to female. This is because the nature of the industry is such that it is male dominated.

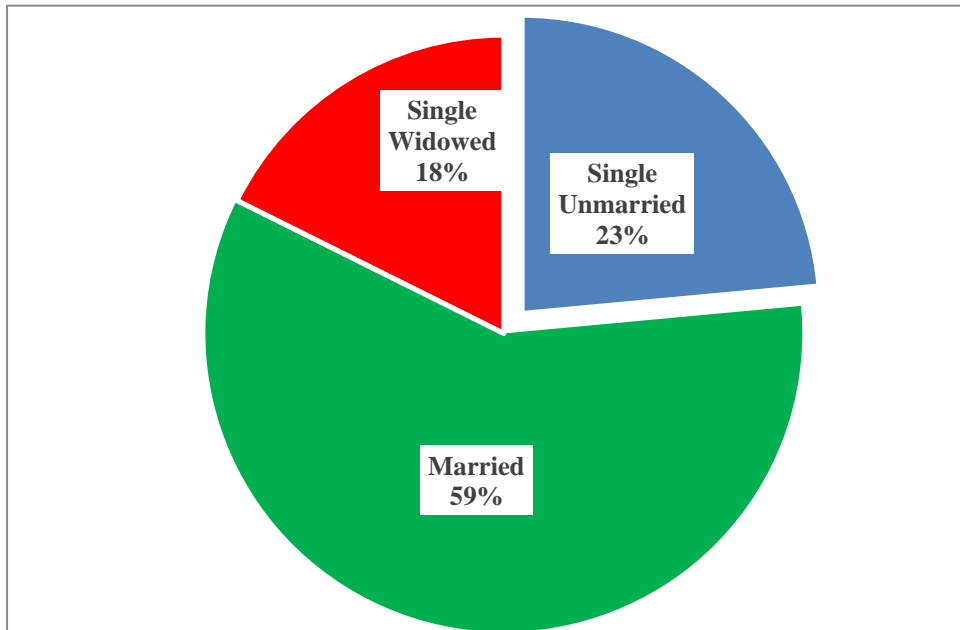
Figure 4.2: Age of the Respondent



Survey data (2020)

As shown in Figure 4.2, most respondents (29.4%) were aged 30-34 years. Others were aged 24 to 29 years (21.6%), 0 to 23 years (13.7%), 35 to 39 years (15.7%) and over 40 years (19.6%). This implies that majority of stakeholders in start-up forest carbon sequestration projects are aged 30 years and above.

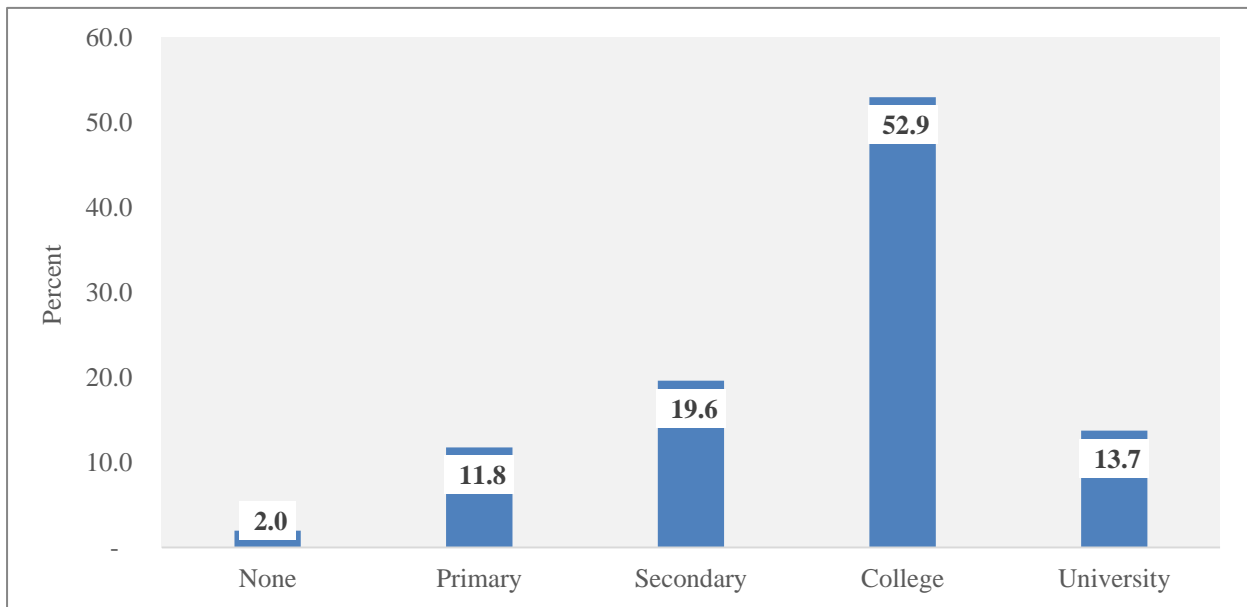
Figure 4.3: Marital Status



Survey data (2020)

Regarding the marital status of the respondents, majority (59%) were married with 23% being single unmarried. The remaining 18% were single windowed. Figure 4.3 presents the findings.

Figure 4.4: Highest Level of Education



Survey data (2020)

On the level of education, Figure 4.4 stipulates most of the employees (52.9%) had a college certificate. University degrees included (13.7%), secondary certificate (19.6%), and primary certificate (11.8). Of the respondents, 2% lacked an academic certificate. This suggests that a large percentage of stakeholders in start-up forest carbon sequestration projects have at least college education.

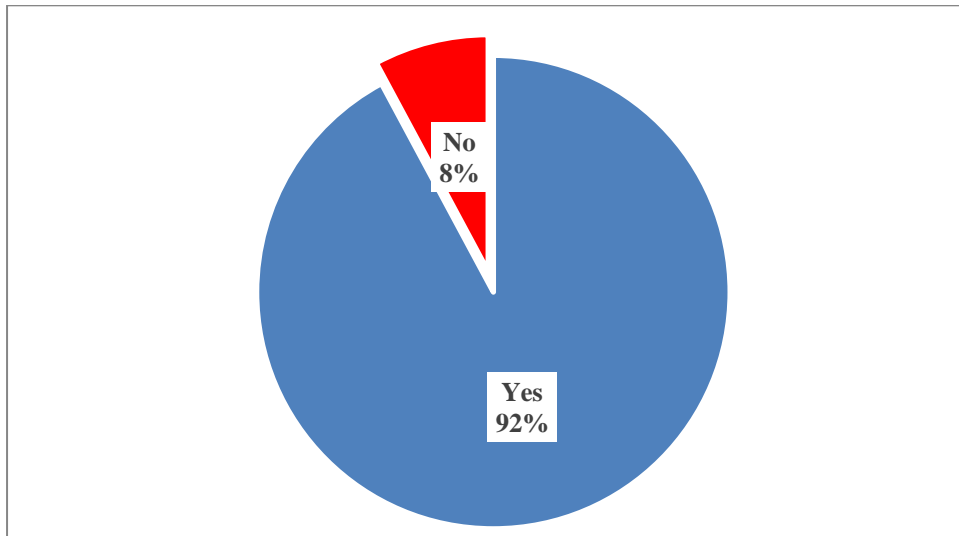
4.3 Descriptive Analysis

This section was based on respondents' views on the extent to which business model, customer service systems, communication process, and competitive pricing strategy influenced performance of forest carbon projects. The section also presents descriptive findings on the performance of forest carbon projects in Tanzania.

4.3.1 Business Model

This sub-section was based whether business model influence performance of forest carbon projects (Figure 4.5) and the extent to which business model influence performance of forest carbon projects in Tanzania

Figure 4.5: Whether Business Model Influence Performance of Forest Carbon Projects



Survey data (2020)

As indicated in Figure 4.5, majority (92%) of respondents specifies that business models influence performance of forest carbon projects with only 8% disapproving such influence. This implies that business model has a major influence performance of forest carbon projects.

Table 4.4: Extent to Which Business Model Influence Performance of Forest Carbon Projects in Tanzania

| Statement | Not at All | Less Extent | Moderating Extent | Large Extent | Very Large Extent | Mean | Standard Deviation |
|---|------------|-------------|-------------------|--------------|-------------------|------|--------------------|
| a) The company's prices are fair thus market share is big | 0.0 | 2.0 | 11.8 | 21.6 | 64.7 | 4.5 | 0.8 |
| b) Enhanced innovation and creativity | 2.0 | 11.8 | 13.7 | 35.3 | 37.3 | 3.9 | 1.1 |
| c) Enhanced cost management | 0.0 | 11.8 | 5.9 | 37.3 | 45.1 | 4.2 | 1.0 |

| | | | | | | | |
|----------------|------------|------------|-------------|-------------|-------------|------------|------------|
| Average | 0.7 | 8.5 | 10.5 | 31.4 | 49.0 | 4.2 | 0.9 |
|----------------|------------|------------|-------------|-------------|-------------|------------|------------|

Survey data (2020)

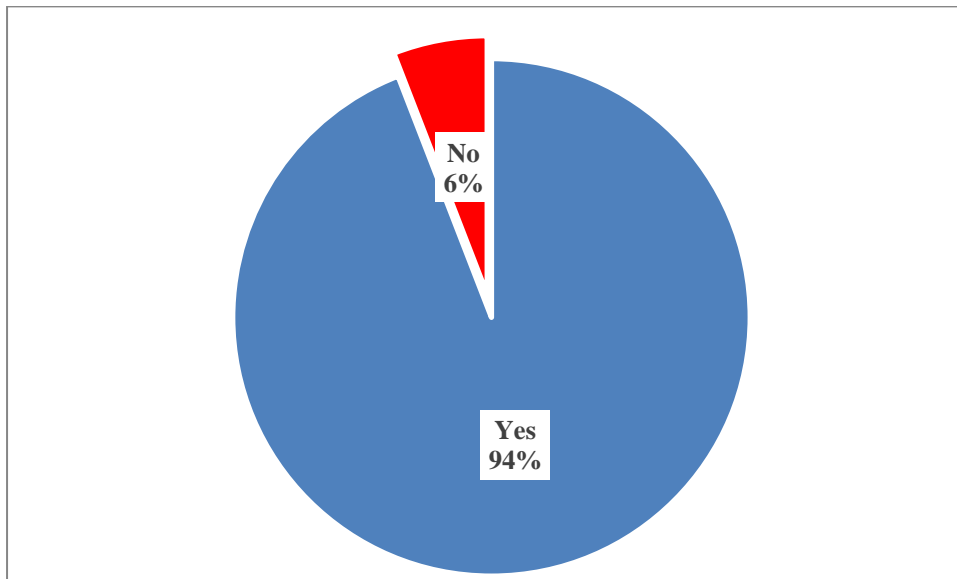
On the extent to which business model influence performance of forest carbon projects in Tanzania, the study found fair pricing consequently indicating a sizable market share (mean = 4.5, standard deviation = 0.8). At the same time, enhanced cost management (mean = 4.2, standard deviation = 1.0) and enhanced innovation and creativity (mean = 3.9, standard deviation = 1.1) are also key in influencing performance of forest carbon projects. The average mean was 4.2 with standard deviation being 0.9 as presented in Table 4.4.

The findings are consistent with fundamental dimensions of the business model which is important in creating and capturing value (Clauss, 2016, Wirtz *et al.*, 2016). Value proposition represents the customer and his/her needs, necessary to provide satisfaction (e.g., Teece, 2010). Value creation expresses how companies create desirability within the value chain. When it comes to firms, this represents the structure and strategy of a company on how to create value (Chesbrough & Rosenbloom, 2002; Johnson *et al.*, 2008; Morris *et al.*, 2005; Sandulli & Chesbrough, 2009).

4.3.2 Customer Service Systems

This sub-section investigates whether customer service systems influence performance of forest carbon projects (Figure 4.6), the influence of customer service systems on performance of forest carbon projects (Table 4.5), and the extent to which information technology (IT) influences performance of forest carbon projects in Tanzania (Table 4.6).

Figure 4.6: Whether Customer Service System Influences Performance of Forest Carbon Projects



Survey data (2020)

As suggested in Figure 4.6, a vast majority of respondents (94%) affirmed that customer service system influences performance of forest carbon projects. The remaining 6%, nonetheless, were of a contrary opinion and said there is no influence on performance of forest carbon projects.

Table 4.5: Influence of Customer Service Systems on Performance of Forest Carbon Projects

| Statement | Not at All | Less Extent | Moderating Extent | Large Extent | Very Large Extent | Mean | Standard Deviation |
|-----------------------------------|-------------------|--------------------|--------------------------|---------------------|--------------------------|-------------|---------------------------|
| a) Accessibility and availability | 0.0 | 11.8 | 43.1 | 29.4 | 15.7 | 3.5 | 0.9 |
| b) Flexibility | 2.0 | 3.9 | 11.8 | 17.6 | 64.7 | 4.4 | 1.0 |
| c) Reliability and response time | 7.8 | 5.9 | 21.6 | 33.3 | 31.4 | 3.7 | 1.2 |
| d) System integration | 9.8 | 17.6 | 13.7 | 23.5 | 35.3 | 3.6 | 1.4 |
| e) Multi-project capability | 0.0 | 15.7 | 47.1 | 13.7 | 23.5 | 3.5 | 1.0 |
| f) Ease in querying | 0.0 | 0.0 | 2.0 | 51.0 | 41.2 | 4.4 | 0.5 |
| Average | 3.3 | 9.2 | 23.2 | 28.1 | 35.3 | 3.8 | 1.0 |

Survey data (2020)

Regarding the influence customer service systems on performance of forest carbon projects, respondents to a large extent indicated that ease in querying of customer service systems influences performance of forest carbon projects to a very large extent (mean = 4.4, standard deviation = 0.5). Other major aspect include flexibility (mean = 4.4, standard deviation = 1.0) of the system, Reliability and response time (mean = 3.7, standard deviation = 1.2). System integration (mean = 3.6, standard deviation = 1.4), accessibility and availability (mean = 3.5, standard deviation = 0.9), and multi-project capability (mean = 3.5, standard deviation = 1.0) were found to have a relatively moderate influence on performance of forest carbon projects. Average mean score indicated 3.8 with 1.0 standard deviation. This implies that customer service systems have a significant influence on performance of forest carbon projects.

These findings concur with argument by Jorge (2015) that, with proper customer service systems in place may yield both technological and organizational networks that assist in customer service provision and satisfying customer needs. Similarly, the study aligns to the to

the business model canvas that relates the types of associations the company aims to construct, the target customer and methods used for interaction in achieving the desired customer service. Moreover, customer service activities, which list the company's most essential activities needed in order for it to operate successfully, are necessary for the business to offer a value, reach markets and develop customer relations (Osterwalder & Pigneur 2010).

Table 4.6: Extent to Which Information Technology (IT) Influences Performance of Forest Carbon Projects in Tanzania

| Statement | Not at All | Less Extent | Moderating Extent | Large Extent | Very Large Extent | Mean | Standard Deviation |
|---|-------------------|--------------------|--------------------------|---------------------|--------------------------|-------------|---------------------------|
| a) Implementing IT data management has enabled faster decision-making process. | 0.0 | 5.9 | 25.5 | 56.9 | 11.8 | 3.7 | 0.7 |
| b) Implementing IT has promoted adequate knowledge management for the organization. | 0.0 | 2.0 | 70.6 | 11.8 | 15.7 | 3.4 | 0.8 |
| c) Implementing IT has drastically improved target monitoring and reporting | 0.0 | 5.9 | 23.5 | 51.0 | 19.6 | 3.8 | 0.8 |
| Average | 0.0 | 4.6 | 39.9 | 39.9 | 15.7 | 3.7 | 0.8 |

Survey data (2020)

Regarding the extent to which information technology (IT) influences performance of forest carbon projects in Tanzania, findings indicate that, use of IT data management systems has to a large extent made the decision-making process faster as given by mean of 3.7 and standard deviation of 0.7. In addition, use of IT has facilitated better knowledge management for the organization (mean = 3.4, standard deviation = 0.8) with at the same time IT has significantly

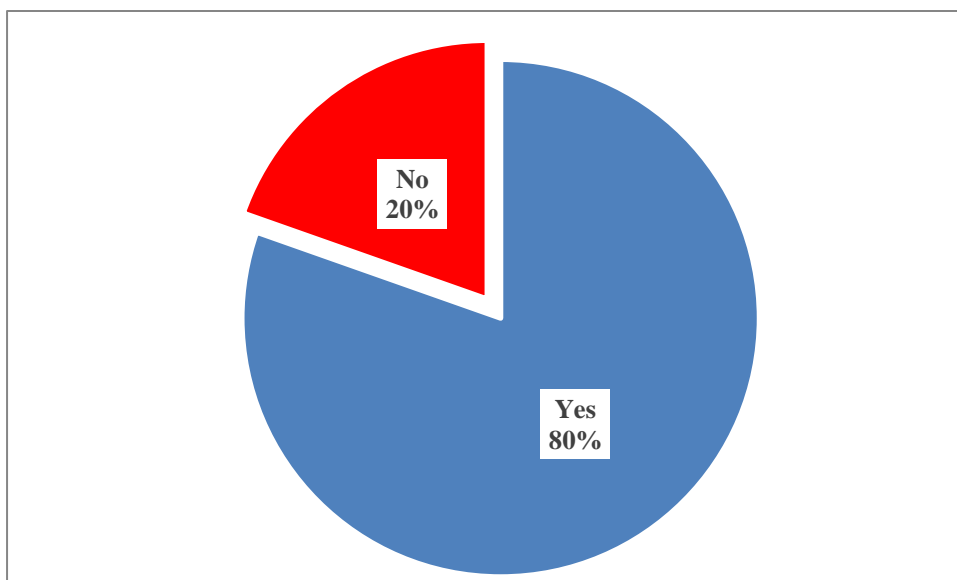
improved target monitoring and reporting significantly (mean = 3.8, standard deviation = 0.8). The average (mean = 3.7, standard deviation = 0.8).

These findings are supported by Cavusgil and Zou's (2009) assertions that it is key for organizations to implement a planned and constant approach to meeting customer needs so as to add value. This is possible to achieve regardless of the marketing approach used be it a standardized approach or adaptation. Some scholars however are persistent that sales on a global scale can be achieved by implementing an adaptation strategy (Leonidou, Hult, and Tomas, 2002).

4.3.3 Communication Process

This subsection sought to establish whether communication process influences performance of forest carbon projects (Figure 4.7) and the extent to which communication process influence performance of forest carbon projects in Tanzania (Table 4.7).

Figure 4.7: Whether Communication Process Influence Performance of Forest Carbon Projects



Survey data (2020)

As shown in Figure 4.7, majority of respondents (80%) acknowledged that communication process influences performance of forest carbon projects with the remaining 20% denying any influence of communication process on performance of forest carbon projects.

Table 4.7: Extent to Which Communication Process Influences Performance of Forest Carbon Projects in Tanzania

| Statement | Not at All | Less Extent | Moderating Extent | Large Extent | Very Large Extent | Mean | Standard Deviation |
|---|-------------------|--------------------|--------------------------|---------------------|--------------------------|-------------|---------------------------|
| a) Improved planning of activities | 0.0 | 5.9 | 15.7 | 31.4 | 47.1 | 4.2 | 0.9 |
| b) Reduction of the time required for decision-making | 0.0 | 0.0 | 9.8 | 27.5 | 62.7 | 4.5 | 0.7 |
| c) Task and schedule slippage | 0.0 | 15.7 | 25.5 | 41.2 | 17.6 | 3.6 | 1.0 |
| d) Overview of project | 0.0 | 5.9 | 33.3 | 45.1 | 15.7 | 3.7 | 0.8 |
| Average | 0.0 | 6.9 | 21.1 | 36.3 | 35.8 | 4.0 | 0.8 |

Survey data (2020)

Table 4.7 shows the extent to which communication process influence performance of forest carbon projects in Tanzania. From the findings, communication process has to a very large extent reduced time required for decision-making (mean = 4.5, standard deviation = 0.7) as well as improving planning of activities (mean = 4.2, standard deviation = 0.9). Communication process has also moderately lead to effective overview of project (mean = 3.7, standard deviation = 0.8) and task and schedule slippage (mean = 3.6, standard deviation = 1.0). The average (mean = 4.0, standard deviation = 0.8).

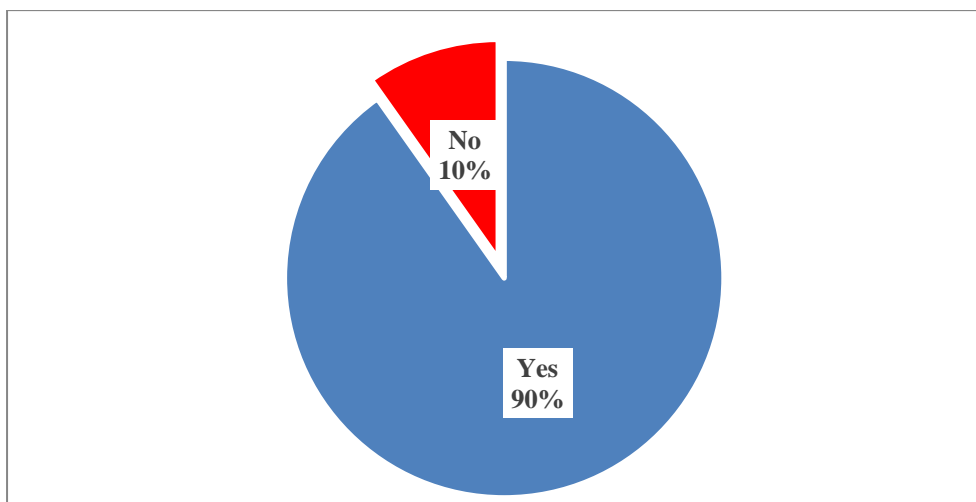
As asserted by Mistry (2008), effective communication is fostered earlier on in order to develop social interactions, improved employee and customer relations. Companies that maintain frequent contact enabled themselves to gain adequate understanding on the

problems afflicting the various levels of the company and are thus able to solve any problems related to performance. A study by Oyetunde & Oladejo, (2012) also places communication at the central position in determining performance since there is efficiency in interaction of key players and activities within an organization with internal communication crises yielding a fundamental problem on employee communication (Kukule, 2012).

4.3.4 Competitive Pricing Strategy

This subsection intended to assess whether competitive pricing strategy influence performance of forest carbon projects (Figure 4.5) and the extent to which competitive pricing strategy influence performance of forest carbon projects in Tanzania (Table 4.8).

Figure 4.8: Whether Competitive Pricing Strategy Influence Performance of Forest Carbon Projects



Survey data (2020)

As shown in Figure 4.5, respondents indicated that competitive pricing strategy to a very great extent (90%) influences performance of forest carbon projects. The remaining 10% expressed that competitive pricing strategy has no major influence on performance of forest carbon projects.

Table 4.8: Extent to Which Competitive Pricing Strategy Influence Performance of Forest Carbon Projects in Tanzania

| Statement | Not at All | Less Extent | Moderating Extent | Large Extent | Very Large Extent | Mean | Standard Deviation |
|--|-------------------|--------------------|--------------------------|---------------------|--------------------------|-------------|---------------------------|
| a) Premium pricing has been favourable and has facilitated performance of forest carbon projects | 0.0 | 2.0 | 68.6 | 11.8 | 17.6 | 3.5 | 0.8 |
| b) Discounts awarded on forest carbon projects has influenced start-up carbon project | 0.0 | 5.9 | 23.5 | 49.0 | 21.6 | 3.9 | 0.8 |
| c) Compared to other start up projects, start-up forest carbon projects have proved more competitive in terms of pricing | 0.0 | 13.7 | 45.1 | 35.3 | 5.9 | 3.3 | 0.8 |
| Average | 0.0 | 7.2 | 45.7 | 32.0 | 15.0 | 3.5 | 0.8 |

Survey data (2020)

Table 4.8 shows the extent to which competitive pricing strategy influences performance of forest carbon projects in Tanzania. From the findings, discounts awarded on forest carbon projects has to large extent influenced start-up carbon project (mean = 3.9, standard deviation = 0.8). Premium pricing has also been favourable and facilitated performance of start-up forest carbon projects (mean = 3.5, standard deviation = 0.8). Moreover, and compared to other start up projects, start-up forest carbon projects have fairly proved more competitive in terms of pricing (mean = 3.3, standard deviation = 0.8). The average (mean = 3.5, standard deviation = 0.8).

Research carried out identified several decisions linked to pricing that eventually affects the export performance of a company. This can be either the pricing strategy implemented by the firm, its credit policy, sales terms and export performance. Christensen, Johansson, and

Perona, (2009). This indicated that apart from the affordability of the product/service companies should work in tandem with other key factors to ensure good performance. Prahalad (2010).

4.3.5 Performance of Forest Carbon Projects

This section presents respondents rating of the various aspects indicating performance of forest carbon projects in Tanzania as shown in Table 4.9.

Table 4.9: Performance of Forest Carbon Projects in Tanzania

| Statement | Not at All | Less Extent | Moderating Extent | Large Extent | Very Large Extent | Mean | Standard Deviation |
|---|-------------------|--------------------|--------------------------|---------------------|--------------------------|-------------|---------------------------|
| a) Efficiency in service provision | 0.0 | 2.0 | 11.8 | 70.6 | 15.7 | 4.0 | 0.6 |
| b) Number of customers has increased | 0.0 | 5.9 | 23.5 | 51.0 | 19.6 | 3.8 | 0.8 |
| c) There has been consistent increase in revenue | 5.9 | 0.0 | 15.7 | 47.1 | 31.4 | 4.0 | 1.0 |
| d) Better management of budgets | 0.0 | 0.0 | 9.8 | 27.5 | 62.7 | 4.5 | 0.7 |
| e) Customer satisfaction has improved as indicated by low level of complaints | 0.0 | 4.9 | 24.6 | 57.4 | 13.1 | 3.8 | 0.7 |
| Average | 1.2 | 2.6 | 17.1 | 50.7 | 28.5 | 4.0 | 0.8 |

Survey data (2020)

From the findings, there is better management of budgets (mean = 4.5, standard deviation = 0.7), efficiency in service provision (mean = 4.0, standard deviation = 0.6), consistent increase in revenue (mean = 4.0, standard deviation = 1.0) and number of customers has increased (mean = 3.8, standard deviation = 0.8). Customer satisfaction has improved as indicated by low level of complaints (mean = 3.8, standard deviation = 0.7). The average

(mean = 4.0, standard deviation = 0.8). This indicates that performance of forest carbon projects has largely improved as a result of customer development strategy.

The study is consistent with literature that, despite on-going queries on the construct of customer relationship, its connection to the performance of the organization is still significant. The results suggest that managers need to develop stronger relationships with customers to enhance the value of their products. Research further indicates the positive influence of a customer-centred approach on the performance of firms. However, empirical studies investigating the ‘relationship between product-related attributes of customers and firm financial performance,’ have lacked to indicate with detail how the features of customers in relation to product contributes to monetary performance.

4.4 Inferential Analysis

Inferential statistics were given using correlation coefficient, coefficient of determination (R-Square), analysis of variance as well as regression coefficients. Test for autocorrelation was also conducted.

4.4.1 Correlation Coefficient

Table 4.10: Correlation Coefficients for Variables Relationship

| | Business model | Customer service systems | Communication process | Competitive pricing strategy |
|------------------------------|----------------|--------------------------|-----------------------|------------------------------|
| Business model | 1 | 0.467 | 0.509 | 0.467 |
| Customer service systems | 0.467 | 1 | 0.655 | 0.772 |
| Communication process | 0.509 | 0.655 | 1 | 0.677 |
| Competitive pricing strategy | 0.467 | 0.772 | 0.677 | 1 |

Survey data (2020)

The highest correlation was found between customer service systems and competitive pricing strategy with a correlation coefficient of 0.772. Other major correlations were between communication process and competitive pricing strategy (0.677), communication process and customer service systems (0.655) as well as business model and communication process.

4.4.2 Coefficient of Determination

Table 4.11: Coefficient of Determination (R²)

| R | R ² | Adjusted R ² | Std. Error of the Estimate | R ² Change | Change Statistics | | | Sig. F Change | Durbin-Watson |
|------|----------------|-------------------------|----------------------------|-----------------------|-------------------|-----|-----|---------------|---------------|
| | | | | | F Change | df1 | df2 | | |
| .852 | .726 | .702 | .14601 | .726 | 30.402 | 4 | 46 | .000 | 1.970 |

Survey data (2020)

Results in Table 4.11 show an This is significant prediction given that p-Value = 0.000<0.05 when df1 =4 and df2 46 at 5% significant level. The researcher tested for autocorrelation using Durbin Watson statistic. According to Durbin and Watson (1950,1951) the hypotheses for the test are:

H₀ = No first order autocorrelation

H₁ = First order correlation exists.

(For a first order correlation, the lag is one-time unit).

Normality is gauged at values of 1.5-2.5. Interest begins to show for those values under 1 or above 3,” (Field,2009). According to this study, Durbin Watson statistic was 1.970 which falls within the relatively-normal range and therefore there was no indication of autocorrelation in the residuals from a regression analysis.

4.4.3 Analysis of Variance

Table 4.12: Analysis of Variance (ANOVA)

| | Sum of Squares | Df | Mean Square | F | Sig. |
|------------|----------------|----|-------------|--------|------|
| Regression | 2.593 | 4 | .648 | 30.402 | .000 |
| Residual | .981 | 46 | .021 | | |
| Total | 3.573 | 50 | | | |

a. Predictors: (Constant), business model, customer service systems, communication process, competitive pricing strategy

b. Dependent Variable: Performance of Forest Carbon Projects

Survey data (2020)

As shown in Table 4.12, $F\text{-Calculated}(4, 46) = 30.402 > F\text{-Critical}(4, 46) = 2.758$ at 2-tail test and 95% confidence level. Results also show $p\text{-Value} = 0.000 < 0.05$. It corroborates at composite level, the predictors (business model, customer service systems, communication process, and competitive pricing strategy) significantly influence performance of forest carbon projects.

4.4.4 Regression Model

Table 4.13: Regression Coefficients

| | Unstandardized Coefficients | | Standardized Coefficients | | |
|------------------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | t | Sig. |
| (Constant) | .681 | .240 | | 2.841 | .007 |
| Business Model | .180 | .067 | .254 | 2.707 | .009 |
| Customer Service System | .210 | .068 | .379 | 3.105 | .003 |
| Communication Process | .306 | .077 | .336 | 3.963 | .000 |
| Competitive Pricing Strategy | .076 | .049 | .180 | 1.541 | .030 |

a. Dependent Variable: Performance of forest carbon projects

Survey data (2020)

Findings as shown in Table 4.13 express that, when business model, customer service systems, communication process, and competitive pricing strategy are individually increased by one unit, performance of forest carbon projects would increase by 0.180, 0.210, 0.306, and 0.076 units respectively. The opposite is also true. When all the explanatory variables are held constant, performance of forest carbon projects will remain at 0.681 out of 5 scores. This indicates that business model, customer service systems, communication process, and competitive pricing strategy all significantly influence performance of forest carbon projects given p-Value <0.05 for each. R-Square of 0.726 with the standard error of estimate being 0.146. This implies that collectively, business model, customer service systems, communication process, and competitive pricing strategy explain changed performance of forest carbon projects up to 72.6 percent. This can be summarized by the following model: $Y = 0.681 + 0.180X_1 + 0.210X_2 + 0.306X_3 + 0.076X_4$ where Y = performance of forest carbon projects and X_i are the explanatory variables.

The findings are in line with Blank and Dorf (2012) argument that, for desired performance to be achieved, there is need for an effective, contemporary and customer-centric development strategies, that primarily needs a repetitive process of ‘building and evaluating’ products. Evidently, agile procedures target efficiency based approaches rather than promotion of product enhancement thinking (Bosch et al., 2013). This can easily be achieved through value creation using various methods utilized by a company to create benefits in the chain including; creation of value, distribution and development of complementary assets and market strategies, (Chesbrough, 2009).

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings, conclusion and recommendations. The study sought; to examine the influence of business model on Performance of forest carbon projects, to examine the influence of customer service systems on Performance of forest carbon projects, to determine the influence of communication process on Performance of forest carbon projects and to establish the influence of competitive pricing strategies on Performance of forest carbon projects. The chapter additionally proposes alternatives for advanced studies.

5.2 Summary of Key Findings

In addition, R-Square was 0.726 with the standard error of estimate being 0.146. It indicates that collectively, business model, customer service systems, communication process, and competitive pricing strategy explain changed performance of forest carbon projects up to 72.6 percent. This is significant prediction given that $p\text{-Value} = 0.000 < 0.05$ when $df_1 = 4$ and $df_2 = 46$ at 5% significant level.

Findings also indicated $F\text{-Calculated} (4, 46) = 30.402 > F\text{-Critical} (4, 46) = 2.758$ at 2-tail test and 95% confidence level. Findings consequently revealed $p\text{-Value} = 0.000 < 0.05$. Solidifying that at composite level, the predictors (business model, customer service systems, communication process, and competitive pricing strategy) significantly influence performance of forest carbon projects. The model is outlined by the following model: $Y = 0.681 + 0.180X_1 + 210X_2 + 0.306X_3 + 0.076X_4$ where Y refers to performance of forest carbon projects and X_i is the explanatory variables.

5.2.1 Business Model

Findings indicated that majority (92%) of respondents indicated that business model influence performance of forest carbon projects with only 8% disapproving such influence. On the extent to which business model influence performance of forest carbon projects in Tanzania, the study found fair pricing corresponding to a sizable market share (mean = 4.5, standard deviation = 0.8). At the same time, enhanced cost management (mean = 4.2, standard deviation = 1.0) and enhanced innovation and creativity (mean = 3.9, standard deviation = 1.1) are also key in influencing performance of forest carbon projects.

5.2.2 Customer Service System

A vast majority of respondents (94%) affirmed that customer service system influences performance of forest carbon projects. Regarding the influence customer service systems and performance of forest carbon projects, respondents to a large extent indicated that ease in querying of customer service systems influence performance of forest carbon projects to a very large extent (mean = 4.4, standard deviation = 0.5). Other major aspect include flexibility (mean = 4.4, standard deviation = 1.0) of the system, Reliability and response time (mean = 3.7, standard deviation = 1.2). Regarding the extent to which information technology (IT) influences performance of forest carbon projects in Tanzania, findings indicate that, use of IT data management systems has to a large extent made the decision-making process faster as given by mean of 3.7 and standard deviation of 0.7.

5.2.3 Communication Process

Majority of respondents (80%) acknowledged that communication process influences performance of forest carbon projects with the remaining 20% denying any major influence of communication process on performance of forest carbon projects. In addition, communication process has to a very large extent reduced time required for decision-making

(mean = 4.5, standard deviation = 0.7) as well as improving planning of activities (mean = 4.2, standard deviation = 0.9). Communication process has also moderately lead to effective overview of project (mean = 3.7, standard deviation = 0.8) and task and schedule slippage (mean = 3.6, standard deviation = 1.0).

5.2.4 Competitive Pricing Strategy

Competitive pricing strategy to a very great extent (90%) influences performance of forest carbon projects. The remaining 10% expressed that competitive pricing strategy has no major influence on performance of forest carbon projects. In addition, discounts awarded on forest carbon projects has favoured start-up carbon project (mean = 3.9, standard deviation = 0.8). Premium pricing has also been favourable and facilitated performance of forest carbon projects (mean = 3.5, standard deviation = 0.8).

5.3 Conclusions

In conclusion, customer development strategies in start-up forest carbon projects are important for performance of forest carbon projects. Contributing to this performance are particularly the company's prices, enhanced innovation and creativity, business management system, reduction of the time required for decision-making, and improved planning of activities. At the same time, use of IT data management systems has to a large extent made the decision-making process faster. These aspects generally lead to better management of budgets efficiency in service provision, consistent increase in revenue and number of customers has increased. Moreover, customer development strategies lead to customer satisfaction improvement. The highest correlation was found between customer service systems and competitive pricing strategy with a correlation coefficient of 0.772. Other major correlations were between communication process and competitive pricing strategy (0.677),

communication process and customer service systems (0.655) as well as business model and communication process.

5.4 Recommendations

The researcher gives the following recommendations: Start-up carbon projects should be keen on employing business models that are effective in their relationships and that allow expression of a company's logic for earning money. Customer service systems are also key in ensuring that customers are served with diligence and their requirements managed effectively. Organizations and especially those in start-up carbon projects should ensure they install relevant and effective customer service systems. Organizations should adopt a sustainable pricing strategy that would give start-up carbon projects a competitive edge plus promote customer growth and satisfaction. Use of IT data management systems has to a large extent made the decision-making process faster. These aspects generally lead to; better management of budgets, efficiency in service provision, consistent increase in revenue and number of customers has increased. Moreover, customer development strategies lead to customer satisfaction improvement.

5.5 Further Research

Given the findings and limitations, the research proposes additional studies on: determinants of customer development strategies and performance of start-up carbon projects to be carried out with an expanded study area other than Sustainable Agriculture Tanzania (SAT). This would be achieved by including other start-up forest carbon projects into the study population. A study including variables other than the four customer development strategies (business model, customer service systems, communication process, and competitive pricing strategy) considered in this study should be carried out given that this study established 28% of change in the dependent variable expounded by such other variables not discussed in this

study. This study should also be contextualized in other industries and results compared to those of the Start-Up Forest Carbon Projects.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Section A: Bio-data from the Respondents

1. Gender

Female () Male ()

2. Age

0-23 years () 24-29 years () 30-34 years () 35-39 years () 40 yrs & above ()

3. Marital status?

Single () Married () Widowed ()

4. What is your highest level of education?

None () Primary () Secondary () College ()

Section B: Influence of business model on Performance of forest carbon projects

5. In your opinion does business model influence Performance of forest carbon projects in Tanzania

Yes () No ()

6. To what extent do business models influence Performance of forest carbon projects in Tanzania? Where 1=Not at all; 2= low extent; 3=moderate extent; 4=great extent; very great extent

| Statements | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| The company's prices are fair thus Market Share is big | | | | | |

| | | | | | |
|-------------------------|--|--|--|--|--|
| Innovation & Creativity | | | | | |
| Cost Management | | | | | |

Section C: Influence of customer service systems on Performance of forest carbon projects

7. In your opinion do customer service systems influence Performance of forest carbon projects in Tanzania?

Yes () No ()

8. To what extent do customer service systems influence Performance of forest carbon projects in Tanzania? Where 1=Not at all; 2= low extent; 3=moderate extent; 4=great extent; very great extent

| Statements | 1 | 2 | 3 | 4 | 5 |
|--------------------------------|----------|----------|----------|----------|----------|
| Accessibility and availability | | | | | |
| Flexibility | | | | | |
| Reliability and Response Time | | | | | |
| System Integration | | | | | |
| Multi-project Capability | | | | | |
| Querying Ease | | | | | |

9. To what extent do you agree with the following statements. Where 1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree

| Statements | 1 | 2 | 3 | 4 | 5 |
|--|----------|----------|----------|----------|----------|
| Use of IT data management systems has made the decision making process faster. | | | | | |
| Use of IT has facilitated better knowledge management for the organization. | | | | | |
| Use of IT has improved target monitoring and reporting significantly | | | | | |

Section D: Influence of communication process on Performance of forest carbon projects

10. In your opinion does communication process influence Performance of forest carbon projects in Tanzania?

Yes () No ()

11. To what extent does communication process influence Performance of forest carbon projects in Tanzania? Where 1=Not at all; 2= low extent; 3=moderate extent; 4=great extent; very great extent

| Statements | 1 | 2 | 3 | 4 | 5 |
|--|----------|----------|----------|----------|----------|
| Improved planning of activities | | | | | |
| Reduction of the time required for decision-making | | | | | |
| Task and schedule slippage | | | | | |

| | | | | | |
|---------------------|--|--|--|--|--|
| Overview of project | | | | | |
|---------------------|--|--|--|--|--|

Section E: Influence of Competitive Pricing Strategy on Performance of Forest Carbon Projects

12. In your opinion does competitive pricing strategy influence performance of forest carbon projects in Tanzania?

Yes () No ()

13. To what extent does competitive pricing strategy influence performance of forest carbon projects in Tanzania? Where 1=Not at all; 2= low extent; 3=moderate extent; 4=great extent; very great extent

| Statements | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Premium pricing has been favorable and has facilitated performance of forest carbon projects | | | | | |
| Discounts awarded on forest carbon projects has influenced start-up carbon project | | | | | |
| Compared to other projects, start-up carbon projects have proved more competitive in terms of pricing | | | | | |

Section E: Performance of forest carbon projects

14. To what extent do you think the following aspects of performance of start-up forest carbon sequestration projects in Tanzania have improved as a result of customer development

strategies? Where 1=not at all; 2= low extent; 3=moderate extent; 4=great extent; very great extent

| Statements | 1 | 2 | 3 | 4 | 5 |
|--|----------|----------|----------|----------|----------|
| Efficiency in service provision | | | | | |
| Number of customers has increased | | | | | |
| There has been consistent increase in revenue | | | | | |
| Better management of budgets | | | | | |
| Customer satisfaction has improved as indicated by low level of complaints | | | | | |

15. Please suggest any other customer development strategy that can improve performance of start-up forest carbon sequestration projects in Tanzania

APPENDIX 11: NACOSTI LETTER



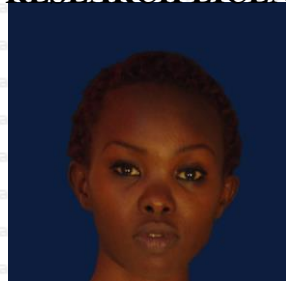
REPUBLIC OF KENYA



Ref No: **648959**

Date of Issue: **09/September/2019**

RESEARCH LICENSE



This is to Certify that Ms.. Betty jeruto of Kenyatta University, has been licensed to conduct research in Nairobi on the topic: Customer Development Strategies and Performance of Start-up carbon projects:a case study of SAT for the period ending : 09/September/2020.

License No: **NACOSTI/P/19/1248**

648959

Applicant Identification Number

Direct
or General
NATIONAL
COMMISSIO
N FOR
SCIENCE



VA
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ON

APPENDIX 111: AUTHORIZATION FOR DATA COLLECTION



KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 8710901 Ext. 57530

Our Ref: D53/OL/CTY/32674/2016

DATE: 27th August, 2020

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

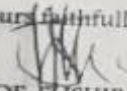
RE: RESEARCH AUTHORIZATION FOR BETTY JERUTO D53/OL/CTY/32674/2016

I write to introduce Ms. Betty Jeruto Cheruiyot who is a Postgraduate Student of this University. He is registered for M.B.A degree programme in the Department of Business Administration.

Ms. Cheruiyot intends to conduct research for a M.B.A Project Proposal entitled, "Customer Development Strategies and Performance of Start-up Carbon Projects. A Case of Sustainable Agriculture Tanzania (SAT)".

Any assistance given will be highly appreciated.

Yours faithfully,


PROF. ELISHIBA KIMANI
DEAN, GRADUATE SCHOOL

EK/nn

APPENDIX IV: WORK PLAN

| Description | 2019 | | | | | | | | |
|---------------------------------|------|-----|-----|-----|-----|-----|-----|-----|------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept |
| Proposal development | | | | | | | | | |
| Proposal defense | | | | | | | | | |
| Proposal corrections | | | | | | | | | |
| Seminar defense | | | | | | | | | |
| Seminar corrections | | | | | | | | | |
| Pilot study | | | | | | | | | |
| Data collection | | | | | | | | | |
| Data cleaning, coding and entry | | | | | | | | | |
| Data analysis | | | | | | | | | |
| Report writing | | | | | | | | | |
| Thesis presentation | | | | | | | | | |
| Thesis correction | | | | | | | | | |
| Submission of final thesis | | | | | | | | | |

APPENDIX V: BUDGET

| BUDGET | |
|---------------------|--------------|
| ACTIVITY | COSTS (Ksh.) |
| 1. Travel expenses | 55,900 |
| 2. Accommodation | 15,000 |
| 3. Project fee | 64,450 |
| 4. Printing charges | 2,760 |
| 5. Data charges | 3,000 |
| 6. Food expenses | 5,000 |